



Business operations

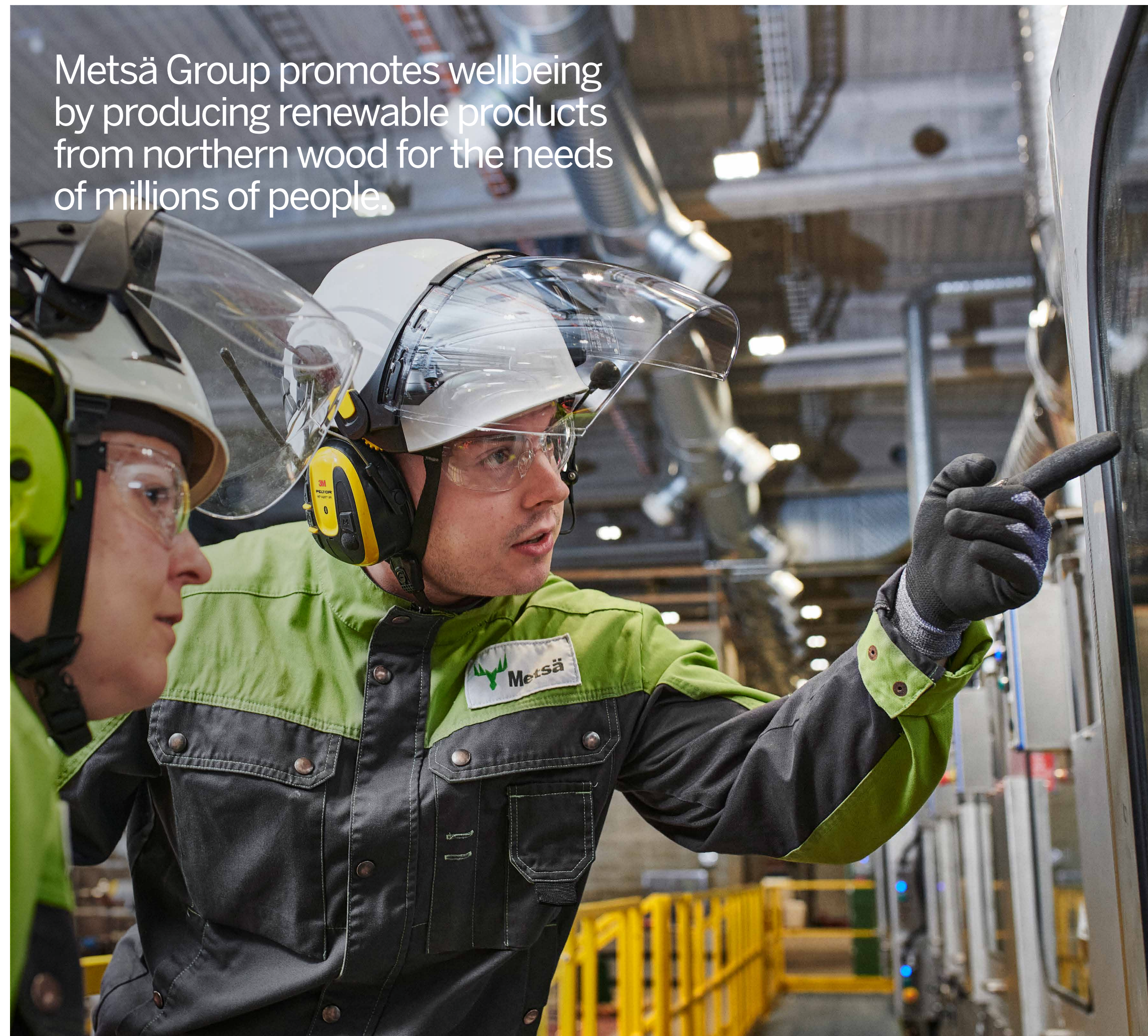
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Metsä Group promotes wellbeing by producing renewable products from northern wood for the needs of millions of people.

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Metsä Group's story starts with Finnish forests

We are an internationally operating Finnish forest industry company. We use northern wood responsibly and efficiently to manufacture fossil-free products for everyday life. Our main market areas are Europe, Asia and North America.

Business areas

Pulp and Sawn Timber

Metsä Fibre's main products are pulp and sawn timber. The company is the world's largest producer of bleached softwood market pulp and one of the largest producers of sawn timber in Europe. Production side streams are used to produce valuable biochemicals and bioenergy, for example.

Paperboard

Metsä Board is the leading manufacturer of fresh fibre paperboards, and its main markets are in Europe. The company focuses on lightweight and high-quality folding boxboards and food service paperboards, as well as white kraftliners. Metsä Board's shares are listed on Nasdaq Helsinki.

Tissue and Greaseproof Papers

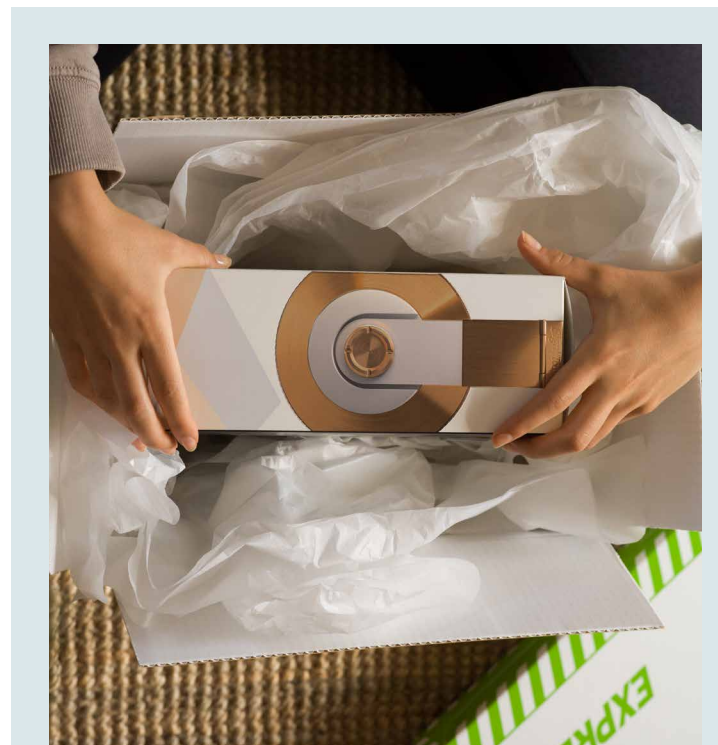
Metsä Tissue's offering includes hygiene products for households and professionals, as well as greaseproof papers for cooking and food packaging. The markets for tissue paper are located close to the mills in Europe, while greaseproof paper is sold globally. Metsä Tissue brands are Lambi, Serla, Mola, Tenta, Katrin and Saga.

Wood Products

Metsä Wood is one of Europe's leading manufacturers of engineered wood products, supplying wood products to customers in the construction, industrial and distribution sectors. Metsä Wood's products are Kerto® LVL, birch and spruce plywood, and further processed sawn timber.

Metsä Forest

Metsä Forest provides and develops the services offered to the members of our parent company, Metsäliitto Cooperative. It procures all the wood used by Metsä Group, mainly from our owner-members in Finland. Metsä Group is committed to the principles of regenerative forestry.

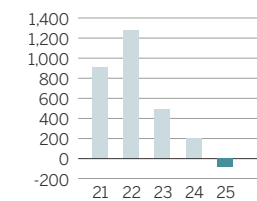


Metsä Group creates added value for Finnish wood

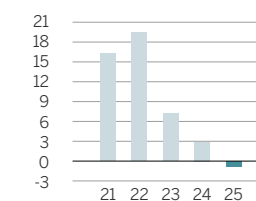
- We combine Finland's key natural resources: brains and forests. We have the courage for experimentation and renewal in a changing world.
- We use raw materials efficiently and utilise side streams.
- We manufacture renewable products that can replace fossil-based materials.
- We are developing regenerative forestry to strengthen the state of nature in the face of climate change.
- We create jobs and income across Finland. Our parent company's 90,000 forest owners own more than half of Finland's privately owned forests.

Key figures 2025

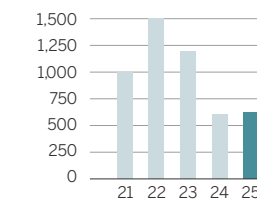
COMPARABLE OPERATING RESULT
EUR million



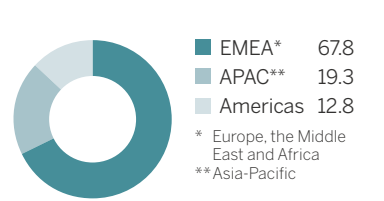
COMPARABLE ROCE
%



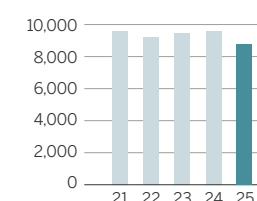
TOTAL INVESTMENTS
EUR million



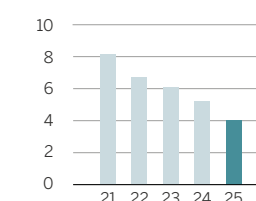
SALES BY MARKET AREA
%



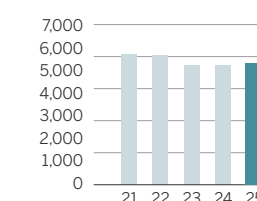
PERSONNEL
at the end of year



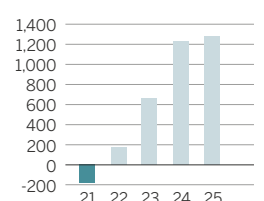
TOTAL RECORDABLE ACCIDENT FREQUENCY (TRIF)
Own Personnel



EQUITY RATIO
%



INTEREST BEARING NET LIABILITIES
EUR million



METSÄ GROUP		Sales	Comparable operating result	Personnel
The parent company Metsäliitto Cooperative is composed of approximately 90,000 Finnish forest owners.		EUR 5.8 billion	EUR -85 million	8,800
Pulp and sawn timber METSÄ FIBRE	Paperboard METSÄ BOARD	Tissue and greaseproof papers METSÄ TISSUE	Wood products METSÄ WOOD	Wood supply and forest services METSÄ FOREST
OWNERSHIP Metsäliitto Cooperative 55.2% Metsä Board 24.9% Itochu Corporation 19.9%	Metsäliitto Cooperative 52% (69% of votes) The company is listed on Nasdaq Helsinki.	Metsäliitto Cooperative 100%	Metsäliitto Cooperative 100%	Metsäliitto Cooperative 100%
SALES EUR 2.6 billion	EUR 1.8 billion	EUR 1.1 billion	EUR 0.5 billion	EUR 2.5 billion
PERSONNEL 1,400	1,900	2,400	1,600	600
METSÄ SPRING Innovation company				

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The world is in turmoil – how does Metsä Group respond?

The year 2025 was exceptionally challenging for Metsä Group. Economic and geopolitical turmoil weakened both the demand for our products and our profitability. Fortunately, our solid financial position and the investments we have made provide us with the means to face future uncertainties.

A firm foundation takes us through challenging times

In a word, Metsä Group's result for 2025 was weak. Our comparable operating loss was EUR -85 million, with the result of our pulp and paperboard businesses being hit particularly hard.

The last time we had a negative result was in 2009.

Fortunately, the good years we've had before allowed Metsä Group to build a strong financial buffer, which has become useful now. At the end of the year, our equity ratio was 56.8%, which gives us stability against future risks. Our operating cash flow was positive at EUR 537 million. That is something we can be pleased about.

Market pressures and changes in the operating environment

In 2021–2022, Metsä Group achieved a record result, boosted by the surge in demand during the COVID-19 pandemic. The next two years were challenging with inflation weakening consumer demand globally. In spring 2025, the situation was further complicated by a trade war. About one-third of Metsä Group's income comes from outside Europe, so the US tariffs had a significant impact on both sales and profitability. In addition to their direct effects, the tariffs weakened consumer confidence and overall economic growth.

All Metsä Group products are ultimately used in either consumer products or building materials. In 2025, consumer confidence weakened from the previous year in all of our main market areas. The long-awaited recovery in construction also failed to materialise, which created further market pressures.

Cost efficiency is key

The weakness of the global economy led us to launch a major cost savings and profit improvement programme in the autumn of 2025. We are aiming for permanent cost savings of EUR 300 million by the end of 2027. Cost control will remain essential in the coming years, as there are no signs of any rapid improvement in the political and economic situation globally.

Infrastructure development projects in Central Europe may boost the construction sector, but the impact of US tariffs will continue to be felt both in the US and Europe for a long time still.

Most of the objectives of Metsä Group's cost savings and profit improvement programme concern the management of variable costs, and we have hundreds of projects of varying sizes underway in this area. As part of the programme, we had to reduce approximately 790 positions through change negotiations. In addition, temporary layoffs were implemented at many of our mills to adjust production to demand. I would like to express my warmest thanks to all our employees for their understanding and constructive attitude in this situation.

Good investments

One of the highlights of 2025 was the completion of the expansion of the tissue paper mill in Mariestad, Sweden. The highly automated mill started up ahead of schedule in September and has already impressed our customers with its excellent service capabilities. The year was marked by positive development for Metsä Tissue in general – our customers across Europe appreciate products made from responsibly produced fresh fibre sourced from small forest owners in the Nordic countries.

The modernisation of the Simpele paperboard mill, completed in 2025, was another significant investment for us. Furthermore, construction work on the new Kerto® LVL mill in Äänekoski progressed as planned, and the mill will start up during 2026.

Our eyes are on the future

I started as President and CEO of Metsä Group on 1 July 2025. Before that, I met extensively with our key personnel and other employees in one-on-one discussions and during mill tours. These encounters made it easy for me to commit to advancing our employees' wishes: our Finnish roots, sustainability and good team spirit are strengths that we will continue to cherish. The discussions also highlighted the need to develop decision-making

“ Our Finnish roots, sustainability and good team spirit are strengths that we will continue to cherish.



in our organisation to sharpen our business focus and agility – this is a clear development goal that will improve our operations.

We are reviewing our strategy together with Metsä Group's Board of Directors and Supervisory Board. The objective is clear: to increase the value of our owner-members' forest assets over the long term. Metsä Group's owner-members own more than half of Finland's privately owned forests, which are valued at around EUR 30 billion, exceeding the market value of the entire Finnish wood processing industry. It is our duty to ensure that the value of these assets increases in the coming decades. For that, we need to have profitable industrial operations and industrial structures that serve this purpose.

Geopolitical tensions in the world present one challenge to preserving the value of forests, and climate change presents another. By the end of the century, the average temperature in

Finland will be 3–5 degrees higher than today. Forest growth will accelerate especially in Northern Finland, but at the same time, the rise in temperature will pose a significant challenge for the adaptation of our forests. Metsä Group's regenerative forestry practices play a major role in strengthening the resilience and vitality of our forests.

The choices and forest management measures taken now will determine the long-term vitality of our forests. Forests account for 10–15% of Finland's national wealth – they are hugely important both to individual forest owners and to Finland.

What better motivation could there be for me and all our employees to work hard for a strong, vibrant future!

Jussi Vanhanen
President and CEO

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Increasing the value of Finnish forest

Metsä Group's success hinges on our owners' vibrant forests in Finland. Customer-oriented business built on this foundation is the key to strengthening competitiveness and profitability.

Vitality from the forest

A healthy forest grows well, sequesters carbon, and provides a habitat for diverse flora and fauna. As users of forest resources, we are also responsible for them – how we operate in the forests and how we manage them directly affect their value to their owners.

Our entire value chain is based on the responsible use of Finnish forests in a way that generates added value over generations. Forest ownership is playing an increasingly significant role in this. The members of our cooperative are a diverse group of aware, forward-thinking forest owners with access to the in-depth expertise of our professionals and comprehensive services for wood trade, as well as forest and nature management services.

Unique company structure

Metsä Group's parent company Metsäliitto Cooperative is owned by approximately 90,000 forest owners. Our special ownership base makes our company structure unique and offers transparency for long-term business development. We have access to an excellent renewable raw material, and it is in the interest of our owners to ensure its continued availability in the future.

Metsä Group has invested in the most modern and efficient production units in the northern hemisphere, as well as in

broad product segments whose demand is supported by global megatrends such as digitalisation, and the mitigation of climate change and biodiversity loss.

Our innovative approach to the development of wood-based bio-economy and our many voluntary environmental initiatives reinforce Metsä Group's position as a frontrunner in the forest industry.

Competitiveness from the Group

In a changing world, it is important to stay competitive. We have been operating in a very challenging market in recent years, requiring some difficult decisions to keep our operations profitable.

Metsä Group's strength lies in the diverse totality of our business – our product portfolio, ranging from pulp to high-quality fresh-fibre paperboard, tissue and greaseproof papers, wood products that store carbon for long periods, and wood supply and forest services, offers exciting growth opportunities in the global market.

Alongside our core products, we are constantly developing new ones, promoting our innovation projects, and supporting the circular economy by improving closed loops in our production processes, for example. We research growing business opportunities in the development of wood-based Kuura™ textile fibres and hot-pressed Muoto™ fibre packaging, as well as in the capture of biogenic carbon dioxide.

Strategy looks to the future

Metsä Group's strategy is being reviewed in 2026. Our sights are firmly set on the future. Industrial efficiency alone is not enough to ensure our competitiveness.

We must make better use of our diverse expertise to highlight the added value of our products made from renewable raw materials – to sell and market them to customers. The competitiveness and profitability of our business are based on close cooperation, responsible operations and being a forerunner across the value chain. This must be made crystal clear in every encounter with our customers.

Metsä Group and its products made of northern wood continue to be firmly based on regenerative forestry, smart and efficient industrial processes, and the added value and quality experienced by customers.

” The competitiveness and profitability of our business are based on close cooperation, responsible operations and being a frontrunner across the value chain.

Purpose

Advancing the bioeconomy and circular economy by sustainably and efficiently processing northern wood into first-class products.

Vision

To be the preferred partner in developing sustainable business.

Values

- Reliability
- Cooperation
- Renewal
- Responsible profitability



Successful investments bring stability in difficult times

The billion-dollar investment projects implemented by Metsä Group in recent years have strengthened the company's competitiveness. The expansion of the Mariestad tissue paper mill in Sweden and the renewal of the paperboard mill in Simpele were completed in 2025. The construction of the new Kerto LVL mill in Äänekoski progressed to the equipment installation stage.

2016–2020

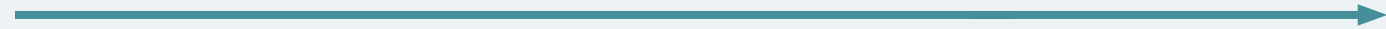
- Plywood and Kerto LVL investments
- New paperboard production line in Husum
- Äänekoski bioproduct mill
- Demo plant for the Kuura textile fibre in Äänekoski

2022

- Demo plant for the Muoto fibre product in Äänekoski
- Renewal of the tissue paper machine in Mänttä
- New sawmill in Rauma
- Recovery boiler investment at the Husum pulp mill

2023–2026

- Bioproduct mill and renewal of liner mill in Kemi
- Expansion of the Husum paperboard mill
- Expansion of the Mariestad tissue paper mill
- New Kerto LVL mill in Äänekoski
- Investment programme at the Mänttä tissue paper mill
- Demo plant for a lignin product
- Renewal of the Simpele paperboard mill



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This is how we promote sustainable business

We promote the bio- and circular economy by processing northern wood into renewable products and using every part of the tree as efficiently as possible. The development of Metsä Group's operations focuses on regenerative forestry, which improves the state of nature; the mitigation of climate change; the efficient use of resources; and safety and wellbeing at work. A more sustainable world is built through daily work.

Forests and biodiversity	Climate change	Efficient use of resources	Safety and wellbeing at work
Regenerative forestry aims to strengthen the vitality of forest nature and support biodiversity. We want to leave forests in better condition for future generations – more vibrant, diverse and resilient to climate change.	Our products have major impacts that mitigate climate change: they replace fossil-based materials and are recyclable, and wood products store carbon. Environmentally efficient mills, automated processes and closed cycles are helping drive the green transition.	The focus of our operations is on increasing industrial efficiency in raw material use, and energy and water consumption. Metsä Group studies and develops new applications for production side streams so that all fractions can be utilised in the circular economy.	We never compromise on safety or wellbeing at work. We aim for an accident free work environment. We maintain a balance between work and leisure so that all our employees can thrive and feel secure and valued in their workplace community.

Commitments and recognitions

Metsä Group is committed to the UN Global Compact corporate responsibility initiative and supports the UN Sustainable Development Goals in its operations. The company's business areas have performed well in several assessments of corporate governance and the ability to manage environmental impacts, social responsibility and risks. In 2025, Metsä Board achieved a triple A rating in the CDP assessment for the fourth time in the areas of climate change, forests and water security. *Metsä Tissue*, *Metsä Board* and *Metsä Fibre* reached the highest platinum level in the EcoVadis sustainability assessment.



SUSTAINABLE DEVELOPMENT GOALS	
5 Gender equality	9 Industry, innovation and infrastructure
6 Clean water and sanitation	12 Responsible consumption
7 Affordable and clean energy	13 Climate action
8 Decent work and economic growth	15 Life on land

Environmental efficiency through investment

Both the expansion of the Mariestad tissue paper mill in Sweden and the renewal project at the Simpele paperboard mill were completed in 2025. In Mariestad, new paper machine technology improves energy efficiency and significantly reduces water consumption. This is a significant step forward in tissue paper production and enables lower emissions per tonne produced. The introduction of new technology will increase the share of fossil-free energy at the Simpele mill to 98%, while improving the quality of paperboard even further. **Further information on pages 50 and 62.**

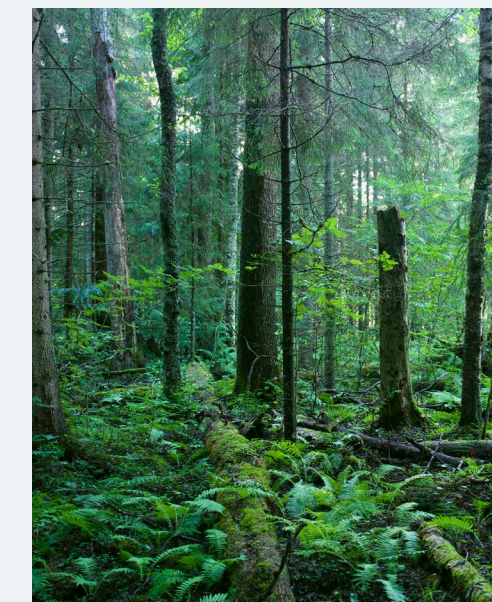


Improved wellbeing with individual working time

We place particular emphasis on the wellbeing and coping at work of shift workers. In 2025, we continued to test our individual working time model at our production units in Finland. The model gives our shift-workers extensive opportunities to influence their working hours. Individual working time arrangements include shifts of varying lengths, shorter weekly working hours, shifts at certain times of the day and longer periods of personal leave. **Further information on pages 82.**

Carbon dioxide capture pilot

A pilot was launched in Rauma in June, where Metsä Group is testing carbon dioxide capture from pulp mill flue gases together with technology company Andritz. In addition to the testing, the conditions for building a CO₂ capture pilot plant in Rauma are being investigated. Wood-based carbon dioxide can be used as a raw material in, for example, the chemical and fuel industries, and can replace the use of fossil raw materials. **Further information on page 50.**



Conservation foundation for valuable forests

Metsä Group has launched several initiatives to protect biodiversity. The latest is Metsä Conservation Foundation established in the autumn of 2025 to complement the forest conservation network. The foundation provides forest owners with financial compensation for forest sites whose conservation supports national biodiversity objectives. Our other initiatives include the Metsä Group Plus service, which is based on regenerative forestry, and a funding programme for nature projects outside commercial forests. **Further information on page 69.**

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The cooperative creates a strong foundation for sustainable operations

Our ownership base and business structure differentiate us from our competitors. The cooperative's owner-members provide us with access to substantial volumes of premium wood raw material, which creates a solid basis for our operations and development.

Resources

People and partnerships

- Approximately 9,500 employees in 25 countries
- Approximately 900 summer employees, apprentices and trainees
- Active cooperation with local communities and educational institutions
- Approximately 90,000 Metsäliitto Cooperative owner-members
- Approximately 11,000 suppliers

Raw materials and supply chain

- Approximately 30 million m³ of wood procured
- 85% of the wood we use comes from Finland, 15% from elsewhere in Northern Europe, and 0.1% from Central Europe
- 92% of the wood procured is certified
- Every part of the wood is used efficiently and for the most valuable purpose
- The wood we use is entirely traceable, and 94% of our overall raw material purchases are traceable
- 451,000 tonnes of purchased process chemicals, coatings, binders, pigments and packaging materials

Production

- 31 production units in 7 countries
- Total energy consumption 29 TWh
- Fossil free energy accounts for 94% of total energy consumption
- Process water intake approximately 18 m³ per tonne produced

Economic capital

- Total liquidity EUR 1,479 million
- Equity ratio 57%
- Net gearing ratio 24%
- Capital employed EUR 7,411 million
- Investments EUR 621 million
- Research and development EUR 64 million

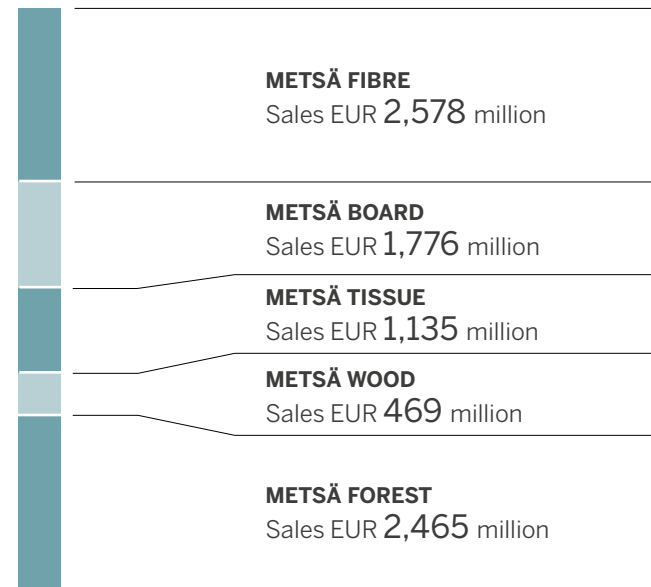
Business model

Business

We are an internationally operating Finnish forest industry company. We promote wellbeing by producing renewable products from the northern wood for the needs of millions of people.

METSÄ GROUP SALES

EUR 5,833 million



Comparable operating result EUR -85 million

Comparable return on capital employed -0.9%

Outputs

Products and services

- Regenerative and sustainable wood trade, forest management and nature management services for forest owners. We conclude around 15,800 wood trade transactions annually.
- Recyclable products for the needs of the global population, made from renewable resources and offering long-term carbon storage. We supply products to 110 countries.
- 2,019,014 m³ of material-efficient wood products that store carbon in buildings throughout their service lives, for example.
- 3,736,611 tonnes of pulp and bleached high-yield pulp as raw material for recyclable products such as paper, paperboard and other circular bioeconomy products.
- 1,331,322 tonnes of lightweight fresh fibre paperboard as recyclable packaging material for food and food service packaging, for example.
- 525,962 tonnes of tissue and greaseproof papers to ease everyday life and improve hygiene.
- 148,103 tonnes of renewable wood-based biochemicals such as tall oil and turpentine to replace fossil-based materials and fuels.
- 17 TWh renewable energy produced.

Emissions and waste

- 664,362 tCO₂e of greenhouse gas emissions to air from our own production (Scope 1 and 2, market-based).
- 4,944,947 tCO₂e of greenhouse gas emissions to air from our value chain (Scope 3).
- We use 98% of production waste and side streams as materials or energy. 10,259 tonnes of landfill waste.

Impacts

Environmental impact

- The impacts of the services we offer our owner-members are visible in the statistics of the biodiversity roadmap for all Finnish forests. Examples of the positive impacts include the diversification of tree species and increase in decaying wood. Metsäliitto Cooperative's owner-members own around half of Finland's private forests (some 5.5 million hectares).
- We are committed to the principles of regenerative forestry to ensure that Finnish forest assets are transferred in a more vibrant, diverse and climate-resilient condition from one generation to the next.
- We promote the climate change adaptation of Finnish forests by recommending mixed forests. After the young stand management we carried out, spruce was the only tree species in 25% of the forests.
- We aim to abandon fossil-based fuels by 2030.
- 95% of the water we use is returned to waterbodies after treatment.
- We promote the circular economy by making efficient use of side streams and producing recyclable products.

Social impact

- We paid our employees worldwide EUR 765 million in wages, salaries and benefits.
- We create numerous indirect jobs in Finland. Our employment impact is especially visible in rural areas.
- 94% of our employees have a permanent contract. They serve an average of 15 years, and their engagement rate is 96%.
- 99.5% of our purchases are from suppliers committed to our Supplier Code of Conduct.

Economic impact

- EUR 770 million to Finnish forest owners from wood sales.
- EUR 427 million to Finnish harvesting, transport and forest management entrepreneurs.
- EUR 82 million proposed profit distribution to Metsäliitto Cooperative's owner-members (to be confirmed at Metsäliitto Cooperative's Representative Council in April 2026).
- In addition to wood supply, other raw material purchases for nearly EUR 3.5 billion.
- The value of exports from our Finnish mills is EUR 3.5 billion, accounting for approximately 4.7% of Finland's overall exports.
- We paid EUR 191 million in taxes and tax-like charges, of which EUR 92 million was in Finland, EUR 31 million in Sweden and EUR 68 million in other countries.

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Metsä Group's net sales were EUR 5,8 billion and comparable operating result was EUR -85 million. Operational cash flow was strong.

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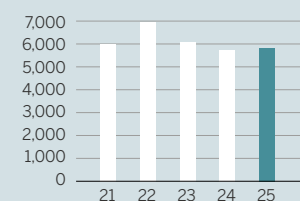
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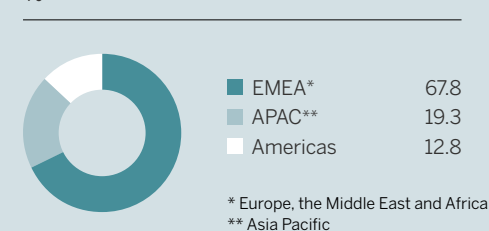
Metsä Group key figures

SALES

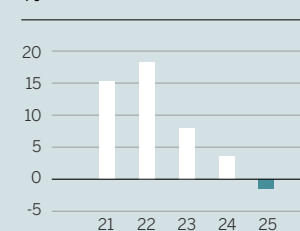
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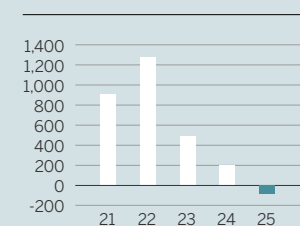
SALES BY MARKET AREA



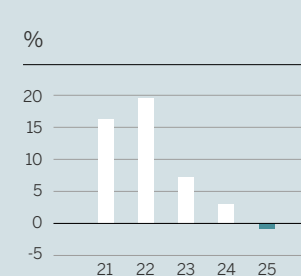
COMPARABLE OPERATING RESULT



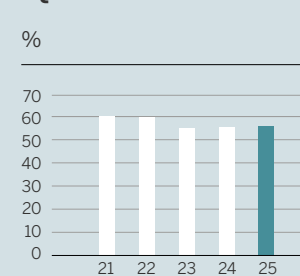
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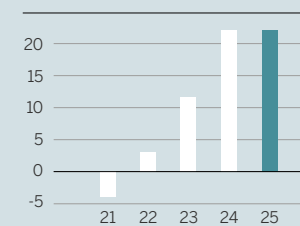
COMPARABLE ROCE



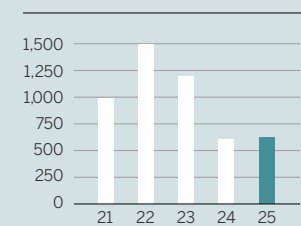
EQUITY RATIO



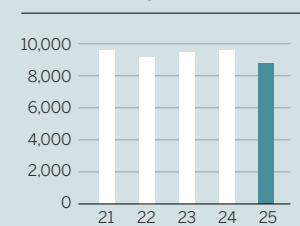
NET GEARING RATIO



TOTAL INVESTMENTS



PERSONNEL



Report of the Board of Directors 2025

Sales and result

EUR million	2025	2024	2023
Sales	5,832.9	5,747.2	6,110.4
EBITDA	342.4	654.1	845.3
- comparable EBITDA	365.2	648.8	833.0
Operating result	-271.3	186.4	498.1
- comparable operating result	-84.6	203.0	487.9
% of sales	-1.5	3.5	8.0
Result before taxes	-334.9	131.3	487.8
Result for the period	-281.3	108.5	383.6

Metsä Group's sales in January–December 2025 were EUR 5,832.9 million (1–12/2024: 5,747.2).

The comparable operating result was EUR -84.6 million (203.0), or -1.5% (3.5) of sales. The decrease in the operating result is explained by factors such as market-based production curtailments and cost increases. Particularly the increased prices of wood raw material and the lower average price of market pulp had a negative impact on the result. The US tariffs weakened the competitiveness of products in the US, and negatively affected the delivery volumes of folding boxboard in particular. In the comparison year, the comparable operating result was weakened by political strikes in Finland and the gas explosion at the Kemi bioproduct mill.

After hedging, exchange rate fluctuations had a positive impact of approximately EUR 9 million on the operating result of the review period compared with the previous year.

Items affecting the comparability of the operating result in January–December totalled EUR -186.7 million (-16.6). Of the most significant items, EUR -96.4 million is related to impairments of the enterprise resource planning (ERP) system renewal project, EUR -32.0 million to investment pre-planning project write-downs and efficiency improvements related to the Tissue and Greaseproof Paper business, EUR -27.3 million to impairments of assets at the Tako paperboard mill, EUR -22.0 million to impairments of assets damaged by the gas explosion at the Kemi bioproduct mill, and EUR -2.7 million to other impairments. Furthermore, the comparability of the operating results was affected by the Group-wide cost savings and profit improvement programme by EUR -44.2 million, the discontinuation of the operations of Kumpuniemen Voima Oy by EUR -4.3 million, the discontinuation of the Suolahti plywood mills by EUR -1.2 million, insurance compensation received for the property damage caused by the gas explosion at the Kemi bioproduct mill by EUR 39.7 million, and gains from the sales of subsidiary shares by EUR 2.9 million.

Metsä Group's operating result (IFRS) was EUR -271.3 million (186.4). The share of the results of associated companies and joint ventures was EUR -0.7 million (-0.6), financial income was EUR 14.3 million (27.5), exchange rate differences in financing were EUR -1.5 million (-2.5), and financial expenses totalled EUR 75.7 million (79.6).

The result before taxes was EUR -334.9 million (131.3), and taxes including changes in deferred tax liabilities totalled EUR -53.6 million (22.7). The Group's effective tax rate was 16.0% (17.3). The result for the review period was EUR -281.3 million (108.5).

The return on capital employed was -3.4% (2.7), while the return on equity was -5.2% (1.9). The comparable return on capital employed was -0.9% (2.9), and the comparable return on equity was -2.4% (2.1).

%	2025	2024	2023
Return on capital employed	-3.4	2.7	7.3
- comparable ROCE	-0.9	2.9	7.2
Return on equity	-5.2	1.9	6.8
- comparable ROE	-2.4	2.1	6.7

Balance sheet and financing

	2025	2024	2023
Equity ratio, %	56.8	56.2	55.9
Net gearing ratio, %	24.2	22.2	11.7
Interest-bearing net liabilities, EUR million	1,288.4	1,235.7	662.9

Metsä Group's liquidity has remained strong. Total liquidity at the end of December was EUR 1,479.0 million (31 December 2024: 1,641.6). This consisted of EUR 779.0 million (991.6) in liquid assets and investments, and EUR 700.0 million (650.0) in off-balance sheet committed credit facility agreements.

The Group's liquidity reserve is complemented by uncommitted commercial paper programmes and credit facilities amounting to EUR 360.0 million (31 December 2024: 330.0), and by undrawn pension premium (TyEL) funds amounting to EUR 54.1 million (31 December 2024: 435.3). The significant difference in TyEL funds compared with the previous year is due to a change that entered into force on 1 January 2026, limiting the maximum amount of premium loans to EUR 10 million for each employer.

Net cash flow from operations was EUR 536.5 million (10.9). A total of EUR 314.0 million in working capital was released (496.3 tied up). Working capital was negatively affected by the decrease of inventories by EUR 241.2 million, the decrease in trade and other receivables by EUR 38.8 million, and the increase in trade payables and other liabilities by EUR 33.9 million.

The Group's equity ratio at the end of December was 56.8%, and its net gearing ratio was 24.2% (31 December 2024: 56.2 and 22.2). Net interest-bearing liabilities were EUR 1,288.4 million (31 December 2024: 1,235.7).

At the end of June, the equity ratio of the parent company Metsäliitto Cooperative was 86.4%, and the net gearing ratio was -14.8% (31 December 2024: 86.6 and -16.8).

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In May 2025, Metsä Board issued a new green bond of EUR 200 million. The bond will mature in 2031 and has an annual coupon rate of 3.875%.

In January–December, Metsäliitto Cooperative's members' capital increased by a total of EUR 59.5 million (89.8). The value of participation shares increased by EUR 5.2 million (6.8), and that of Metsä1 additional shares by EUR 132.4 million (182.0). The value of additional shares A declined by EUR -57.7 million (-87.6). The value of additional shares B changed by EUR -20.4 million (-11.4).

Personnel

	2025	2024	2023
Personnel, average	9,533	9,706	9,751
Personnel expenses, EUR million	765.0	712.1	706.5
Personnel at year end	8,767	9,581	9,464
- based in Finland	5,094	5,677	5,538

In January–December, Metsä Group had an average of 9,533 employees (9,706). Personnel expenses totalled EUR 765.0 million (712.1). At the end of December, the Group employed 8,767 people (31 December 2024: 9,581), of whom 5,094 (5,677) were based in Finland, and 3,674 (3,904) in other countries. The parent company Metsäliitto Cooperative employed 2,180 people at the end of December (31 December 2024: 2,404).

The turnover of permanent employees was 9.9 % (7.7), and the average duration of employment for the whole personnel was 15.0 years (14.3). Personnel expenses totalled EUR 765.0 million (712.1), of which paid salaries and remuneration, including share-based payments, were EUR 510.9 million (474.4).

Resource plans are made in preparation for future retirements and investment plans. If required, Metsä Group initiates apprenticeship training and invests in job rotation and competence development.

Cost savings and profit improvement programme

In July 2025, Metsä Group announced a EUR 300 million cost savings and profit improvement programme with the goal of improving profitability and efficiency, as well as ensuring competitiveness. Two thirds of the programme's target is expected to be realised in 2026. The cost savings are expected to be achieved in full in 2027. The savings are largely related to procurement and end product logistics, as well as efficiency improvements in the wood supply chain. These areas account for more than half the planned savings. Slightly less than half the savings will come from reductions of fixed costs.

During the second half of the year, Metsä Group conducted change negotiations concerning all business areas and Group functions. As a result of the change negotiations, around 790 permanent positions were terminated. All change negotiations have concluded, and the most significant reductions were in Finland and Sweden.

Metsä Group has offered its employees comprehensive support for adapting to the situation.

Cost provisions related to the cost savings and profit improvement programme were recognised as items affecting comparability in the last quarter result.

Changes in Metsä Group's management

Jussi Vanhanen assumed his post as CEO of Metsäliitto Cooperative on 1 May 2025, and President and CEO of Metsä Group on 1 July 2025. Ilkka Hämälä continued in special duties within the company until his retirement on 23 October 2025.

Metsä Group renewed its Executive Management Team as of 1 July 2025.

The new Executive Management Team members are Jaakko Anttila, who was appointed the Group's Chief Operating Officer (COO), Wilhelm Wolff, who was appointed EVP, Strategy and Investments, Tomi Salo, who was appointed EVP, Stakeholder Engagement, Pertti Hietaniemi, continuing as EVP, HR, and Miika Arola, continuing as Group General Counsel. Other members of the Executive Team include Vesa-Pekka Takala, Group CFO and Deputy Managing Director of Metsäliitto Cooperative, Ismo Nousiainen, CEO of Metsä Fibre, Juha Jumppanen, EVP of Metsä Forest, Sari Pajari-Sederholm, CEO of Metsä Tissue, Esa Kaikkonen, CEO of Metsä Board, and Juha Pilli-Sihvola, interim EVP of Metsä Wood.

Jussi Noponen will start as EVP of Metsä Wood and as a member of the Executive Management Team on 1 March 2026.

Members

At the end of December, Metsäliitto Cooperative had 87,798 members (31 December 2024: 91,367). During January–December, 2,405 new members joined the Cooperative, and 5,974 members cancelled their memberships. At the end of December, the forest area owned by the members totalled 5,401 million hectares (31 December 2024: 5,500).

Investments

EUR million	2025	2024	2023
Total investments	620.8	603.3	1,193.2
% of sales	10.6	10.5	19.5
Total investments in Finland	417.2	360.2	922.0

Metsä Group's total investments in January–December were EUR 620.8 million (603.3), of which investments in owned property, plant and equipment were EUR 595.7 million (566.3), and investments in leased property, plant and equipment were EUR 25.0 million (36.4).

In January–December 2025, total investments included EUR 0.0 million (0.7) of acquired business operations.

The most significant investment projects are covered in more detail under "Business Development".

Business development

In November, Metsä Group began production at the expanded and renewed Mariestad tissue paper mill in Sweden. The investment of EUR 370 million will double the mill's capacity to 145,000 tonnes and strengthen the availability of Lambi, Serla and Katrin products in Scandinavia.

The renewal of the Simpele folding boxboard machine was completed in October. This will significantly improve product quality and performance, as well as increase the mill's annual production capacity by 10,000 tonnes. After the introduction of new technology, fossil-free energy accounted for 98% of the mill's energy consumption. The investment of around EUR 60 million in total will be spread out over 2024–2026.

The investment programme for the tissue paper production at the Mänttä mill continued. The programme includes an investment in a new production line for hand towels, which it is intended to commission in the first half of 2026. Business Finland has granted the investment programme's clean transition projects with conditional investment support of at most EUR 19 million.

Metsä Group has been building a demo plant for a new lignin product in connection with the Äänekoski bioproduct mill together with Andritz. The plant entered the commissioning phase at the turn of the year. The demo plant's daily capacity will be two tonnes of the new lignin product.

Metsä Group is building a new Kerto LVL mill in Äänekoski. The value of the investment is EUR 300 million. The mill's annual production capacity is approximately 160,000 cubic metres, which represents a 50% increase in the company's total Kerto LVL capacity. The mill's construction and equipment installation have proceeded as planned. Test runs on the first production line were initiated in early October, and the first commercial deliveries from the mill were conducted towards the end of the year. The goal is to launch full-scale test runs in the spring 2026.

The prefeasibility studies for the renewal of the drying machine of the Husum pulp mill and the development of the Kyro pulp mill's barrier paperboard have been suspended. Work on changing the Husum paperboard mill's production line BM2 to enable the production of food packaging papers will not be continued for the time being.

In early 2025, Metsä Group's development project for the Kuura textile fibre entered a comprehensive pre-engineering phase, which will continue in 2026. A decision was made to focus the pre-engineering of the first possible commercial Kuura mill in Kemi in Finland.

The pre-engineering project for Metsä Group's Muoto mill was completed in 2025, and the project is now seeking to launch the commercial phase. The most important requirement for the commercial production of Muoto packaging is the development of viable business concept for the product. In 2025, the uncoated and laminated Muoto packaging products were launched in cooperation with Amcor. Muoto packaging can be used for takeaway packages, berry containers and trays, for example.

Pilot testing of carbon capture from the mill's flue gas over a period of six months was successfully conducted at the Rauma pulp mill with the technology supplier Andritz. Based on the pilot testing experiences, Metsä Group is investigating the technical and financial potential of a larger-scale demo plant for carbon capture. The capacity of the demo plant could be 30,000 to 100,000 tonnes of carbon dioxide. No decision on the project or the demo plant's location has been made.

Metsä Group has previously announced it is planning an investment in a tissue paper mill in Goole in the UK. Pre-engineering for the project has been completed around the turn of the year, and the company is currently assessing various implementation options for its growth strategy.

The renewal project for Metsä Group's enterprise resource planning (ERP) system has been suspended for the time being. Related to the project, the Group recognised a total of EUR 96.4 million in depreciations as an item affecting the comparability of the operating result of October–December 2025. Before its suspension, the ERP project launched solutions for Finance and Controlling, Wood Supply and the Wood Products Industry. The continuation of the project will be evaluated later. The goal is to ensure the project's business benefits and cost-effective implementation.

Some Metsä Group companies are party to legal proceedings concerning disputes about the responsibilities and liabilities arising from the supply agreements of the Group's most significant investment projects. These investment projects also involve unresolved disputes that may lead to the commencement of new arbitration or legal proceedings.

Business areas

Pulp and Sawn Timber Industry

Sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–December totalled EUR 2,578.1 million (1–12/2024: 2,328.3), and the comparable operating result was EUR -121.0 million (2.2).

Pulp and Sawn Timber Industry	2024	2024
Sales, EUR million	2,578.1	2,328.3
EBITDA, EUR million	159.4	252.8
- comparable EBITDA	129.6	248.6
Operating result, EUR million	-143.1	5.8
- comparable operating result	-121.0	2.2
% of sales	-4.7	0.1
Comparable ROCE, %	-3.8	0.2
Total investments, EUR million	164.9	111.7
Personnel at end of period	1,381	1,490

Sales increased due to higher pulp and sawn timber delivery volumes, but the operating result decreased compared with January–December 2024 due to lower invoiced pulp prices and higher wood raw material costs. The sales and operating result of the 2024 comparison year were affected by political strikes in Finland and the gas explosion at the Kemi bioproduct mill's evaporation plant.

The sales in 2025 were affected by the production curtailment shutdown at the Joutseno pulp mill, which was performed due to the poor market situation, and the five-week repair shutdown of the evaporation plant at the Kemi bioproduct mill. The comparable operating result includes an insurance compensation of around EUR 32 million (65.0) for the gas explosion at the Kemi bioproduct mill's evaporation plant and the repair shutdown of the recovery boiler.

The sales volume of pulp in 2025 was 2,893,000 tonnes (2,484,000). The pulp sales volume was positively affected by increased production at the Kemi bioproduct mill, as well as the increase in market share. In

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2025, the average sales prices of Metsä Group's softwood market pulps increased by 2% in Europe, decreased by 6% in China and increased by 4% in the United States compared with the previous year.

Global bleached market pulp deliveries increased in 2025. The growth was based on hardwood pulp, while softwood pulp deliveries remained at the same level as in 2024. Delivery volumes for both pulp grades to China increased, but delivery volumes to Europe and North America decreased. Uncertainties related to global economic development, trade policy tensions and poor consumer confidence curtailed growth in the consumption of market pulp. The growth in the consumption of softwood pulp was curtailed by the partial replacement of softwood pulp with hardwood pulp in various final consumption sectors, and the decrease of printing and writing paper production in Europe and North America.

In 2025, sawn timber sales volumes were 1,398,000 m³ (1,194,000).

During 2025, average market prices for Metsä Group's sawn timber were 8% higher than in the previous year.

Throughout the year, demand for sawn timber remained at a lower level than average in all the main markets. In Europe, demand for industrial end products of sawn timber decreased due to the weak construction cycle and poor consumer confidence. In China, demand for end products has been low in both the wood products industry and the export-driven furniture industry. The market balance of spruce sawn timber was slightly better than that of pine. Average sales prices of Metsä Group's pine sawn timber increased by 7% from the previous year, and the prices of spruce sawn timber increased by 9%.

Paperboard Industry

Sales of the Paperboard Industry, i.e. Metsä Board, in January–December were EUR 1,775.7 million (1–12/2024: 1,938.6). The comparable operating result was EUR -80.2 million (69.0).

Paperboard Industry	2025	2024
Sales, EUR million	1,775.7	1,938.6
EBITDA, EUR million	-3.9	175.9
- comparable EBITDA	29.6	175.0
Operating result, EUR million	-169.5	62.3
- comparable operating result	-80.2	69.0
% of sales	-4.5	3.6
Comparable ROCE, %	-3.1	3.2
Total investments, EUR million	139.5	175.4
Personnel at end of period	1,939	2,290

The comparable operating result for the financial period was weakened by the lower average price of market pulp, Metsä Fibre's reduced share of the result, lower folding boxboard delivery volume and market-based production curtailment. The comparable operating result includes insurance compensation of around EUR 14 million (30.5) for the gas explosion at Metsä Fibre's Kemi bioproduct mill and the repair shutdown of the recovery boiler. The amount includes the effect of Metsä Fibre's share of the result.

Total paperboard deliveries in January–December amounted to 1,364,000 tonnes (1,472,000), and market pulp deliveries amounted to 368,000 tonnes (400,000).

Exchange rate fluctuations, including hedges, had a positive impact of around EUR 6 million on the operating result compared with the previous year.

Chemicals costs decreased in the review period, but wood and logistics costs increased. The service and maintenance costs of mills increased compared with the comparison period, while other fixed costs decreased.

Unused emissions allowances were sold for approximately EUR 10 million (35).

The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–December was EUR -33.0 million (-10.2).

Earnings per share were EUR -0.44 (0.07), and comparable earnings per share were EUR -0.24 (0.09).

Tissue and Greaseproof Papers

Sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–December totalled EUR 1,135.4 million (1–12/2024: 1,152.9). The comparable operating result was EUR 72.1 million (103.2).

Tissue and Greaseproof Papers	2025	2024
Sales, EUR million	1,135.4	1,152.9
EBITDA, EUR million	105.5	148.6
- comparable EBITDA	121.6	148.1
Operating result, EUR million	18.2	101.6
- comparable operating result	72.1	103.2
% of sales	6.3	9.0
Comparable ROCE, %	8.4	13.2
Total investments, EUR million	216.3	208.5
Personnel at end of period	2,398	2,487

The decrease in sales for 2025 was largely due to the lower sales volumes of greaseproof paper. Sales of tissue papers increased slightly from the previous year. In the fourth quarter, sales volumes of tissue paper increased by 7% compared with the same period in the previous year.

The operating result was lower than in the previous year due to decreased sales, higher fixed costs and depreciations. The operating result for the fourth quarter was also somewhat lower than in the previous year due to higher fixed costs and depreciations.

Wood Products Industry

Sales of the Wood Products Industry, i.e. Metsä Wood, in January–December were EUR 469.0 million (1–12/2024: 553.9), and the comparable operating result was EUR -12.3 million (20.8).

Wood Products Industry	2025	2024
Sales, EUR million	469.0	553.9
EBITDA, EUR million	4.8	43.8
- comparable EBITDA	10.0	42.8
Operating result, EUR million	-38.0	7.8
- comparable operating result	-12.3	20.8
% of sales	-2.6	3.8
Comparable ROCE, %	-2.2	5.4
Total investments, EUR million	145.2	147.2
Personnel at end of period	1,603	1,650

In 2025, Metsä Wood's sales declined by 15% year-on-year. Sales of engineered wood products decreased by 5%, and the sales in euros of the UK business decreased by 33%. Delivery volumes decreased in birch and spruce plywood products, and in the UK business. Delivery volumes of Kerto LVL products increased. Sales prices of engineered wood products decreased slightly year-on-year.

Profitability decreased from the previous year due to low demand for engineered wood products and the deployment of the ERP system. Furthermore, higher log wood and logistics costs had a negative impact on profitability. General construction activity remained weak in Europe, which continued to be reflected in weak demand for spruce plywood especially. As a result, the production of engineered wood products had to be curtailed. As expected, the operational efficiency of the spruce plywood mill has also suffered from the gradual winding down of the Suolahti mills in Finland. Production at the Suolahti birch plywood mill was discontinued in March 2025, and spruce plywood will be discontinued in the summer of 2026.

The operating result of the UK upgrading business decreased notably from the comparison period due to changes in the customer portfolio and the ERP system's deployment. Challenges in the ERP system led to customer losses and compensation, and to higher logistics costs.

Wood Supply and Forest Services

Sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–December totalled EUR 2,465.4 million (1–12/2024: 2,360.1), and the comparable operating result was EUR 34.0 million (28.4).

Wood Supply and Forest Services	2025	2024
Sales, EUR million	2,465.4	2,360.1
EBITDA, EUR million	39.6	37.0
- comparable EBITDA	40.3	35.6
Operating result, EUR million	33.4	32.5
- comparable operating result	34.0	28.4
% of sales	1.4	1.2
Comparable ROCE, %	15.3	13.0
Total investments, EUR million	5.3	3.3
Personnel at end of period	590	671

Sales in 2025 increased from the previous year, mainly because of higher wood prices in the early year. The comparable operating result significantly outperformed the same period in the previous year, in particular due to cost savings and better sales margins.

In Finnish private forests, wood trade was brisk in the first half but slowed after the summer season. Prices of wood were at a record high in the second quarter but took a downwards turn during the third quarter. From a long-term perspective, wood prices remain at a high level, especially for log wood. Harvesting conditions were normal in 2025, except for the challenges caused by the mild winter in southern Finland at the beginning and end of the year.

In the summer of 2025, the Baltic pulpwood market was characterised by oversupply, and the roadside price level of overbark pulpwood fell below the prices in Finland in the second half of the year. Swedish demand for pulpwood also weakened in the second half of the year, with price levels falling.

Metsä Group's wood purchases met the mills' needs in 2025. Metsä Group bought all grades of wood across Finland through standing and delivery sales. Purchases of energy wood focused on crown wood. The majority of wood in Finland was purchased from members of Metsäliitto Cooperative. The Metsä Group Plus forest management model, which emphasises forest biodiversity, remained widely popular among owner-members and was used in around 30% of the agreed wood trade volume.

In 2025, Metsä Group delivered a total of 29.6 million m³ (29.8) of wood. Approximately 90% of this went to the industrial sector in Finland. Sales of forest management services increased by around 11% in the first half of the year, achieving a new record high. Customer feedback from forest owners was also at an all-time high in 2025.

Metsä Group launched a new digital nature value map service for its owner-members, allowing owner-members to see which parts of their forests were likely to represent the highest nature value.

Metsä Group announced it would establish its own PEFC certification group in 2026, allowing Metsäliitto Cooperative's bonus members and contract customers to include their forests in the group.

In 2025, Metsä Group burned a total of 90 groups of retention trees and performed controlled burns on ten sites. These measures promoted the living conditions of species dependent on recently burned environments.

Research and development

Metsä Group's research, development and innovation (RDI) operations develop high-value products from northern wood, and promote industrial efficiency and regenerative forestry based on the circular economy. In 2025, the company's research and development costs totalled EUR 64.3 million (54.3), or 1.1% (0.9) of sales. The costs include direct expenses, excluding depreciation, and operational investments. The increase in expenses is due to investments, most importantly the construction of a demo plant for lignin refining and the wood products business' research development laboratory.

EUR million	2025	2024
R&D expenses	64.3	54.3
% of sales	1.1	0.9

Metsä Group's innovation company Metsä Spring finds and develops new wood-based bioeconomy and circular economy business concepts in cooperation with partners. The innovation company invests competence and funds in business ideas that renew the Group over the long term. In 2025, the innovation company promoted three of its innovation projects: the pulp-based textile fibre Kuura; the 3D fibre product Muoto; and the capture of biogenic carbon dioxide. In addition, Metsä Spring supported six external start-ups.

The Kuura project aims to develop a new business producing textile fibres from paper pulp produced by Metsä Group. The pre-engineering of the first commercial mill began in early 2025. The pre-engineering phase consists of four sub-projects: business model development; production method testing and development (based primarily on the demo plant in Äänekoski); designing the first commercial mill (Kemi has been selected

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as the location for the potential future mill); and investigating the financing required to launch the business. The pre-engineering will continue in 2026.

New Muoto packaging solutions and their new production method are being tested and developed at Metsä Group and Valmet's joint demo plant in Äänekoski. The wood-based fibre product can replace plastic and aluminium packaging. In 2025, the first laminated Muoto product series was launched. These products can be used for packaging meat, poultry, fish and ready meals. The sale of Muoto products was tested in selected grocery stores, and the products were in test use in several cafés and lunch restaurants. The Muoto product also won two packaging industry awards: the Packnorth Award in the Circular & Sustainable Packaging category; and the ScanStar Award, presented by the Scandinavian Packaging Association. The planning of the first commercial Muoto plant was expanded to include Äänekoski as an alternative location to Rauma.

In 2025, Metsä Group collaborated with the technology company Andritz to pilot the recovery of wood-based carbon dioxide (Bio CO₂) from the flue gases of the Rauma pulp mill. The testing of process conditions with the test equipment was successful. During the pilot, the investigation of the conditions for building a larger-scale CO₂ recovery demo plant in Rauma began. Bio CO₂ can be used as a raw material in the chemical and fuel industries, for example, replacing fossil raw materials. It is also possible to bind carbon dioxide to concrete during the hardening phase. The carbon dioxide captured in Rauma has already been tested in the production of concrete paving stones by Rakennusbetoni- ja Elementti Oy, using technology developed by the Carbonaide start-up.

Metsä Spring's portfolio includes the following six external start-up companies, which continued to receive different types of support in 2025: Woodio; Innomost; Boreal Bioproducts (Montinutra); Fiberwood; Adsorbi; and FineCellOx. Metsä Group was recognised at the Corporate Startup Stars event in Paris as one of the most innovative companies in the world, alongside 100 other companies.

At the end of the year, Metsä Group's Group-level R&D operations were transferred from Metsä Spring Oy to Metsäliitto Cooperative. Going forward, Group R&D will have clearer responsibility for long-term research and development at Metsä Group.

Metsä Fibre

In 2025, Metsä Group's pulp and sawmill business continued to develop new fibre-based products, focusing particularly on light fibre materials. These products have future potential for several end uses where solutions are sought to replace fossil materials and raw materials. The concept of light fibre products was showcased at several European events throughout the year. At the end of 2025, the development of new fibre products was transferred to the Group level, i.e. the Group R&D team. In future, Metsä Fibre will focus on the development of pulp products.

In 2025, Veolia's methanol refinery was completed in Äänekoski. Full-scale production began in August. The plant is closely integrated with the processes of the bioproduct mill and uses the raw methanol produced as a by-product of pulp production as raw material. The processing produces pure methanol, which is used as a biofuel in transport, for example.

Built in collaboration with Andritz, the demo plant for the new lignin product was completed at the Äänekoski bioproduct mill. The demo plant is in the commissioning phase. The lignin product's suitability for the construction industry's needs will be studied in cooperation with Dow Construction Chemicals. At the end of 2025, the management of the lignin

project was transferred from Metsä Fibre to Metsä Spring, but the demo plant is operated by Metsä Fibre.

During the year, the pulp and sawmill business has also carried out research and development related to the utilisation of process side streams and the reduction of water consumption, for example. In 2021, the company launched a development project to improve the pulp production process to minimise the mill's wastewater discharges. The development has involved the review of the water quality requirements for the various parts of the process, a search for new ways to utilise wastewater and the creation of a comprehensive vision for emission-free production.

Metsä Board

Reducing the weight of paperboard is one of the product development priorities of Metsä Group's paperboard business. The company produces high-quality fresh fibre paperboard in the most resource-efficient way possible, replacing fossil-based packaging materials and reducing the carbon footprint of packaging. In addition to the use of fossil-free energy, the light weight of paperboard has a significant impact on the carbon footprint of packaging. The company aims to use less wood, energy and water per tonne of paperboard produced in the future.

Another priority is the development of barrier solutions, particularly for food packaging. The objective is to offer customers paperboard-based alternatives that reduce the use of plastics and meet EU regulatory requirements (PPWR, EPR). The company was involved in developing Starbucks' takeaway cup into a home-compostable and widely recyclable cup for hot drinks.

Studies based on life cycle assessments conducted in 2025 showed that Metsä Board's paperboard packaging had a negative carbon footprint, as paperboard binds more carbon than its production releases. The first study examined a berry box made of dispersion-coated paperboard and compared it with PET plastic packaging, while the second compared takeaway food packaging made of PE-coated paperboard with fossil-based PP plastic packaging. Technical reports on the studies and third-party assessments are available on Metsä Board's website.

The modernisation of the Simpele board mill, completed at the end of 2025, significantly improved the performance of the folding boxboard produced in Simpele, enabling sharper and more vivid print quality for demanding packaging applications. After the introduction of new technology, fossil-free energy accounted for 98 per cent of the mill's energy consumption.

Metsä Board's Excellence Centre in Äänekoski offers an active collaboration environment for the research, innovation and testing of packaging materials and solutions. In 2025, the Excellence Centre organised 41 development workshops with customers. One of the goals of the workshops was to find ways to reduce the environmental impact of packaging. Some of the workshops were organised virtually.

Metsä Tissue

In Metsä Group's tissue and greaseproof paper business, the focus of research and development in 2025 was on increasing the attractiveness of the product portfolio for customers. The most important measures were the development of new fibre blends that reduce environmental impact and the improvement of embossing techniques for innovative products to be launched in 2026. New product ideas were supported with life cycle and carbon footprint assessments.

The tissue and greaseproof paper business identified nearly 80 fibre development ideas during the year. Of these, 43% are in preparation, 27% have been initiated, and 16 % were implemented in 2025. The greaseproof paper business continued to develop new food packaging papers.

New fibre processing equipment was tested at the Krapkowice mill in Poland and the Kreuzau mill in Germany to improve the properties of tissue paper products. The full-scale deployment of the equipment is planned for 2026. A new raw material-saving processing technique was tested at the mills in Småland, Sweden, and the initial results have been promising. Testing will continue in 2026.

One of the highlights of the year in research and development was the launch of the new flagship product in the Katrin Professional range, the XL hand towel dispenser, in all markets. Development of the quality and offering of dispensing and tissue paper products also continued.

The tissue paper business also participated in the activities of the German Modellfabrik Papier network. This is a major German research and development network that aims for climate-neutral paper production. The network aims to significantly reduce energy and water consumption in paper manufacturing through new technologies and innovations.

Metsä Wood

In 2025, Metsä Group built a research and development laboratory in connection with the new Kerto LVL mill in Äänekoski for the research and development of veneer-based wood products. The value of the investment was roughly EUR 6 million. The laboratory serves as a testing environment where new veneer-based wood products of high added value are researched and developed in collaboration with a network of partners. The investment will create the conditions for testing material-efficient load-bearing structures and will also enable product research based on a broader raw material base.

In other respects, research and development in the wood products business in 2025 focused on strategic programmes such as improving the efficiency of wood raw material use, and investigating new products and technologies.

During the year, the wood products business conducted laboratory-scale test runs with new fossil-free adhesive alternatives. Metsä Group is also involved in an EU-level joint research undertaking (SuperBark), which aims for new fossil-free adhesives and coating solutions that use industrial side streams as raw materials.

The wood products business also conducted test runs for a more efficient and optimised use of the raw material, especially in Kerto LVL products. Research focuses on both the wood raw material arriving at mills and the generated production side streams, as well as their utilisation in mill processes. In the projects, process technology was developed in collaboration with suppliers, and potential new products supporting more efficient wood use were explored. Regarding Kerto LVL products, research related to expanding the raw material base continued, and the pilot products were sent to customers for testing during the year.

In addition, the company added a hybrid solution to the product family of material-efficient Kerto-Ripa floor element technology, suitable for multi-storey construction.

Metsä Forest

In 2025, Metsä Forest focused on setting up continuous measures for regenerative forestry. Developed for owner-members, Metsä Group Plus

is a forest management model that embraces regenerative forestry. It has tangible wide-ranging effects that support the biodiversity of forest nature. Metsä Group provided its owner-members with a range of training in regenerative forestry, including 16 nature and forest-themed evening events attended by approximately 2,500 owner-members nationwide.

Verification methods and indicators for regenerative forestry were also further developed in 2025. The work continued with an analysis of the current state of biodiversity in the forests owned by Metsä Group's owner-members, based on a study previously conducted with Natural Resources Institute Finland. The assessment carried out in 2024 defines the starting point for regenerative forestry, and an identical assessment will be repeated at regular intervals in future.

Metsä Group's Metsäverkko service launched a new feature, a nature value map, which shows forest owners the areas in their forests that are likely to have the highest nature value. The nature value map is based on open geospatial data and enables more accurate consideration of biodiversity in forest management, including the targeting of nature management measures, and the identification of potential groups of retention trees and protective thickets.

Metsä Group introduced a new data analytics-based operating model for wood sales, where soil bearing capacity and weather conditions help determine the harvesting time of each felling site. At the same time, soil bearing capacity became one of the pricing factors in all standing sales agreements concluded with Metsä Group. It replaced seasonal harvestability as a pricing factor.

The price guarantee model that was revised in 2024 was specified in the autumn of 2025: In future, Metsä Group will offer its contract customers a price guarantee for wood trade tied to a regional price index. Wood prices will be adjusted if prices increase between the closing of the sale and the end of the following September. The price is compared monthly with a regional index value based on two months of wood trade, which is specific to wood grade, felling method and the load-bearing capacity category.

In forest certification, Metsä Group is committed to the PEFC and FSC® certifications*. To strengthen the availability of FSC wood, Metsä Group raised the premium it pays for FSC-certified wood in the autumn of 2025 and launched a campaign to increase the FSC certification of its owner-members' forest estates. Metsä Group offers free FSC certification to its contract customers. In December 2025, Metsä Group announced that it would establish its own PEFC certification group. The certification group will become active in 2026, and joining it will be free for bonus and contract customers.

In 2025, Metsä Group continued to develop the voluntary nature compensation measures taken as a result of its environmental deviations. As part of regenerative forestry, nature compensation overcompensates the harm to nature resulting from any violations of the law. Metsä Group also recognises the need for additional protection of forests. In 2025, we established a conservation foundation that will begin operations at the start of 2026. The foundation's goal is to permanently protect Finnish forests that are valuable for biodiversity.

*PEFC (PEFC/02-31-03) and FSC® (FSC-C014476)

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Risk management and risks

Metsä Group's risk management is systematic and proactive, and aims to identify, assess and manage business-related risks, threats and opportunities. Risk management is governed by the risk management policy confirmed by the Board of Directors of Metsä Group's parent company Metsäliitto Cooperative, and by Metsä Group's corporate governance system. Metsä Group systematically assesses its strategic, operational and financial risks. They are taken into account in planning processes, and management measures are drawn up to prepare for them. Metsä Group's Executive Management Team reviews the most significant risks as part of its executive management work.

Risks that exceed the Group's risk-bearing capacity have been transferred with insurance, derivatives and other contracts to insurance companies, banks and other counterparties.

The risks identified and their management are regularly reported to the Board of Directors at least twice a year. The risk assessments conducted in 2025 identified the following risks and uncertainties with a potential impact on Metsä Group's business operations and profitability.

Strategic risks

Development of the world economy

Uncertainty around global economic development continues, and despite the recovery, economic growth in the euro area remains subdued. Weak consumer confidence and cautious purchasing behaviour are affecting demand for consumer products. If the situation is prolonged, it may decrease the demand for Metsä Group's products and weaken profitability.

Geopolitical risks

The unpredictability of the geopolitical situation has an impact on Metsä Group's business, as the Group's production takes place in Northern Europe, but markets outside Europe account for around a third of sales. Changes in the industrial and trade policies of leading industrialised countries, the materialisation of geopolitical risks or an escalation of crises may lead to more extensive trade restriction measures or international sanctions. Such measures could slow down the recovery and growth of the global economy, and even reduce global trade flows. New trade restrictions and sanctions may affect demand for Metsä Group's products and weaken the Group's profitability.

Russia's continued war of aggression in Ukraine has maintained global geopolitical tensions and weakened economic development. The impact of Russian sanctions and countersanctions, as well as the risks caused by the crisis, affect areas such as the costs and availability of production inputs, energy infrastructure and cybersecurity.

Tensions in the Middle East may cause uncertainty in the global operating environment, weaken world trade, disrupt supply chains and increase raw material prices.

Changes in the competitive and operating environment

Metsä Group operates in an industry where the balance between supply and demand, and any changes to it, affects the demand for and prices of

end products. The growth of competitors' capacity and increased imports or competition for market shares may reduce the price level and negatively affect Metsä Group's profitability. Significant currency fluctuations may have an impact on the products' market balance and companies' competitiveness.

US tariffs have weakened the competitiveness of Metsä Group's products in the United States. Any additional tariffs and policy changes by the administration could increase economic uncertainty, weaken world trade and intensify the volatility of the financial market.

If Metsä Group is unable to meet the demand for FSC-certified raw material when customers prefer FSC certification over PEFC certification, this may weaken its competitiveness and limit sales. In addition, changes in regulations such as the EU's climate and environmental policy and increasing new requirements to limit carbon dioxide, sulphur or other emissions may weaken the Group's profitability and affect the continuity of production. Various regulatory risks are also related to the acceptability of single-use food and food service packaging.

Pulp price risk

Metsä Group is more than self-sufficient in pulp. Changes in the market price of pulp have a significant impact on Metsä Group's operating result. Metsä Fibre's pulp production capacity is around 4 million tonnes of bleached softwood and hardwood pulp per year. In addition, Metsä Board produces pulp in Husum for both internal paperboard production and the market. In the global pulp market, structural changes in customers' pulp use, increasing competition and additional production capacity may weaken the demand for and price trend of market pulp.

Impact of the Chinese economy

China is a key market, especially for Metsä Fibre. China's economic growth is being slowed down by problems in the real estate market, strict regulations and weak domestic demand, and stimulus measures have not reversed the trend. The prolonged poor economic growth in China and the increase in the country's own pulp production may affect demand for Metsä Fibre's products in China in particular. Demographic challenges and geopolitical tensions, particularly between China and the United States, are weakening the outlook. A deterioration in EU-China relations or a continued decline in demand could reduce demand for Metsä Group's products in the Chinese market. In addition, problems in the industrial sector may exacerbate supply chain challenges and increase costs.

Risk related to balance sheet estimates and cash flow expectations

Metsä Group regularly assesses its balance sheet items based on expected cash flow. If there are significant or long-term changes to market conditions, they may affect the valuations of the balance sheet items and result in the need for impairments.

Sustainability

Transitioning to fully fossil-free energy in production, abandoning fossil-based raw materials, using energy and water more efficiently, and adopting measures in line with the principles of regenerative forestry to safeguard forests' strong growth and carbon storage are at the core of Metsä Group's

2030 sustainability targets. In Metsä Group's operating environment, sustainability matters are especially related to the changing regulatory environment and the role of forests and wood-based products in climate change mitigation. Risks related to sustainability are discussed in more detail in the Sustainability statement under Material sustainability-related impacts, risks and opportunities in more detail in the Sustainability statement under Material sustainability-related impacts, risks and opportunities.

Operational risks

Cost and availability risks of production inputs

Significant or unforeseen price changes of and availability issues affecting production inputs such as wood, energy and chemicals may reduce profitability, and threaten business continuity and the implementation of planned development investments.

The end of Russian wood imports and the increased use of pulpwood for energy purposes have tightened the wood market and pushed up prices in recent years. Even though the price of raw wood began to decline in the summer of 2025, the cost level remains high. An increase in wood demand or the weakening of availability could again raise prices, which would weaken profitability and endanger the continuity of production.

The escalation of the Middle East conflict could push up the price of oil and natural gas. Fluctuations in the price of electricity, natural gas or chemicals, or problems with their availability, may reduce profitability.

Risks related to the availability of transport capacity, unstable conditions on key transit routes and significant increases in market prices may weaken Metsä Group's profitability.

Changes in exchange rates may have an effect on the costs of some production inputs. These risks are primarily hedged with long-term delivery agreements and related derivatives.

Concentration of production in a limited geographical area

Most of Metsä Group's production units are in Finland. Labour disputes in the forest industry and distribution chain may disrupt production and customer deliveries, and weaken the Group's competitiveness and profitability. Labour disputes in other countries may also interfere with Metsä Group's production and customer deliveries, and have a negative impact on the company's business operations.

Risks to continuity of production and supply chains

Serious disruptions and accidents such as fires, explosions, major machine breakdowns, extreme weather events, environmental damage, labour disputes, cyberattacks, infectious diseases, problems with the availability of raw materials and energy, and disruptions in the supply chain could affect the continuity of production at the mills.

Long-term interruptions in production and supply chains could cause significant financial losses and permanent loss of customers. Mills, business areas and Metsä Group head office functions have drawn up continuity plans, and risk assessments carried out by insurance companies support efforts to reduce continuity risks. In addition, Metsä Group has taken out insurance policies to protect its assets and business operations, but uncertainties may be associated with insurance costs, and

the availability and coverage of compensation for damages. Metsä Group's crisis management plan guides management in crisis situations within the Group, business areas and mills.

Business development

The development and growth of business require strategic choices that involve risks. Uncertainties are related to the selection and timing of growth investments, the development of sales and customer portfolio, and the commercialisation of new products, for example. Expanding sales on a global scale also involves cost and exchange rate risks.

Efficiency programmes and development projects involve risks, such as cost overruns, which can undermine profitability. Metsä Group is implementing a significant cost savings and profit improvement programme to adjust its cost structure, improve the efficiency of its business operations and strengthen the conditions for sustainable growth.

Metsä Group's business is also developed through new production technology, efficiency programmes, product development, and the development and harmonisation of business processes and the information systems supporting them. Delays in development projects and investments, significant cost overruns, or failure to achieve production and commercial targets may weaken the Group's profitability.

The Group's innovation company Metsä Spring seeks out and develops new business ideas which, if successful, could become new business opportunities for Metsä Group in the future. The risk level of projects is significantly higher than that of development work carried out within business areas, meaning that the projects' risk of technical and/or commercial failure is higher than usual. If a project is terminated, this may lead to a write-down of project value on the balance sheet, for example.

Metsä Group's key goal is to create value for the forest assets of Metsäliitto Cooperative's owner-members and develop business in line with economic, social and ecological sustainability. Regenerative forestry, efficient use of resources, and employee safety and wellbeing are an integral part of Metsä Group's business and strategy for profitable growth. They are discussed in more detail in the following sections of the Sustainability statement: *E4 – Biodiversity and ecosystems*, *E5 – Resource use and circular economy* and *S1 – Own workforce*.

Metsä Group interacts with its key stakeholders and develops its operations based on stakeholder feedback. Stakeholder interaction is discussed in the Sustainability statement under *Interests and views of stakeholders* and *S – Social responsibility*. More information about intangible assets on the balance sheet can be found in Note 4.1 to the financial statements.

Corporate and information security risks

Risks to corporate security include deficiencies in personal security, security and safety at work, and in the control of financial misconduct; information influence operations; cyber threats; risks to supply chains and inadequate internal control. A cyberattack on information systems could lead to a leak of sensitive information and damage the company's reputation. Corporate security processes, guidelines, training and internal control are developed continuously, and exercises on the management of crisis situations are organised regularly.

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Personnel availability and retention

A decline in the availability and retention of skilled personnel could jeopardise the continuity of Metsä Group's business operations and the achievement of its strategic objectives. Metsä Group manages risk through development programmes, succession planning and strengthening its employer image, and prepares for retirements by promoting employees' multiple skills, work ability and job rotation. To prepare for the resource needs of any new units, personnel planning and recruitment processes are initiated well in advance. Factors threatening employees' health security are monitored regularly, and any required measures are adopted to protect the personnel and ensure business continuity.

Liability risks

Metsä Group's business involves liability risks such as contractual, environmental and product liability risks, which are managed through consistent processes, contract training, management practices, quality management and operational transparency. Some of the operational liability risks have been covered with insurance policies.

Business ethics

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

Financial risks

At Metsä Group, financial risks affecting business operations are primarily related to currencies, interest rates, liquidity, counterparty risks and the use of derivative instruments. Financial risks are managed in accordance with the Treasury Policy adopted by Metsäliitto Cooperative's Board of Directors. The objective of financial risk management is to contribute to securing the Group's financial profitability and stability, ensuring cost-effective financing, and effectively hedging against financial and commodity risks, thereby reducing uncertainty and improving predictability.

Access to capital and the price of capital largely depend on the conditions prevailing in the financial market and the Group's own financial situation. Metsä Group's stable financial situation and well-functioning financial markets have kept the availability and price of financing at a good level. Should access to financing grow weaker on the debt market or its price to increase significantly, it could also have a negative impact on the cost and availability of the external capital needed by the Group.

Metsä Group prepares for the refinancing risk by utilising a variety of financing sources, by scheduling loans to have a balanced maturity profile and by starting refinancing processes well before the loans mature. At the end of 2025, Metsä Group strong liquidity and undrawn committed credit facilities of EUR 700 million.

Changes in members' capital and additional members' capital

A member of Metsäliitto Cooperative who wishes to cancel their membership is entitled to receive a refund of their participation share payment and the additional contribution payment. The member may also receive a refund of the additional contributions based on a written claim. Based on the Cooperative's rules, the amount of members' participation

share payments and additional contributions that can be refunded is equivalent to one third of the distributable equity in accordance with the most recent balance sheet adopted by the Annual General Meeting. Larger than usual refunds of members' capital may have an adverse effect on Metsä Group's financial position.

Credit risks and other counterparty risks

The management of credit risks related to commercial activities is the responsibility of the business areas and the Group's centralised credit control. Credit control defines the internal credit limits and payment terms for customer with the management of business operations. Metsä Group's customer credit risk was at a normal level in 2025.

The main principles of credit control are defined in the credit guidelines approved by the Group's Board of Directors. The operational management of the Group and the business operations participate in the assessment of credit risks and in making final decisions on credit, if needed.

In money market investments, derivatives and loans, only counterparties that have been defined in the Group's financial policy, meet the credit-worthiness criteria or have been separately designated by a Board decision are approved.

Governance

Metsäliitto Cooperative is a Finnish cooperative and the parent company of Metsä Group. It is owned by 87,798 forest-owner members. On 31 December 2025, the combined forest area owned by the members totalled 5,400,000 hectares.

Metsäliitto Cooperative's governing bodies are the Representative Council, the Supervisory Board, the Board of Directors and the CEO, who acts as the President and CEO of Metsä Group. The members of Metsäliitto Cooperative elect the members of the Representative Council in an election held every four years. The members of the Supervisory Board are elected by the Representative Council. The Supervisory Board elects the members of Metsäliitto Cooperative's Board of Directors, and the Board of Directors appoints the CEO of Metsäliitto Cooperative and the President and CEO of Metsä Group.

The Representative Council uses the supreme decision-making power belonging to the members of Metsäliitto Cooperative in matters it is responsible for pursuant to the law and the rules of Metsäliitto Cooperative. The rules of Metsäliitto Cooperative specify the tasks of the Supervisory Board. Its main task is to ensure that Metsäliitto Cooperative is managed in accordance with the rules and the decisions of the Representative Council and the Supervisory Board.

According to the rules of Metsäliitto Cooperative and in accordance with legislation, the Board of Directors is charged with ensuring that Metsäliitto Cooperative and Metsä Group's operations and governance are appropriately arranged. The Board of Directors has authority over strategic and other decisions with far-reaching consequences. In the financial year 2025, the Board of Directors of Metsäliitto Cooperative was composed of eight members until 30 June 2025, and seven members as of 1 July 2025. According to the overall assessment by the Board of Directors, all members of the Board were independent of Metsäliitto Cooperative.

The Board of Directors convened 20 times in 2025, and Board members' attendance percentage at the meetings was 100%. Metsäliitto Cooperative has a CEO, who also acts as the President and CEO of Metsä Group.

The President and CEO is charged with the management of the operations of Metsä Group in accordance with the law and the rules of the Cooperative, as well as the decisions and instructions of the administrative bodies. The President and CEO is assisted by the Group's Executive Management Team.

Metsäliitto Cooperative's Board of Directors has determined the principles applicable to the diversity of the Board. According to the principles, the successful management of the tasks of the Board of Directors requires a diverse composition, diverse competence and experience. It is Metsäliitto Cooperative's goal that both genders be equally represented on the Board of Directors. The Supervisory Board's Nomination Committee observes the principles concerning diversity when preparing proposals for the Supervisory Board on the composition of the Board of Directors. The realisation of the principles is reported on yearly in the Corporate Governance Statement.

Events after the review period

On 26 January 2026, Metsä Board made an agreement regarding the purchase of the Winschoten Sheeting and Distribution Hub in the Netherlands, owned by Konvertia Group. It is planned that the sale will be closed in February 2026. The parties have agreed not to publish the sale price.

In January, Jussi Noponen was appointed EVP, Metsä Wood and a member of the Metsä Group Executive Management Team from 1 March 2026 onwards.

Metsäliitto Cooperative and Itochu Corporation completed a transaction on 4 February 2026, in which Metsäliitto acquired a 5.1% stake in Metsä Fibre Oy. As a result of the transaction, Metsäliitto's ownership in Metsä Fibre is 55.2%, and Itochu holds 19.9% of the share capital. The share of Metsä Board Corporation remained at 24.9%.

Near-term outlook

Geopolitical tension and uncertainty about global economic development have reduced consumer confidence, leading to weaker demand for pulp end products. Demand for softwood pulp has also been affected by the increased share of hardwood pulp in end products. These factors weaken the demand for softwood market pulp.

The cautious purchasing behaviour of consumers has a general impact on demand for packaging and weakens the predictability of paperboard sales. In Europe, overcapacity is adding to market pressure. In North America, the demand for folding boxboard is impacted by tariffs. The outlook for coated white kraftliner is better due to the limited possibilities for its replacement.

Demand for tissue paper products is expected to remain stable, and the long-term growth remains moderate. The market situation of greaseproof

papers involves uncertainty due to increased Chinese competition, especially in the European market.

In much of Europe, the outlook for construction remains muted, and this continues to be reflected in muted demand for spruce plywood in particular. However, the demand for sawn timber is expected to increase due to seasonal demand in the second quarter of the year. The demand for Kerto LVL products is expected to develop moderately favourably in all main markets in the early year. In the US, this development is mainly due to new customers.

Demand for birch plywood is expected to remain stable.

In the UK, demand for sawn timber upgrading is expected to be muted over the next few months in the DIY and merchant customer segments.

Demand for wood will particularly concern felling sites planned for summer harvesting and crown wood in terms of energy wood. Demand for forest management services is expected to remain strong. Due to the decreased market prices of wood, mill prices are expected to be significantly lower in 2026 than in the previous year.

Proposal of the Board of Directors on the use of the surplus on the balance sheet

Metsäliitto Cooperative's Board of Directors has decided to propose to the Representative Council meeting on 29 April 2026 that for 2025, interest of 5.0% (5.5 for 2024) be paid on the participation share capital invested by members, and that interest of 4.5% (5.0) be paid on Metsä1 additional shares, 1.0% (2.0) on additional capital A, and 0.75% (1.0) on additional capital B. The Board of Directors also proposes that a surplus reimbursement of EUR 0.30 per cubic metre of industrial roundwood received from a member over the last four concluded financial periods be distributed. The reimbursement of surplus will be primarily paid as Metsä1 additional shares, but in money for the part corresponding to the tax withheld for each member. If the right to the shares has been transferred to another person in accordance with the rules of the cooperative, the interest will be paid to the person who is registered as the owner on the record date, 31 March 2026. The proposed payment date is 11 May 2026. If a member entitled to a surplus reimbursement terminates their membership of the cooperative before the date of payment, this share of the surplus reimbursement will not be distributed. In total, the proposed profit distribution would be approximately EUR 88 million (93), of which the surplus reimbursement based on wood trade would be approximately 17%.

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Sustainability statement

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Reporting principles

■ Sustainability statement reporting principles

Basic information

Metsäliitto Cooperative and its subsidiaries comprise a group (“Metsä Group” or “Group”) in which operations are organised into five business segments: Pulp and Sawn Timber Industry; Paperboard Industry; Tissue and Greaseproof Papers; Wood Products Industry; and Wood Supply and Forest Services. Reporting covers the entire group, including the parent company Metsäliitto Cooperative and all the companies in which the Group directly or indirectly holds more than 50% of the votes unless otherwise stated in connection with the disclosed information. The scope of consolidation is the same as that in the financial statements.

In the Sustainability statement, reporting mainly focuses on Metsä Group at the Group level. Environmental and employee-related key figures specific to business areas and production units are disclosed on pages 107–112.

The Sustainability statement is published annually as part of the Board of Directors' report. The reporting period coincides with that of financial reporting, that is, the financial period from 1 January 2025 to 31 December 2025.

Basis for preparation

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

The disclosed sustainability matters and key figures are based on Metsä Group's double materiality assessment updated in 2025. The reporting requirements of the European Sustainability Reporting Standards that are material to the company's operations, products and stakeholders were identified through the materiality assessment. Further information about the materiality assessment and its results is provided on pages 32–35.

The reporting principles for metrics related to each topic are described at the end of each section. The most significant uncertainty in the reported metrics is related to calculations utilising default factors such as the greenhouse gas emission and carbon storage factors. Estimates have been used in the calculation of the value chain's Scope 3 emissions. The reporting principles for Scope 3 emissions are discussed on page 56. Additionally, specific breakdowns of the costs related to the various areas has not been presented for all investments, as some of the costs are indirect and are incurred as part of other procurements. In these cases, the total value of the investment is reported.

The Sustainability statement has been assured (limited assurance) by KPMG Oy Ab, an independent third party. Assurance was conducted in accordance with the international assurance standard ISAE 3000 (Revised). All comparative metrics were not assured as part of the 2025 assurance. This applies to comparative data for 2018, 2022 and 2023. Assurance for

the 2024 data was performed as part of the limited assurance for the 2024 Sustainability statement.

The reported information in accordance with the ESRS, Metsä Group's own metrics and their location in the Sustainability statement are indicated in the content index on page 38. The index also presents the ESRS indicators identified as non-material for Metsä Group.

On its website, Metsä Group has separately published content indices in compliance with the TCFD and TNFD recommendations. TCFD and TNFD information does not come under the scope of assurance.

■ Risk management and internal controls over sustainability reporting

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

The person responsible for the sustainability reporting is Metsä Group's EVP, Stakeholder Engagement, and the unit responsible for its implementation is the Corporate Responsibility unit. The reporting is conducted by specialists in sustainability reporting and related standards.

The risks identified in sustainability reporting include the accuracy of information and the timing of reporting. To ensure that the disclosed information is accurate and appropriately timed, Metsä Group has defined and adopted a governance model that specifies the roles and responsibilities in sustainability reporting. Metsä Group has included the competence required to produce the disclosed information in the Group's common business processes, which all the business units and Group services follow in their operations.

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

Additionally, to ensure the accuracy and timeliness of disclosed information, internal controls have been adopted as part of the common business processes. Their systematic monitoring is part of the internal control reporting.

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

Sustainability governance and strategy

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

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

Good governance

Metsäliitto Cooperative's Board of Directors and the President and CEO are responsible for Metsä Group's governance. At Metsä Group, good governance is ensured with clear management and leadership, internal control, and internal auditing. External auditing is handled by the company's auditor. Internal control, internal audit and auditing are also discussed in the *Corporate Governance Statement*.

Board of Directors and Board Committees

The Board of Directors of Metsäliitto Cooperative is the Group's highest sustainability oversight body. The duties and responsibilities of the Board of Directors and the Group's President and CEO, who also serves as the CEO of Metsäliitto Cooperative, are determined based on the Cooperatives Act and the rules of the Cooperative. In addition, the Board of Directors has approved written Rules of Procedure which define the Board of Directors' duties in greater detail.

From 1 January 2025 to 30 April 2025, the Board had eight members, of whom 75% were men (6), and 25% were women (2). From 1 May 2025, the Board had seven members, of whom 71% were men (5), and 29% were women (2). According to an overall evaluation by the Board of Directors, all members of the Board are independent of Metsäliitto Cooperative. The cooperative does not have such significant owner-members as referred to in the Corporate Governance Code on whom the members of the Board of Directors would be dependent.

Overall, the Board of Directors has comprehensive experience of good corporate governance and international business and management in various sectors, including the forestry, machinery, construction and defence industries, trade, telecommunications, the food and chemical industries, and the financial and insurance sector. The Board of Directors also possesses deep competence and experience concerning sustainability management, and the assessment of related risks and opportunities.

The Board of Directors approves the Group's policies guiding the Group's operations and internal control. Principles concerning sustainable business are defined in the Metsä Group Code of Conduct, as well as the policies related to procurement, HR, antitrust, quality, risk management, contracts, legal affairs, data protection, information security, taxation, communication, equality, environmental and corporate security approved by the Board of Directors, and in more detailed guidelines issued based on them. The targets and policies are updated if any changes that must be addressed take place in the operating environment.

The Board of Directors also approves Metsä Group's strategic sustainability targets. Metsä Group's President and CEO is responsible for the targets' implementation. The progress made in targets is reported to the Board of Directors regularly and at least once a year. Sustainability is

incorporated into the Group's business strategy approved by the Board of Directors, as well as in long-term business and investment plans, risk assessments, and annual action plans.

The Group's risk management results, including sustainability-related risks, are presented to the Board of Directors twice a year.

In the 2025 financial period, sustainability-related topics discussed at the meetings of the Board of Directors and its committees included:

- Actions related to forest protection
- Questions and regulatory projects related to deforestation and restoration
- Biodiversity
- Monitoring of the achievement of the Group's sustainability targets
- Wood-based carbon capture
- Funding programme for nature projects
- RDI projects promoting sustainability
- Reduction of Scope 3 emissions
- Green financing
- Corporate sustainability due diligence legislation
- Employees' wellbeing and development
- Development measures for ethical work and operating environments, and the results of employee surveys monitoring ethical aspects
- Remuneration-related sustainability metrics
- Development work in the field of diversity, equality and inclusion (DEI)
- Occupational safety
- Development work concerning the Know Your Business Partner and Know Your Customer processes
- Cybersecurity and information security
- Summary of investigations into incidents of non-compliance
- Corruption risk assessment
- Sustainability statement
- Internal control review, including the effectiveness of internal controls
- Climate legislation
- Establishment of the Metsä Conservation Foundation

The expertise and skills of Board members regarding sustainability

At their meetings, the Board of Directors and Board Committees regularly discuss reviews related to different areas of sustainability. The reviews are presented by the Group's executive management and specialists. The reviews offer Board members information about the material impacts, risks and opportunities related to the company's sustainability, and of the progress made in the company's sustainability targets. The reviews also ensure the Board's understanding and competence are up to date in sustainability matters. The Group's sustainability targets are taken into account in the Board of Directors' decision-making concerning matters such as investments.

The Group's President and CEO and Executive Management Team

The President and CEO is responsible for the implementation of the Board-approved sustainability targets in the Group. The President and CEO also reports to the Board on material sustainability-related impacts, risks and opportunities, as well as the processes related to their identification, assessment and management, including due diligence procedures and their results. The Group's Executive Management Team discusses the Group's sustainability targets before the President and CEO presents them

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to the Board of Directors. The Executive Management Team supervises the implementation of the approved sustainability measures and sustainability-related impacts, risks and opportunities regularly at its meetings.

From 1 January 2025 to 30 June 2025, the Group's Executive Management Team had eight members, of whom 88% were men (7), and 13% were women (1). From 1 July 2025, the Group's Executive Management Team had twelve members, of whom 92% were men (11), and 8% were women (1). At Metsä Group, the personnel's representatives are members of the management teams of production units.

The Group's Executive Management Team as a whole has broad experience of international business, management and good governance in various sectors, including the forest industry and forestry, the energy and metal industries, and the ICT sector. The Executive Management Team also possesses broad competence and experience concerning sustainability management and the assessment of related risks and opportunities.

Based on the Group's sustainability targets, the management teams of business areas prepare their sustainability targets to be presented for approval to the Boards of Directors of the Group's subsidiaries. The heads of business areas are responsible for the implementation of business area-specific sustainability targets, and the targets' achievement is monitored by the Group companies' Boards of Directors and the business areas' management teams. In addition, the company's CFO heads Metsä Group's Risk Committee, which handles sustainability risks as part of the company's general risk assessment.

At the Executive Management Team's meetings in the 2025 financial period, the reviews presented by Group management and sustainability experts focused on sustainability-related topics such as:

- Questions and regulatory projects related to deforestation and restoration
- Regenerative business
- Reduction of Scope 3 emissions
- Stakeholder cooperation
- Corporate sustainability due diligence legislation
- Employees' wellbeing and development
- Development measures for an ethical workplace and business environment
- Development work in the field of diversity, equality and inclusion (DEI)
- Occupational safety
- Cybersecurity and information security
- Regulatory development concerning sustainability
- Management of human rights impacts
- Supervision of antitrust compliance
- Sustainability statement
- Internal control review, including the effectiveness of internal controls
- Pay equality

Sustainability process management team and sustainability working group

The realisation of the strategic 2030 sustainability targets is reviewed quarterly in Metsä Group's Sustainability Process Management Team, composed of the directors in charge of sustainability matters in the business areas and in Group Services. The sustainability process management team ensures that the work for sustainability targets progresses as planned, taking corrective action if required. The work of the sustainability process management team is supported by the Group-level working group of sustainability specialists, which is tasked with advancing practical sustainability projects. The working group convenes four times a year.

Integration of sustainability-related performance in incentive schemes

Remuneration in Metsä Group is based on the following principles:

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

Metsä Group's remuneration principles and the overall remuneration of the administrative, management and supervisory bodies are described in the *Remuneration Report*.

Metsäliitto Cooperative's Board of Directors decides on the remuneration and other financial benefits of the Group's President and CEO and the members of the Group's Executive Management Team employed by Metsäliitto Cooperative, as well as on the principles of the short and long-term remuneration systems based on the HR Committee's preparation. The remuneration of Metsäliitto Cooperative's Board of Directors is not tied to Metsä Group's performance.

In 2025, sustainability was included in the annual personal targets of every Metsä Group employee. The target-setting model will continue to encourage the continuous assessment and improvement of sustainability matters.

Jussi Vanhanen was appointed CEO of Metsäliitto Cooperative on 1 May 2025, and President and CEO of Metsä Group on 1 July 2025. Ilkka Hämälä served as the President and CEO of Metsä Group until 30 June 2025. Accounting for Metsä Group's EBIT multiplier, the maximum level of remuneration available in the short-term incentive system in 2025 is 93.8% of the fixed annual salary. The remuneration is based on Metsä Group's operating result (40% weighting), Metsä Group's joint sustainability target (10% weighting) and the strategic targets defined by the Board of Directors (50% weighting), of which the sustainability targets represent at least 10%, as well as the realisation of Metsä Group's EBIT multiplier. In 2025, the sustainability targets of Vanhanen and Hämälä were related to occupational safety, and the development of sustainability reporting and related data collection.

The President and CEO's other business targets included strategic programmes improving the mills' environmental and climate performance by improving resource efficiency and promoting the transition to fossil-free fuels. The weighting of sustainability targets was 15% in total, with the target related to sustainability reporting representing 5% weighting and the occupational safety target representing 10% weighting of the performance-based targets. The realised value of Vanhanen's sustainability targets was an average of 105% (on a scale of 0–200%). Hämälä's realised value will not be reported, as the President and CEO's term concluded during the year. All remuneration paid to the former President and CEO is reported as part of the Remuneration Report. Performance bonuses were not paid for 2025 due to the short-term incentive system's performance indicator failing to exceed the threshold.

Accounting for Metsä Group's EBIT multiplier, the maximum level of remuneration available in the short-term incentive system in 2025 for other Executive Management Team members was 75% of the fixed annual salary. Remuneration is based on the operating result of the company in question (40% weighting), Metsä Group's joint sustainability target (10% weighting) and the strategic targets defined by the Board of Directors (50% weighting), of which the sustainability targets represent at least 10%, as well as the realisation of Metsä Group's EBIT multiplier. In 2025, the sustainability targets of the rest of the Executive Management

Team were related to areas such as occupational safety, sustainability reporting, the Metsä Group Plus service, as well as Metsä Group's projects and strategic programmes, which were related to matters such as the reduction of carbon dioxide emissions. The other business targets of the Executive Management Team included strategic programmes improving the mills' environmental and climate performance by improving resource efficiency, and promoting the transition to fossil-free fuels. The weighting of sustainability targets was on average 10% of the performance-based targets of the other Executive Management Team members, and their realisation was on average 103% (on a scale of 0–200%). Performance bonuses were not paid for 2025 due to the short-term incentive system's performance indicator failing to exceed the threshold.

Strategy, business model and value chain

Strategy

Metsä Group's key target is to create value for the forest assets of Metsäliitto Cooperative's owner-members and develop business in line with economic, social and ecological sustainability. Metsä Group advances the bioeconomy and circular economy by sustainably and efficiently converting northern wood into first-class products. Regenerative forestry, climate change mitigation and adaptation, efficient resource use, and the development and wellbeing of employees are key elements of the Group's strategy of profitable growth and its operational activities.

In Metsä Group's business environment, sustainability matters are primarily linked to the changing regulatory environment and the role of forests and wood-based products in climate change mitigation. These challenges are part of the actions related to Metsä Group's strategic 2030 sustainability targets, and they also offer Metsä Group new opportunities in a changing operating environment.

The targets have been defined based on the eight themes guiding Metsä Group's sustainability work. Transitioning to fully fossil-free energy in production, using energy and water more efficiently, and adopting regenerative forestry measures to safeguard forests' strong growth and carbon storage are at the core of the targets. Regenerative forestry also plays a key role in managing the physical risks caused by climate change, as improving the state of forest nature also improves forests' resilience to climate change. Metsä Group's products offer important properties for climate change mitigation, including the recyclability of packaging boards, the potential to replace fossil-based raw materials, and the long-term carbon storage provided by wood products.

The achievement of ambitious targets requires investment, the development of operations and the product range, and the use of the best available technology. Metsä Group is actively exploring opportunities to expand business in accordance with the principles of sustainability. Metsä Group's investments promote the bioeconomy and circular economy. Investments are discussed under *Business Development*. Research, development and innovation activities are discussed under *Research and development*.

Sustainability-related risks and opportunities are discussed theme-specifically in each section of this Sustainability statement and under *Risk management and risks*.

The sustainability-related materiality assessment was used to specify the themes and targets guiding sustainability work. The eight themes guiding sustainability work, the 2030 sustainability targets, as well as the summary and process of the materiality assessment, are described under *Material sustainability-related impacts, risks and opportunities*.

Business model and value chain

Metsä Group consists of Metsäliitto Cooperative, its businesses Metsä Wood Supply and Forest Services and Metsä Wood, and the Cooperative's subsidiaries Metsä Fibre, Metsä Board and Metsä Tissue. Metsä Spring is Metsä Group's innovation company. Metsä Group's parent company Metsäliitto Cooperative is owned by more than 90,000 forest owners. At the end of 2025, Metsäliitto Cooperative held around 52% (52) of the listed company Metsä Board's shares and around 69% (69) of the votes. Metsäliitto Cooperative's holding in Metsä Fibre's shares is 63% (63). Metsä Tissue and Metsä Spring are fully owned subsidiaries of Metsäliitto Cooperative.

Through the Cooperative's owner-members, Metsä Group has access to a considerable reserve of wood raw material, providing a stable foundation for operations and the long-term development of production units. The goal of the forest management services provided to owner-members is to ensure that their forest assets are transferred in a more vibrant, diverse and climate resilient condition from one generation and owner to the next. In the reporting year, the proposed profit distribution to Metsäliitto Cooperative's owner-members totals EUR 82 (93) million (to be confirmed at the meeting of Metsäliitto Cooperative's Representative Council in April 2026). EUR 770 (801) million was paid to Finnish forest owners in income from wood sales.

Metsä Group's wood raw material supply chain employs a considerable number of contract entrepreneurs. In the reporting year, Metsä Group's purchases from Finnish harvesting, transport and forest management entrepreneurs amounted to EUR 427 (445) million.

Metsä Group's industrial business focuses on pulp, paperboard, tissue and greaseproof papers, as well as sawn timber and wood products for construction. Its production units are in Finland, Sweden, Germany, Poland, the United Kingdom, Slovakia and Estonia. The Group's home market area is Europe, and its other significant markets are North America, Asia and Oceania. Around 68% (71) of turnover is derived from the EMEA region, while 19% (17) is derived from the APAC region, and 13% (13) from the Americas.

Metsä Group's products create value for customers, consumers and end-users in the following ways:

- Vitality and higher value for forests with forest management services
- Renewable pulp and other bioproducts as raw material for consumer products
- Lightweight and strong packaging boards and greaseproof papers as alternatives to plastic
- Better hygiene from tissue papers
- Wood products offering long-term carbon storage.

Business areas' significant business events in the reporting year are discussed in the Board of Director's report under *Business areas*. Significant product segments and their financial development in the reporting year are discussed in the Notes to consolidated financial statements, under *Segment information*.

Metsä Group employs around 5,600 (5,900) people in Finland, and overall, around 9,500 (10,000) people in 25 (27) countries. The number of employees per country is described under *SI – Own workforce*. Metsä Group also creates a significant amount of indirect employment in Finland, affecting rural areas in particular. In 2025, Metsä Group paid around EUR 765 (712) million in salaries, wages and fringe benefits.

In 2025, Metsä Group generated 17 (17) TWh of renewable energy.

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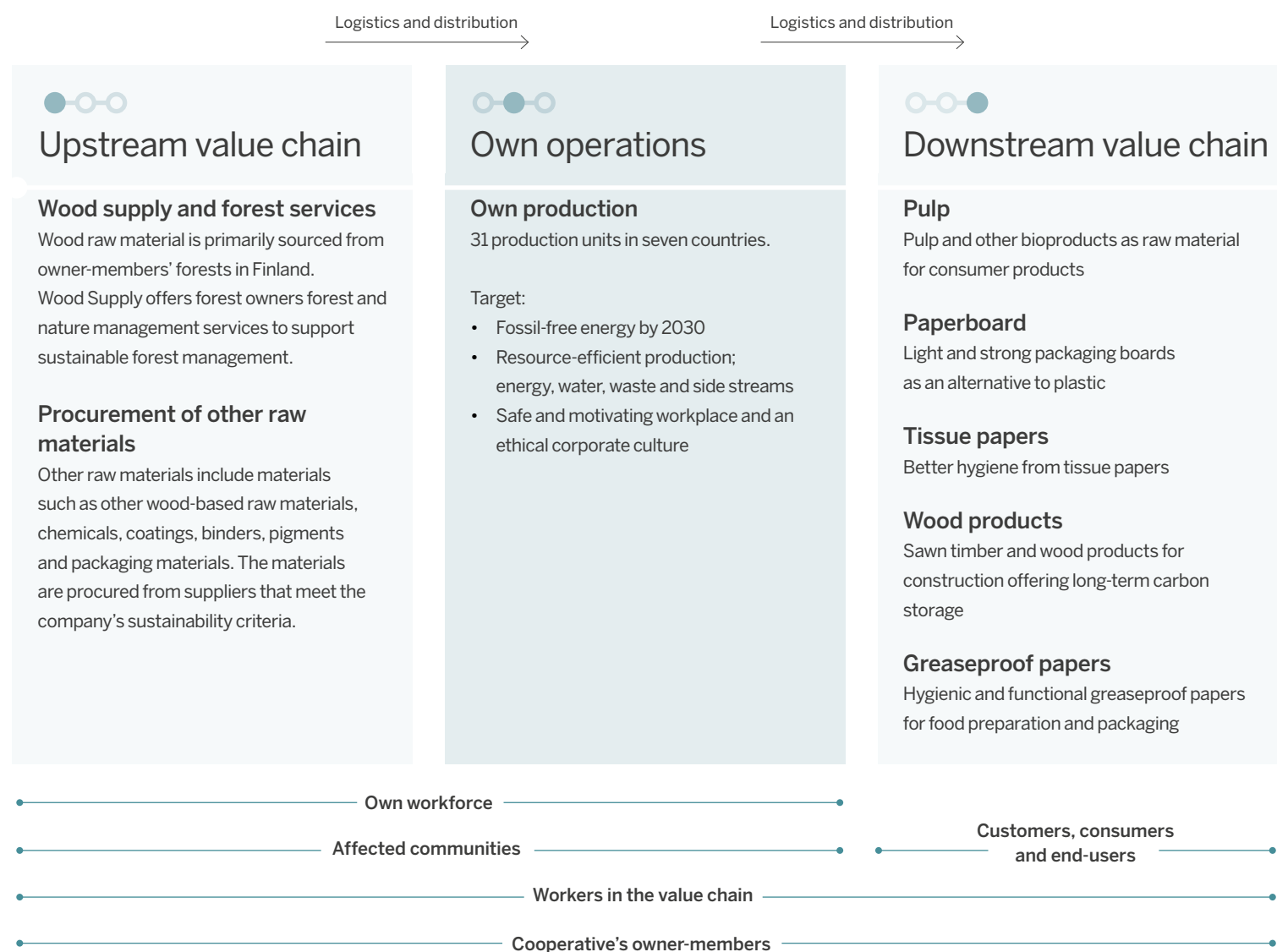
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In 2025, Metsä Group launched a EUR 300 million cost savings and profit improvement programme with the goal of improving profitability and efficiency, as well as ensuring competitiveness. The programme focuses on procurement and logistics costs, the wood supply chain's optimisation from the forest to production units, and the reduction of fixed costs. The programme does not include permanent or temporary closures of

production units. The cost savings programme supports the resilience and adaptability of business operations amid cost pressures and changes in the market and operating environment. It is expected that the savings will be realised incrementally from 2026 onwards. The programme's effects are described in further detail in the *E1 – Climate change* and *S1 – Own workforce* sections.

Value chain



Interests and views of stakeholders

Metsä Group interacts with its key stakeholders and develops its operations based on stakeholder feedback. Stakeholder interaction is carried out at different organisational levels. For example, the management and personnel of mills often interact with local communities, while the Stakeholder Engagement unit in Group Services interacts with policymakers and NGOs. A Group-level stakeholder engagement plan is drafted annually to identify key stakeholders. Meetings with the identified stakeholders are conducted at least once a year. Feedback from stakeholders is collected, analysed and reported as an annual summary to Group management. Group management is responsible for taking the results into account in the company's operations. The reports define

measures to manage weak points and negative impacts in the operations, as well as seek opportunities, and assess the status and efficacy of previously defined measures. Metsä Group's Stakeholder Engagement unit is responsible for coordinating and developing the process. Stakeholder feedback is used in risk management and as a basis for new cooperation projects, examples of which are included in *S3 – Affected communities*. Stakeholder feedback is also utilised in the annually performed double materiality assessment and the setting of 2030 sustainability targets based on the materiality assessment. The materiality assessment is discussed in greater detail under *Material sustainability-related impacts, risks and opportunities*.

Interests and views of stakeholders

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

Stakeholder	Stakeholder engagement	Themes important to stakeholders	Impact on operations, business model and strategy
Owner-members	<ul style="list-style-type: none"> Representative Council Supervisory Board District Committees Developer community Member coordinators and other specialists Metsäverkko platform Members' magazine 	<ul style="list-style-type: none"> Profitability and sustainability of wood production Multi-generational forest management Societal value creation Profitable and competitive profit distribution models and member benefits Forerunner in sustainability Strengthening of forest biodiversity and climate resilience 	<ul style="list-style-type: none"> New investments Product portfolio development and new products Centralised wood supply from owner-members' forests Comprehensive and customer-oriented wood trade and forest management services Regenerative forestry strategy and related services such as Metsä Group Plus Efficient use of information and new technology solutions such as AI
Own workforce	<ul style="list-style-type: none"> Personnel survey and Pulse survey Ethics index compiled from the Personnel survey's ethics statements Cooperation with employee representatives Safety and health at work and related observations Compliance and Ethics Channel 	<ul style="list-style-type: none"> Health and safety Diversity, equality and inclusion (DEI) Competence development and good leadership Working conditions and other work-related rights Organisation's resilience 	<ul style="list-style-type: none"> Externally certified safety management systems Metsä for All vision Anonymous recruitment Metsä Group's academies and other competence development Development of leadership and key capabilities Measures determined based on the Personnel survey
Customers, consumers and end-users	<ul style="list-style-type: none"> Customer experience surveys Customer feedback forms Contact forms on web pages Continuous maintenance of cooperative relationship 	<ul style="list-style-type: none"> Sustainable products Product safety and quality Product information Safeguarding biodiversity Climate change mitigation and climate change adaptation 	<ul style="list-style-type: none"> Products that replace fossil-based materials and are recyclable Products' carbon footprint and life cycle calculations and their development Regenerative forestry strategy Resource-efficient production Product safety and quality, and certified management systems Wider use of product information
Suppliers and supply chain employees	<ul style="list-style-type: none"> Supplier days Cooperation forums for occupational safety Cooperation survey for suppliers Sustainability working group activities with partner suppliers Continuous maintenance of cooperative relationship Compliance and Ethics Channel 	<ul style="list-style-type: none"> Safety and health Working conditions and other work-related rights Climate change mitigation and climate change adaptation Safeguarding biodiversity Circular economy Sustainable supply chain 	<ul style="list-style-type: none"> Certified safety management systems Proactive model for combating the grey economy in construction projects Strategy of regenerative forestry Joint sustainability targets with partner suppliers Measures defined based on the cooperation survey for suppliers Assessment of suppliers' sustainability as part of the supplier selection process and during cooperation
NGOs	<ul style="list-style-type: none"> Bilateral meetings Project cooperation Cooperation days Compliance and Ethics Channel 	<ul style="list-style-type: none"> Safeguarding biodiversity Climate change mitigation and climate change adaptation Forest protection and old-growth forests Forestry methods Mills' and forestry's impact on waterbodies 	<ul style="list-style-type: none"> Strategy of regenerative forestry Regenerative land-use policies and biodiversity plans at mills Funding programme for nature projects Forest protection (incl. METSO programme) The wood processing industry's biodiversity roadmap and further measures Forestry operating models, especially in peatlands
Indigenous peoples (the Sámi)	<ul style="list-style-type: none"> Bilateral meetings Cooperation days Compliance and Ethics Channel 	<ul style="list-style-type: none"> Rights of indigenous peoples Safeguarding traditional livelihoods Climate resilience of northern nature Free, prior and informed consent Intergenerational and experimental knowledge of indigenous peoples alongside scientific knowledge 	<ul style="list-style-type: none"> Inclusive cooperation and decision making Engagement of suppliers knowledgeable about the rights of the Sámi When planning and implementing wood supply and forestry work, measures are taken to locally ensure that the reindeer herding of the Sámi is not jeopardised. The conditions for the reindeer herding of the Sámi are safeguarded with agreements and regular audits of wood suppliers
Policymakers	<ul style="list-style-type: none"> Public hearings Bilateral meetings Events, seminars and panels Forest and mill visits Compliance and Ethics Channel 	<ul style="list-style-type: none"> Circular bioeconomy Climate change mitigation and climate change adaptation Safeguarding biodiversity Logistics and public infrastructure New products and innovation Renewal and jobs Solutions-oriented cooperation 	<ul style="list-style-type: none"> New investments Resource-efficient production and fossil-free energy, waste-free production Products replacing fossil-based materials and recyclable products Strategy of regenerative forestry Regenerative land-use policies and biodiversity plans at mills Funding programme for nature projects
Local communities	<ul style="list-style-type: none"> Open house and other events at production units Consultation with local communities in investment projects Compliance and Ethics Channel Cooperation days 	<ul style="list-style-type: none"> Local impacts of mills such as noise, dust and odour nuisance Climate change mitigation and climate change adaptation Safeguarding biodiversity Promotion of employment, livelihood and entrepreneurship; tax revenue 	<ul style="list-style-type: none"> Inclusive cooperation and decision making Resource-efficient production and fossil-free energy, waste-free production Best available techniques Regenerative land-use policies and biodiversity plans at mills
Lobbying and industrial associations	<ul style="list-style-type: none"> Bilateral meetings Events, seminars and panels Cooperation days Forest and mill visits 	<ul style="list-style-type: none"> Safeguarding biodiversity Climate change mitigation and climate change adaptation Advocacy cooperation Wellbeing of the industry, value chain and operators 	<ul style="list-style-type: none"> Strategy of regenerative forestry Regenerative land-use policies and biodiversity plans at mills Funding programme for nature projects The wood processing industry's biodiversity roadmap and further measures Resource-efficient and fossil-free energy
Researchers, educational institutions and students	<ul style="list-style-type: none"> Surveys Cooperation projects Cooperation events Forest and mill visits Recruitment events Thesis assignments and traineeships 	<ul style="list-style-type: none"> Research and development cooperation Education, training and competence Investments and jobs Learning, training and education Working life DEI 	<ul style="list-style-type: none"> Joint research and development projects Strategy of regenerative forestry Regenerative land-use policies and biodiversity plans at mills Funding programme for nature projects Education and training cooperation, and partnerships Jobs and traineeships

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Material sustainability-related impacts, risks and opportunities

■ **The identification and assessment of material impacts, risks and opportunities**

Process

Metsä Group identifies impacts, risks and opportunities related to sustainability, and assesses their materiality through the company's risk management process. The risk management process complies with the COSO Enterprise Risk Management methodology. The key goal is to identify and assess the risks, threats and opportunities potentially significant to the implementation of the company's values and strategy and to the achievement of long-term targets, as well as to identify and assess the company's impacts on society and the environment. In addition to the company's own operations, the identification and assessment of impacts,

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

The double materiality assessment is carried out annually, and it is linked to the annual risk management cycle. This allows risk identification, assessment, prioritisation and the definition of management measures to be conducted as part of the annual planning process. The double materiality assessment is discussed and approved by the Group's Executive Management Team as part of the risk management review in the last quarter. The internal control unit monitors and reports on sustainability risks and control environments to business operations, the Executive Management Team and Audit Committee in accordance with the Group's general internal control governance model and the annual cycle. The control of sustainability risks is planned, described and implemented on a risk basis in business processes.

Material sustainability topics

Theme	Topic	Sub-topic	Materiality	2030 target set			
E – ENVIRONMENT							
1. Mitigating climate change and adapting to it in own operation and value chains	E1 Climate change	Climate change mitigation	●	✓			
		Climate change adaptation	●	✓			
		Energy	●	✓			
	2. Continuous improvement in resource-efficiency in production	E2 Pollution	Pollution of air, water and soil	●			
			Microplastics	●			
	3. Enhancing the state of forest nature	E3 Water and marine resources	Water	●	✓		
			E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	●	✓	
		Impacts on the state of species and on the extent and condition of ecosystems		●	✓		
		Impacts and dependencies on ecosystem services		●	✓		
		E5 Resource use and circular economy	Resources inflows, including resource use	●	✓		
Resource outflows related to products and services	●		✓				
4. Accident-free work environment	S1 Own workforce	Equal treatment and opportunities for all	●	✓			
		Health and safety	●	✓			
		Other working conditions	●	✓			
		Other work-related rights	●				
		Waste and by-products	●	✓			
	5. Continuous improvement in engagement and well-being of employees	S2 Value chain workers	Health and safety	●	✓		
			Other working conditions	●	✓		
			Other work-related rights	●	✓		
	6. Promoting diversity, equality and inclusion (DEI)	S3 Affected communities	Communities' economic, social and cultural rights	●			
			Rights of indigenous peoples	●			
		S4 Consumers and end-users	Personal safety of consumers and end-users	●			
			G – GOVERNANCE				
			7. Promoting ethical corporate culture	G1 Business conduct	Corporate culture	●	✓
	Corruption and bribery	●					
	Management of relationships with suppliers	●			✓		
Protection of whistleblowers	●						
8. Promoting sustainable and ethical practices in our supply chain		Political engagement and lobbying activities	●				

high (value 10–25) ●
moderate (value 5–9) ●

Methodology

The assessment identifies any impacts, risks and opportunities for each sub-topic and sub-sub-topic of the ESRs. If material impacts, risks and opportunities have not been found, the sub-topic or sub-sub-topic is considered non-material. The assessment examines the entire value chain.

Likelihood and financial risks and opportunities are assessed using a scale defined in Metsä Group's risk management process, which is shared for all business risks. Impact assessment is also included in the scale. The final assessment of the impact is based on the impact's scope, scale, duration and remediability. The assessment scale is presented in this section. Remediability is assessed on the following scale: short-term (less than one year), medium-term (1–5 years), long-term (5–10 years), very long-term (10–30 years) and irremediable. The very long-term duration has been added to better reflect the characteristics of the forest sector. The final scope of the impact, risk or opportunity is determined by multiplying the likelihood assessment with the financial or external impact assessment.

Stakeholder engagement

Stakeholder feedback is collected and analysed annually at the Group level. The results of the analysis are used in the materiality assessment, in particular, to ensure all material impacts, risks and opportunities are identified. Additionally, the feedback supports the assessment of impacts, risks and opportunities that have already been identified internally. The themes important to stakeholders are in line with the identified impacts, risks and opportunities. Stakeholder engagement and the consideration of themes important to stakeholders in the company's strategy and business model are described in the Interests and views of stakeholders section.

The identification and assessment of material impacts, risks and opportunities

The double materiality assessment based on the risk management process principles utilises several topic-specific key data sources and methods to identify and assess impacts, risks and opportunities. Further topic-specific information about the identification and assessment process of impacts, risks and opportunities is described in more detail on the next page.

Impact, risk and opportunity assessment scale

Likelihood	Time horizon	Frequency	Impact				
			1	2	3	4	5
Very likely	In the next year	5	5	10	15	20	25
Likely	In the next 3 years	4	4	8	12	16	20
Possible	In the next 6 years	3	3	6	9	12	15
Unlikely	In the next 10 years	2	2	4	6	8	10
Very unlikely	Unlikely in the next 10 years	1	1	2	3	4	5
			1	2	3	4	5
Financial impact			Low	Minor	Moderate	Major	Severe
Reputation			Local mention only, quickly forgotten	Local reputational damage, impact on local activities	Short-term national concern, long term impact on reputation	National long-term concern, significant change in market share, major operations restricted	International long-term concern, game-changing change in market share
Impact on the wellbeing of society, nature and other stakeholders			Limited impact on individuals and/or local environment	Minor impact on group of individuals and/or regional environment	Moderate and short-term impact on society and/or environment	Major short-term impact on society and/or environment	Severe long-term impact on society and/or environment

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E – Environment

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

In accordance with the risk management process, the environmental impacts of production units are assessed in connection with the environmental impact assessments of investment projects, for example. The need for environmental impact assessments is determined by the local EIA authority. Risks related to climate change have been taken into account in the environmental impact assessments of the most recent investments. After the environmental impact assessment and environmental permit process, the production units operate in accordance with their environmental permit and the company's operational management system.

Local communities have a statutory right to participate in the production units' environmental permit processes by submitting objections and opinions on permit applications. The objections and opinions are considered in the permit process. In addition to the permit processes, production units receive feedback from the local communities. The feedbacks are responded to, and they are logged in the HSEQ system intended for matters such as logging, and monitoring of observations and corrective measures. Some production units also arrange public visitor days and "neighbourhood meetings" to discuss environmental matters related to the mill.

E1 – Climate change

Metsä Group's climate risks were assessed in 2024 as part of the climate risk analysis, which covered the physical risks, transition risks and opportunities in the company's own operations and value chain. Metsä Group's internal climate risk workshops were attended by specialists and management from Metsä Group's other business areas and functions. Two IPCC (Intergovernmental Panel on Climate Change) climate scenarios (RCP 1.9 and RCP 8.5), reports of the Finnish Meteorological Institute and scientific articles were used in the analysis. In the RCP 1.9 scenario, the increase in the world's mean temperature is limited to 1.5 °C, and in the RCP 8.5 scenario, emissions continue to increase at the current rate, and the world's mean temperature increases on average by 4.3 °C by 2100. The analysis included a short-term (less than one year), medium-term (1–5 years) and long-term (more than 5 years) review. The time horizons have been considered in terms of the production units' operating lifetime. As a rule, production units are designed to operate for a long time, and their life cycle exceeds the time horizons employed. They are therefore not discussed in greater detail. Metsä Group's ongoing lobbying work and the related analysis of the operating environment played a key role in the assessment of transition risks. The physical climate risks of Metsä Group's production units and key supply chains were analysed by an external partner. The analysis was conducted using geolocation-based modelling and various climate scenarios. In addition to the present day, the analysis covered 2030 and 2040. The results of the analysis did not highlight any significant risks related to Metsä Group's production units. Based on this, the location of production units supports the Group's competitiveness in the face of climate change. The results of the climate risk and scenario analysis are presented starting on page 44. The results of the climate risk

analysis are included in the company's double materiality assessment. Climate risks are assessed annually as part of the risk management process. Metsä Group's Wood Supply and the Group's Stakeholder Engagement unit cooperate to identify, assess and manage regulatory risks related to forest use.

E2 – Pollution

The material impacts, risks and opportunities related to pollution have been identified in a double materiality assessment based on the principles of the company's risk management process. The risk assessment of production units is described in sections *E – Environment* and *E3 – Water and marine resources*.

E3 – Water and marine resources

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

In accordance with the risk management process, the production units' impacts on water resources are assessed in connection with the environmental impact assessments of investment projects and during the environmental permit processes, for example. Several production units have waterbody monitoring obligations and commitments. These are often regionally comprehensive long-term programmes for monitoring the long-term consequences of operations. The pulp and paper industry requires a lot of water, but in relation to the volume of water used, water consumption is low.

Metsä Group's operations are designed so they do not affect other parties' rights or opportunities to use water. Production processes account for roughly a third of the water used by Metsä Group, while the rest is used as cooling water. The cooling water circulates in a separate system and does not need to be treated. However, the cooling water returned to waterbodies has a local heating impact. Process water is carefully treated before it is returned into waterbodies.

Most of Metsä Group's production units are in areas of low water risk and with large surface water reserves. None of Metsä Group's mills are in an area of high overall water risk (WRI Aqueduct Water Risk Atlas). Overall water risk indicates the risks related to all water resources, taking the volume and quality of water resources and regulation in the area into account.

However, the Kreuzau and Düren tissue paper mills in Germany use water from areas of high water stress. Water stress indicates the proportion of overall water need, and renewable surface water and groundwater reserves in the area. Both production units withdraw their water from the same river, the water quantity of which is managed by a local water association. As the minimum water quantity in the river is adequate for the area's industrial use, water sufficiency is not a material risk for Metsä Group, and the production units' water withdrawal does not cause material harm to the availability of water in the area.

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

E4 – Biodiversity and ecosystems

The materiality assessment includes assessments of nature-related impacts, risks and opportunities in the Group's own operations and the

value chain. The key impacts and dependencies have been found to be related to the supply chain for wood raw material and the Group's own production units. The assessment has been conducted using the LEAP method (locate, evaluate, assess, prepare). The assessment has been based on various types of data such as data on wood supply areas, certification statistics, valuable nature sites near production units, as well as a list of biomes and ecosystems that Metsä Group affects, or on which its operations are dependent. For Metsä Group, wood production is a key ecosystem service, or a benefit offered by nature. Other benefits include pollination services, harvested products, clean water, recreational use and carbon sinks, all of which are important for the resilience of business operations. The risk analysis also considered transition risks, systems risks and physical risks. The impacts of climate change on ecosystem services are assessed under *E1 – Climate change*.

Habitats valuable to biodiversity are found in the vicinity of Metsä Group's production units. The habitats have been identified within a radius of 10 kilometres of each production unit. This is the maximum expected range of the potential impacts of pulp mills. However, the potential environmental impacts of sawmills, for example, are limited to an area much smaller than this. Areas valuable to biodiversity encompass Natura 2000 sites, state nature reserves, private nature reserves, areas included in nature conservation programmes and key biodiversity areas. For some production units, mild impacts on these areas have been identified, and they are listed in the table on *page 66. Risk management as part of the operational activities is described further on page 66*. The impact management and mitigation measures are described in section *E2 – Pollution*.

E5 – Resource use and circular economy

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

The mills' waste management is regulated by the Group's environmental permits and operational system, as well as the conditions of the environmental permits. Some mills have their own waste management area, subject to an environmental permit, the environmental impacts of which are monitored and managed in accordance with the permit conditions. Risks related to waste management are assessed as part of regular risk assessments.

S – Social

The material impacts concerning *S1 – Own workforce*, *S2 – Workers in the value chain*, *S3 – Affected communities* and *S4 – Consumers and end-users* were identified in a human rights impact assessment, the results of which are included in the company's double materiality assessment.

Metsä Group's human rights impacts assessment was conducted by an external partner in 2024. The assessment utilised internal specialist interviews, interviews with external stakeholders, Metsä Group's documentation and public literature sources. Participants in the external

stakeholder interviews included raw material and product suppliers, a trade union and the Sámi Parliament of Finland.

The human rights impacts were assessed based on their likelihood, scope, remediability and scale. The assessment was conducted in compliance with the UN Guiding Principles on Business and Human Rights. The impact assessment used the same scale as the company's general risk assessment, and the identified impacts were included in the double materiality assessment.

The assessment conducted in 2024 identified and assessed direct and indirect impacts in the entire value chain and in affected communities. Furthermore, the assessment included the identification of groups that might be more susceptible to harm from the identified impacts. The impacts were validated in internal workshops, and the results were presented to the Group's Executive Management Team. Based on the assessment, a due diligence obligation process and development actions for the coming years were defined. Since 2024, the assessment of human rights impacts has been part of the company's annual risk identification and assessment process.

In addition to the human rights impact assessment, other key tools for the identification, analysis and management of social responsibility-related impacts, risks and opportunities include risk assessments in accordance with the ISO 45001 occupational health and safety standard for production units; the Know Your Business Partner process; supplier assessments and audits; industry-, country- and supplier-specific risk analyses; the Personnel survey; and the Compliance and Ethics Channel. These targets are discussed in sections *S1 – Own workforce* and *G1 – Business conduct*.

G – Governance

The material impacts, risks and opportunities related to governance and corporate culture have been identified in accordance with the company's risk management process. The Know Your Business Partner process, supplier assessments and audits, the company's ethics index, and the Compliance and Ethics Channel help in the identification, analysis and management of such impacts, risks and opportunities.

2025 results

The results of the materiality assessment are presented on page 32. Sub-topics classified as moderate (a value of 5–9) or high (a value of 10–25) were determined as material sub-topics. The table does not include sub-topics of low materiality.

In 2025, the sub-topics and sub-sub-topics of the ESRS were more closely aligned with the risks identified in the human rights impact assessment. This meant defining more precisely which identified human rights impacts were related to topics such as diversity and equality, and which to other work-related rights. As a result, the sub-topic "Equal treatment and opportunities for all" was considered non-material for the workers in the value chain.

Additionally, the likelihood of risks related to product information was reassessed. The likelihood of erroneous product information and subsequent negative impacts on consumers and end-users were assessed as unlikely. As a result, the sub-topic "Information-related impacts for consumers and end-users" was considered non-material.

The changes to the risks of other sub-topics based on the 2025 risk assessments were minimal and did not significantly affect the materiality status of the sub-topic.

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Metrics and targets

TARGET	2030 TARGET	ACTUAL 2025	PROGRESS 2025	UN SDG
E – ENVIRONMENT				
1. Mitigating climate change and adapting to it in own operation and value chains				
Energy efficiency index, base year 2018	90	102	●	7, 12, 13
Fossil-based carbon dioxide emissions (Scope 1 + Scope 2 market-based), t	0	559,042	●	12, 13
Greenhouse gas emissions from logistics purchased by Metsä Group from the 2022 level (Scope 3, category 4), %/tkm	-30	-18	●	13
Amount of forest regeneration and young stand management from the 2018 level, %	+30	+14	●	13, 15
Amount of forest fertilization from the 2018 level, %	+50	+126	●	13, 15
Share of continuous cover forestry in peatland forest regeneration, %	30	18	●	13, 15
Volume of mechanical wood products from the 2018 level, %	+30	-12	●	12, 13
2. Continuous improvement in resource-efficiency in production				
Reduction in process water use per produced tonne from the 2018 level, %	-35	-14	●	6, 12
Process waste delivered to landfills, t	0	8,405	●	12
3. Enhancing the state of forest nature				
Retention trees on regeneration felling sites, %	100	96	●	13, 15
High biodiversity stumps on harvesting sites, %	100	100	●	13, 15
Spruce as the only tree species after young stand management, %	0	25	●	13, 15
Measures promoting biodiversity, number	10,000	10,616	●	13, 15
S – SOCIAL				
4. Accident-free work environment				
Total recordable incident frequency, own employees (TRIF)	0	4.0	●	8
Total recordable incident frequency, contractor employees (TRIF)	0	4.3	●	8
5. Continuous improvement in engagement and well-being of employees				
Employee engagement, index (scale 0–100)	AAA	A	●	5, 8
The implementation of the measures defined based on the employee survey, %	100	96	●	5, 8
6. Promoting diversity, equality and inclusion (DEI)				
Women in leadership roles, %	>35	30	●	5, 8
Employee experience on diversity, equality and inclusion (DEI) implementation, Metsä for all -index (scale 0–100)	100	73	●	5, 8
Anonymous recruitment for vacancies open to all, %	100	100	●	5, 8
G – GOVERNANCE				
7. Promoting ethical corporate culture				
Employee experience on ethical corporate culture implementation, ethics index (scale 0–100)	100	79	●	5, 8
8. Promoting sustainable and ethical practices in our supply chain				
Share of certified wood, %	100	92	●	15
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases, %	100	99.5	●	8, 12
Supplier assessments and audits of core suppliers, %	100	71	●	8, 12
Joint sustainability target with partner suppliers, %	100	100	●	12, 13
Traceability of raw materials, share of total purchases, %	100	94	●	9, 12

The targets for different topics are described in greater detail in the topic-specific sections of this Sustainability statement.

The target related to fossil-free raw materials and packaging materials will no longer be monitored as part of the overall target framework starting in 2025. Almost all (99%) of Metsä Group's raw materials and product packaging materials, including wood-based raw materials, are fossil-free. In the coming years, the main goal is to reduce the carbon footprint of products.

Progress in 2025 compared with the previous year.
 Exceeds target (significant progress) ●
 On target (progress as planned) ●
 Short of target (no progress or weaker progress) ●

Due diligence process

This table presents the core elements of the due diligence process and specifies the paragraphs in the Sustainability statement where further details are provided.

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

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ESRS content index

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

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

ESRS INDICATOR	LOCATION & COMMENT
ESRS E3 – Water and marine resources	
E3-1 – Policies related to water and marine resources	E3 Policies Metsä Group does not use marine resources.
E3-2 – Actions and resources related to water and marine resources	E3 Actions
E3-3 – Targets related to water and marine resources	E3 Metsä Group's 2030 sustainability target; E3 Reporting principles for metrics
E3-4 – Water consumption	E3 Water withdrawals and consumption and wastewater discharges -table; E3 Reporting principles for metrics
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	E3 Financial effects Anticipated financial effects reported partly as qualitative information.
ESRS E4 – Biodiversity and ecosystems	
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	E4 Consideration of biodiversity and ecosystems in the strategy and business model
E4-2 – Policies related to biodiversity and ecosystems	E4 Policies
E4-3 – Actions and resources related to biodiversity and ecosystems	E4 Actions
E4-4 – Targets related to biodiversity and ecosystems	E4 Metsä Group's 2030 sustainability target; E4 Reporting principles for metrics
E4-5 – Impact metrics related to biodiversity and ecosystems change	E4 Areas valuable to biodiversity in the vicinity of Metsä Group's production units; E4 Impact metrics related to changes in biodiversity and ecosystems
E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	E4 Financial effects Anticipated financial effects reported partly as qualitative information.
ESRS E5 – Resource use and circular economy	
E5-1 – Policies related to resource use and circular economy	E5 Policies
E5-2 – Actions and resources related to resource use and circular economy	E5 Actions
E5-3 – Targets related to resource use and circular economy	E5 Metsä Group's 2030 sustainability target; E5 Reporting principles for metrics
E5-4 – Resource inflows	E5 Inflows of material and energy streams -table; E5 Reporting principles for metrics
E5-5 – Resource outflows	E5 Outflows of material and energy streams -table; E5 Reporting principles for metrics
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	E5 Financial effects Anticipated financial effects reported partly as qualitative information.
ESRS S1 – Own workforce	
S1-1 – Policies related to own workforce	S1 Policies
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	S1 Engaging with own workers and workers' representatives about impacts
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	S1 Processes to remediate negative impacts and channels for own workers to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1 Actions
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1 Metsä Group's 2030 sustainability targets; S1 Reporting principles for metrics
S1-6 – Characteristics of the undertaking's employees	S1 Employee head count by gender -table; S1 Employee head count by country -table; S1 Employees by contract type, broken down by gender -table; S1 Employees by contract type, broken down by country -table; S1 Employee turnover and recruitment -table; S1 Reporting principles for metrics
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	S1 Non-employee workers in own workforce -table; S1 Reporting principles for metrics
S1-8 – Collective bargaining coverage and social dialogue	S1 Policies ; S1 Engaging with own workers and workers' representatives about impacts; S1 Collective bargaining coverage and advocacy -table
S1-9 – Diversity metrics	S1 Gender distribution at top management level -table; S1 Distribution of employees by age group -table; S1 Reporting principles for metrics
S1-10 – Adequate wages	S1 Policies
S1-11 – Social protection	S1 Social protection -table; S1 Reporting principles for metrics
S1-12 – Persons with disabilities	Non-material. Most Metsä Group employees are production workers with specific limitations regarding disabilities. It was assessed that there is no need to discuss disabilities separately from other diversity matters in Metsä Group's case.
S1-13 – Training and skills development metrics	S1 Training and skills development -table

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

E – Environment

EU taxonomy

■ **General**

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

The European Commission has adopted Delegated Regulation (EU) 2026/73, which simplifies EU Taxonomy reporting, for example by introducing a materiality concept and new reporting tables. Metsä Group applies the new Delegated Regulation in its 2025 Taxonomy reporting. Comparative figures have not been restated.

The Taxonomy's technical screening criteria do not currently cover Metsä Group's core business and products. As a result, Taxonomy-eligible economic activities account for only a minor share of turnover. Metsä Group's main businesses are pulp, paperboard, tissue and greaseproof papers, sawn timber and wood products for construction, and wood supply and forest services.

■ **Taxonomy reporting**

The Taxonomy defines six main environmental objectives against which the Group's different economic activities are assessed. These environmental objectives are: (a) climate change mitigation; (b) climate change adaptation; (c) sustainable use and protection of water and marine resources; (d) transition to a circular economy; (e) pollution prevention and control; and (f) protection and restoration of biodiversity and ecosystems. Taxonomy-eligible activities have been assessed against the environmental objective to which each activity contributes most substantially. Additionally, the assessment found that the activities do not cause harm to other environmental targets. Business disclosures in accordance with the Taxonomy include the share of turnover, capital expenditure and operating expenditure.

The Taxonomy-aligned disclosures indicate how the economic activity supports the confirmed environmental objectives. An economic activity is considered Taxonomy-aligned if it contributes substantially to one of the defined environmental objectives and causes no significant harm to the other objectives. In addition, operations must meet minimum safeguards.

■ **Reporting principles**

The key figure for Metsä Groups' turnover is calculated applying the same IFRS-compliant accounting principles used for the consolidated financial statements. The overall turnover used to calculate the key figure corresponds to the turnover disclosed in the consolidated financial statements. The accounting principles used for turnover are discussed in Note 2.2 to the consolidated financial statements.

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

The numerator for turnover and capital expenditure encompasses the items related to the assets or processes of Taxonomy activities. To avoid double counting, external turnover has been included in the Taxonomy operations only once. In addition, it has been ensured that capital expenditure and operating expenditure are separate for each function.

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

■ **Changes compared to previous year**

The materiality of activities was reassessed in 2025 based on the materiality principle introduced by the new Delegated Regulation. Activities accounting for less than 10% of total turnover and capital expenditure were excluded from the Taxonomy reporting. No eligible turnover or capital expenditure was identified based on the materiality assessment. Activities in the following sectors were excluded from the assessment: forestry, construction and real estate activities, energy, as well as water supply, sewerage and wastewater management, waste management and remediation activities.

Metsä Group has assessed its operating expenditures as immaterial for 2025, as the total operating expenditures falling under the scope of the Taxonomy do not reflect the Group's core activities and do not cover a significant share of its overall operating expenditures. The total operating expenditure for 2025 was EUR 486 million.

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Proportion of products and services related to Taxonomy-eligible and Taxonomy-aligned economic activities of turnover and capital expenditure – 2025 data (summary key performance indicators)

KPI	Total	Breakdown by environmental objectives of Taxonomy-aligned activities											Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)			
		Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities			Not assessed activities considered non-material		
	EUR million	%	EUR million	%	%	%	%	%	%	%	%	%	EUR million	%			
Turnover	5,832.9	0%	0	0%									0%	0%	1%	33.5	1%
Capital expenditure	620.8	0%	0	0%									0%	0%	2%	21.1	3%

E1 – Climate change

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

Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios*
Greenhouse gas emissions in own operations						
↑ Metsä Group plays a significant role as a national producer of renewable energy. Bio-based fuels from wood-based production side streams and harvesting residue	●●○	--	↑ Market opportunity: Metsä Group's renewable energy production and use can replace fossil-based energy sources: 89% (87) of the energy used in production (Scopes 1 and 2) is already renewable, and some production units are self-sufficient in energy	●●○	--	<ul style="list-style-type: none"> The large share and high resource efficiency of renewable energy enable competitive carbon footprints for products and greater competitive advantage in the 1.5 °C scenario compared with the 4.3 °C scenario A greater long-term opportunity to create BECCU (Bio-Energy with Carbon Capture and Utilisation) activities and more bio-based fossil fuel-replacing products in the market in the 1.5 °C scenario compared with the 4.3 °C pathway The climate neutrality of biogenic carbon dioxide as a key driver of BECCU value chain investments, possible negative impacts of the classification change on the willingness of companies to invest, and the 1.5 °C scenario becoming more challenging to achieve Lower regulatory impacts, risks and opportunities in the 4.3 °C scenario
↔ Classification of company's wood-based carbon dioxide emissions as carbon-neutral	●●○	--	↑ Regulatory opportunity: Recognition of wood-based carbon capture and utilisation in EU regulation as a key technology in climate change mitigation. Creation of market drivers and investment incentives	●●○	--	
↓ Climate-warming greenhouse gas emissions generated by Metsä Group's production (Scope 1 and Scope 2)	●●○	--	↓ Regulatory risk: Regulatory requirements for emissions reduction, energy use of forest industry side streams and wood-based carbon dioxide emissions. Pricing changes in energy and greenhouse gas emissions that may raise production and transport costs	●●○	--	
Greenhouse gas emissions in the upstream and downstream value chain						
↓ The climate-warming impact (Scope 3) of Metsä Group's upstream and downstream value chain, and the long transport distances of some products	●●○	--	↑ Market opportunity: Metsä Group's main raw material is wood, mainly procured from Finnish and Swedish forests, keeping transport distances moderate	●●○	--	<ul style="list-style-type: none"> Greater regulatory and market risks and opportunities in the 1.5 °C scenario compared with the 4.3 °C scenario The value chain's motivation to generate and share information about emissions is lower in the 4.3 °C scenario, making the measurement of Scope 3 emissions and the commitment of the value chain to emissions reductions more difficult than in the 1.5 °C scenario
			↓ Regulatory and market risk: Regulation and customer expectations on reducing greenhouse gas emissions in the value chain. Identification, measurement and reduction of climate impacts are more difficult in the value chain than in the company's own operations	●●○	--	
Carbon balance of forests						
↔ Offering Metsä Group's forestry services aimed at regenerative forestry to the parent company's owner-members, promoting carbon storage in commercial forests, the development of the verification of the carbon balance impact of wood supply and forest management, as well as wood supply mainly from the forests of owner-members, who own 32% of Finnish forests	●●○	--	↑ Market opportunity: Raising awareness of regenerative forestry. Increased trust of customers, consumers and stakeholders in Metsä Group. Significance of wood as the foundation for innovations related to the bioeconomy, circular economy and renewable raw materials	●●○	--	<ul style="list-style-type: none"> Greater regulatory and market risks and opportunities in the 1.5 °C scenario compared with the 4.3 °C scenario In the 4.3 °C scenario, products' carbon footprints and the biogenic carbon stored in products do not influence customers' choices, so introducing new bio-based products to the market is more difficult than in the 1.5 °C scenario
			↔ Market and regulatory opportunity and risk: The development of voluntary carbon markets and EU regulation concerning the certification of carbon removals provide opportunities for improving forests' carbon storage and tree growth through active forest management. Risk of the availability of wood raw material decreasing as the market grows	●●○	--	
			↓ Regulatory risk: Regulation on the use of forests as carbon sinks and storage, and the resulting reduction in felling volumes. Fragmentation of legislation and the failure to account for local conditions and ecosystem services, which may lead to the partial optimisation of forest management from the perspective of ecosystem services	●●○	--	
			↓ Market risk: Increasingly critical attitude of consumers towards forest use when wood consumption is associated with the reduction of forests' carbon sinks and storages. Scale of risk depends on Metsä Group's success in its regenerative forestry objectives and the popularisation of related measures	●●○	--	

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Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios*
Products						
↑ Fossil-free products reduce dependence on fossil raw materials through substitution	○●○	---	↑ Regulatory opportunity: Regulation recognising the opportunity for forest industry products to replace fossil-based or emission-intensive products	○●○	---	<ul style="list-style-type: none"> • Greater regulatory and market risks and opportunities in the 1.5 °C scenario compared with the 4.3 °C scenario • In the 4.3 °C scenario, products' carbon footprints and the biogenic carbon stored in products do not influence customers' choices, so introducing new bio-based products to the market is more difficult than in the 1.5 °C scenario
↑ Metsä Group's production of wood-based carbon-storing and recyclable fibre-based products, and other products that keep biogenic carbon in use	○●○	---	↑ Market opportunity: Metsä Group's long-term work to promote resource efficiency and transitioning to fossil-free energy in operations support the customers' climate goals; the climate benefits are verified through life cycle calculations. Consumers favour packaging made from renewable and fossil-free raw material that is easy to recycle or reuse. Wood-based carbon dioxide and its capture support sustainable raw material consumption and the development of the hydrogen economy	○●○	---	
↑ Metsä Group's cooperation projects for the development of new products based on wood raw material. They can replace fossil-based and emissions-intensive materials such as textiles, plastics, chemicals and concrete	○●○	---	↑ Market and regulatory opportunity: EU regulation on carbon removal (removing carbon dioxide from the atmosphere) certification recognises the long-term storage of biogenic carbon in products. This creates opportunities for assessing the climate benefits and added value of long-lived wood products used in construction ↓ Regulatory risk: Regulation that does not recognise the climate benefits of products based on renewable wood raw material; instead it focuses mainly on promoting the use of recycled raw material	○●○	---	

Physical risks related to climate change adaptation

Risks for Metsä Group	Value chain stage	Time horizon	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios*
Acute hazards			
↑ An analysis of the physical risks of production units conducted in 2024 indicated that the physical risks of Metsä Group's production units were clearly below average. This supports the Group's competitiveness in the face of climate change	○●○	---	Impacts of risks considerably higher in the 4.3 °C scenario than in the 1.5 °C scenario
↓ Production disruptions caused by storms, drought and floods, and complications in the transport of raw materials and products	●●●	---	
Chronic hazards			
↑ Primarily Metsä Group's mills are not located in or do not withdraw water from areas of high water risk, which supports the company's competitiveness in the face of climate change	○●○	---	Impacts of risks considerably higher in the 4.3 °C scenario than in the 1.5 °C scenario
↓ The increased frequency of droughts weakens the availability of the process and cooling water for mills and causes production breaks	○●○	---	
↓ Harvesting conditions are complicated due to a lack of snow and frost, and because of increased rain	●●○	---	In different parts of the globe, temperatures rise in different ways as a result of climate change; in the 4.3 °C scenario, the long-term (2050) increase in Finland is expected to be 6–7 degrees, making risk impacts more likely and more significant than in the short term
↓ A significant temperature increase during the life cycle of Finnish forests increases the emissions of forests on peatland, causes changes in the prevalence of tree species and increases the harmful impact of invasive species in forests	●●○	---	

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

●○● Upstream value chain ●●● Short (under one year)
 ○●○ Own operations ●●○ Medium (1–5 years)
 ○●○ Downstream value chain ●●○ Long (over 5 years)

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

Metsä Group's 2030 sustainability targets

	2030 target	2025	2024	2023	2018
Energy efficiency index, base year 2018	90	102	102	102	100
Fossil-based carbon dioxide emissions (Scope 1 + Scope 2 market-based), t	0 t	559,042	769,998	806,926	1,449,234
Greenhouse gas emissions from logistics purchased by Metsä Group from the 2022 level (Scope 3, category 4), %/tkm	-30%	-18	-	-	-
Amount of forest regeneration and young stand management from the 2018 level, %	+30%	+14	+18	+14	33,504 t
Amount of forest fertilisation from the 2018 level, %	+50%	+126	-22	-26	9,326 t
Share of continuous cover forestry in peatland forest regeneration, %	30%	18	15	17	-
Volume of mechanical wood products from the 2018 level, %	+30%	-12	-16	-	1,996,562 t

Comparative figures has not been disclosed for all the targets set and updated in 2025. The actual figure for Scope 3 for the base year 2022 is 939,015 tCO₂e. In 2025, the absolute reduction in emissions was 174,341 tCO₂e. The target applies from 2025 onwards, so historical figures are not reported.

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

In the beginning of 2026 Metsä Group launched a project to assess the emissions reduction potential in the value chain's greenhouse gas emissions (Scope 3) in accordance with the Paris Agreement. The project will take into account the guidance for internationally used climate targets and reporting practices as they are clarified during 2026.

Progress in targets

- **Improving the energy efficiency index from its level in 2018** – In 2025, shutdowns at mills due to the market situation weakened energy efficiency despite the development measures taken.
- **Fossil-based carbon dioxide emissions (Scope 1 and Scope 2, market-based)** – Production restrictions caused by market conditions and investment related maintenance shutdowns reduced fossil carbon dioxide emissions in 2025. Completed investments and energy efficiency measures also contributed to the reductions. Fossil carbon dioxide emissions from purchased energy were significantly lowered by the increased share of electricity generated from nuclear power and renewables.
- **Amount of forest regeneration and young stand management from the 2018 level** – Overall, progress in 2025 remained in line with the target. While forest regeneration fell slightly short, seedling and young stand management exceeded their calculated targets.
- **Amount of forest fertilisation** – Progress exceeded planned levels, driven by marketing of the service and a targeted sales campaign for forest owners.
- **Share of continuous cover forestry in peatland forest regeneration** – In 2025, progress exceeded the 2024 outcome, but it was still not sufficient to achieve the 2030 target. Calculated on an area basis, the 2025 outcome had already reached 27 percent. Metsä Group will increase communication on the topic to its own personnel and forest owners.

Transition plan for climate change mitigation and adaptation

Metsä Group's climate risk identification and scenario analysis is described in the *Material sustainability topics* section.

Connection with business strategy

At Metsä Group, climate change mitigation and adaptation and regenerative forestry as part of sustainability work have been integrated into the company's business and strategic targets.

Metsä Group's Stakeholder Engagement unit is responsible for drawing up the climate transition plan and the work is steered by Metsä Group's Sustainability Process Management Team, which comprises directors in charge of sustainability from Metsä Group's businesses and Group Services. The changes to the climate transition plan made in 2025 were approved by Metsä Group's Executive Management Team. The Group's Board of Directors was also informed about the plan.

In 2024, the ability of Metsä Group's strategy to respond to climate change was examined in a climate resilience analysis. The analysis was utilised in the drafting of the climate transition plan. The resilience analysis covered the Group's own operations and the value chain. The strategy's resilience was assessed by comparing its adaptive change capability and transformative capability against the material climate risks identified in the risk assessment. Adaptive change capability refers to gradual adaptation and mitigation measures, mainly in the company's own operations. Transformative capability refers to more comprehensive measures to promote systemic change in the value chain and communities, for example. The analysis indicated that investing in adaptive change capability and transformative capability strengthens Metsä Group's climate resilience. The significance of transitional risks and opportunities is particularly pronounced in the Paris Agreement scenario. Physical climate risks are pronounced in the high-emission scenario. The analysis of material physical risks and transitional risks is updated annually.

A key uncertainty factor related to the resilience analysis is the poor predictability of EU legislation. The uncertainty exacerbated by the fact that many of the important details in directive and regulation texts are defined in different pieces of legislation. Another significant uncertainty factor is the assessment of the capacity of complex natural ecosystems such as forests to adapt to climate change.

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Population growth, urbanisation, climate change, biodiversity loss and digitalisation create both challenge and opportunities for growth for companies. The promotion of sustainability is a key cross-cutting theme in Metsä Group's strategy. Building resilience in a changing climate requires a strategic approach linking climate and nature. As defined by Metsä Group, the purpose of its business is to promote the bioeconomy and circular economy by sustainably and efficiently upgrading northern wood into premium products. Metsäliitto Cooperative's owner-members appreciate long-term climate work and continuous development, making the ownership structure an important part of the Group's resilience. At Metsä Group, climate change mitigation and adaptation and regenerative forestry as part of sustainability work have been integrated into the company's business and strategic targets.

Climate targets

Metsä Group's climate targets are described in Metsä Group's 2030 sustainability targets section. They aim to reduce fossil-based Scope 1 and Scope 2 carbon dioxide emissions to zero by the end of 2030. Fossil-based carbon dioxide accounts for around 90% of Metsä Group's Scope 1 and Scope 2 GHG emissions. The Scope 1 and Scope 2 target is aligned with the Paris Agreement's objective of limiting global warming to no more than 1.5 °C above pre-industrial levels (IPCC trajectory). According to IPCC's estimate, the fossil-based carbon dioxide emission reduction target in line with the 1.5 °C pathway is 52%. The share of Metsä Group's own operations (Scope 1 and Scope 2) of its GHG emissions in 2025 was around 12% (16), while 88% (84) came from elsewhere in the value chain (Scope 3).

Currently, Scope 3 reduction efforts are prioritizing GHG emissions from Metsä Group's purchased transportation. In late 2024, Metsä Group set a target to reduce GHG emissions in category 4, "Upstream transport and distribution", by 30% per tonne-kilometre by the end of 2030. The target is in force from 2025, with a baseline year of 2022.

The Scope 3 emissions target is not yet in line with the Paris Agreement's 1.5 °C transition pathway. In early 2026, Metsä Group launched a project to assess the emissions reduction potential in the value chain's greenhouse gas emissions (Scope 3) in accordance with the Paris Agreement. Emissions calculations are continuously improved by incorporating more detailed information and developing methods to reduce Scope 3 emissions in collaborations with partners. One of the factors that make the Scope 3 emissions target challenging is that while Metsä Group can produce products for its customers with an increasingly small carbon footprint by investing in new resource-efficient and environmentally efficient production units, and the renewal of mills to reduce their emissions, these investments increase Scope 3 emissions.

Some of Metsä Group's business areas have their own target for the reduction of Scope 3 emissions. Metsä Tissue and Metsä Forest, which offers wood supply and forest services, set overall emissions reduction targets in accordance with the Paris Agreement in 2024. Both business areas aim to reduce total GHG emissions by 50% compared to 2022 levels by 2030. Metsä Tissue's emissions reduction target comprises the company's own and the value chain's emissions. As Wood Supply and Forest Services do not generate Scope 1 and Scope 2 emissions, the emissions reduction is achieved entirely through value chain emissions. The targets took effect in 2025. Metsä Board's SBTi-approved Scope 3 target year was met in 2024, so it will be updating its target.

No post-2030 emissions reduction targets have been set so far, but planning for the 2050 1.5 °C net zero pathway in accordance with the Paris Agreement is underway, particularly regarding Scope 3 emissions. Regarding fossil-based Scope 1 and Scope 2 carbon dioxide emissions, the target is zero by the end of 2030.

Metsä Group currently does not use carbon units purchased outside the value chain to offset or balance emissions. Metsä Group follows the development of voluntary carbon markets, including the EU's regulation on carbon removal certification (CRCF). They will play a role in balancing Scope 3 residual emissions when working towards the 2050 net zero target.

The strategic advantage and priority of Metsä Group's business is preserving a healthy and growing forest in northern Europe. Climate change makes northern forests more exposed to stress factors such as forest fires and pest insects. Strengthening biodiversity has many positive impacts on forest health, including a better ability to adapt to climate change. Metsä Group provides forest services for climate change mitigation and adaptation to Metsäliitto Cooperative's owner-members in accordance with the regenerative forestry strategy. In Finnish forestry, wood production does not involve land-use change, as production is based on native tree species and is part of the natural forest ecosystem, which also offers various other ecosystem services, or nature benefits. Metsä Group also promotes regenerative land use in its mill areas. The targets and actions related to biodiversity are presented in greater detail in section *E4 – Biodiversity and ecosystems*.

Key measures and their progress

The diagrams below present the planned key measures to achieve the Scope 1 and Scope 2 emissions reduction targets. Fuel replacement refers to measures where a fossil-based fuel is replaced with a fossil-free fuel. Electrification includes measures where the use of a fossil-based fuel is replaced through electrification of the process. The method of implementation has not yet been decided for all reduction measures. They have been indicated in the "fuel replacement or electrification" category. The "Others" category includes other smaller reduction measures such as energy-efficiency measures. Emissions reduction may also be affected by matters such as the discontinuation of production lines at mills.

Key measures related to achieving the Scope 3 emissions reduction targets include measures such as joint targets with suppliers, the increasing of bio-based fuels, and the optimisation of routes and transport modes. In 2023, Metsä Group drew up a roadmap for reducing fossil-based emissions from wood supply and initiated related development measures. By 2030, the aim is to have reduced fossil-based carbon dioxide emissions from wood supply in Finland by 30% compared with 2022. The detailed roadmap for reducing Scope 3 emissions in the various categories is being drafted and will be published in conjunction with the setting of Scope 3 targets in line with the 1.5 °C pathway.

Progress made in the implementation of the measures is described under *Progress in targets* and *Actions*.

In addition to its Scopes 1, 2 and 3 emissions reduction targets, Metsä Group has other climate-related targets for 2030 related to forest management, resource-efficient production, the circular economy, product raw materials and carbon storage. A roadmap has been drawn up for each target, describing the actions required to reach the target.

Metsä Group's products can replace materials made from fossil-based raw materials, or the production of which generates substantial amounts of fossil-based emissions. The transition to a low-carbon economy increases demand for resource-efficiently produced fossil-free products. Metsä Group produces products that store biogenic carbon for a long time and mainly recyclable fibre products that keep biogenic carbon in the cycle. Climate benefits are verified by means such as product life cycle calculations.

RDI activities play a key role in the climate transition across the value chain. Development focuses on the properties of current products, product technologies and new wood-based bioproduct innovations alongside traditional forest products. For example, there was a pilot programme in 2025 for the recovery of wood-based carbon dioxide at the Rauma pulp mill. Should carbon capture prove viable, the forest industry could gain a new high-volume wood-based raw material suitable as a replacement for fossil-based raw materials in the chemical industry, for example. RDI activities are described in full in the *Research and development* section.

Metsä Group's Board of Directors is the company's highest body responsible for sustainability. Metsä Group's CEO is in charge of the implementation of sustainability measures in accordance with the Board's instructions. This matter is described in more detail in the *Sustainability governance and strategy* section.

To engage the personnel in sustainability activities, all employee's annual targets include at least one sustainability-related target used to determine annual bonuses. All Metsä Group employees complete an e-learning course on the basics of sustainability. Climate themes are a central element of the course. An important part of the strategy's implementation is the development of core competences important to the company. Metsä Group's Academy training concept has been developed for this purpose. In 2025, the concept encompassed Academies for sustainability, sales, procurement, leadership and finance. Climate-related topics are of key importance in the Sustainability Academy, and they are also discussed in other academies and leadership programmes.

In conjunction with the cost savings and profit improvement programme, Metsä Group will assess the efficiency of its procurement, logistics and wood supply chain. These measures may have indirect effects on the company's energy use, transport emissions and resource efficiency. A reduction in fixed costs may also affect the timing and scope of investments related to the environment and climate. The assessment of these potential impacts is underway, and they will be reported on in more detail when more specific information becomes available.

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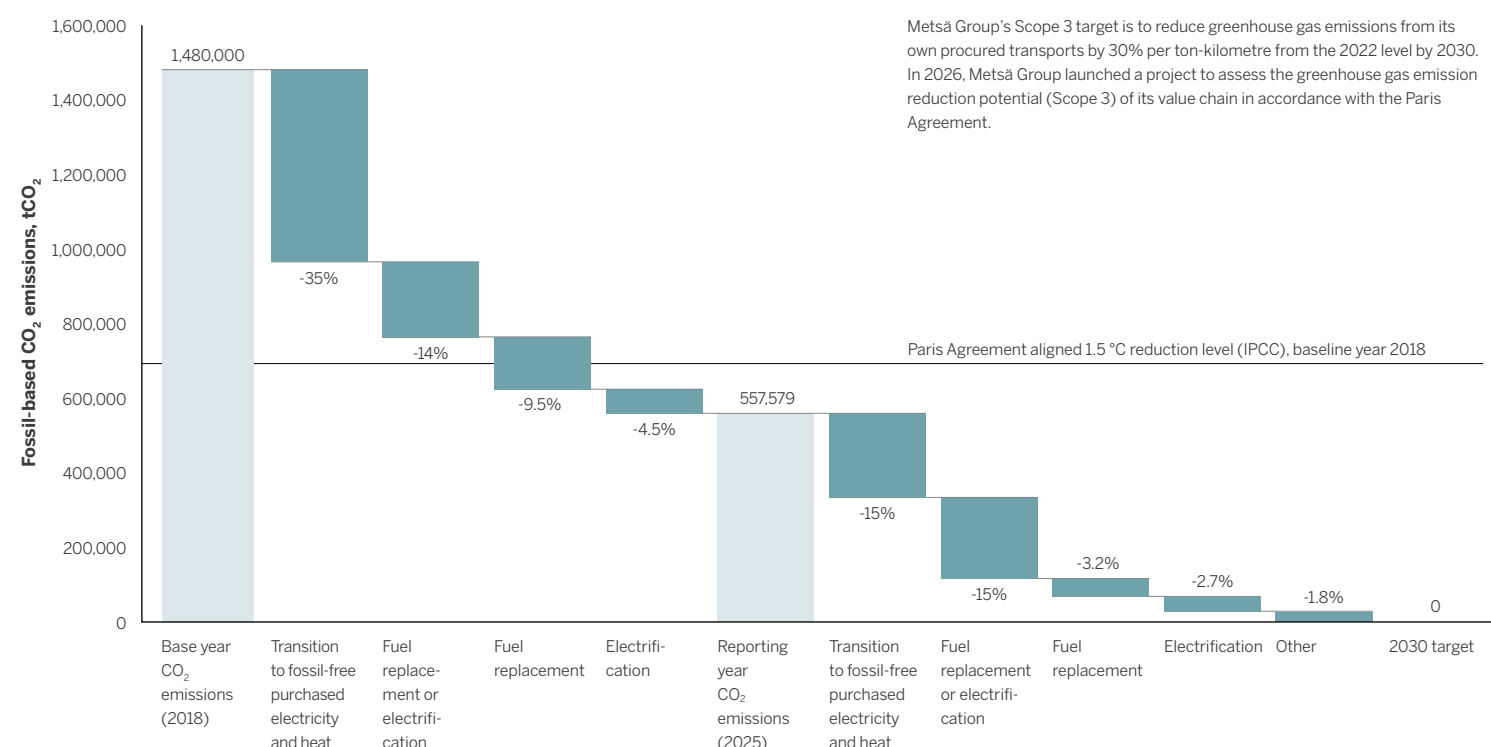
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Plan to phase out the use of fossil energy in Metsä Group's production by 2030 (Scope 1 & 2, market-based)



Metsä Group's 2030 target covers fossil carbon dioxide emissions, which accounted for approximately 90% of the company's total Scope 1 and Scope 2 greenhouse gas emissions in the base year 2018. The calculation of the reduction level under the Paris Agreement is based on the reduction level estimated by the IPCC (global fossil carbon dioxide emissions will decrease by 48% between 2019 and 2030) and by extending the linear reduction to the years 2018–2030, the emission reduction is about 52%. The diagram's emission values do not take the counting caused by the Group's internal energy trade into account, unlike the other reported emissions. The emission reductions described are indicative.

Financing and costs

Investments are financed with the company's own capital and foreign capital. Metsä Group maintains sufficient liquidity reserves in accordance with its Treasury Policy. Liquidity risk is managed by using capital and money markets to decrease dependency on any single financing source and the optimisation of capital costs. The optimisation of the maturity structure of loans is also important for financing decisions. The matter is described in more detail in the Group's consolidated financial statements, section 5.6 *Financial management*. Any external funding for investments related to transition plans is acquired when preparing the investment decision.

The company aims to use green financing sources in the transition to use fossil-free energy in its production and in other financing plans for industrial operations. Metsä Group's Green Finance Framework links Metsä Group's sustainability targets increasingly closely to financing operations in accordance with the latest market practices. The sustainable financing committee supervises the implementation of the finance framework. Metsä Group can use its Green Finance Framework to support the financing and refinancing of environmentally sustainable investments.

In 2025, Metsä Board issued a new unsecured green bond of EUR 200 million, maturing in 2031. The net funds from the loan were allocated to the refinancing of the investment for the Husum pulp mill renewal. The investment is in line with Metsä Group's Green Finance Framework and supports the UN's sustainable development goals (SDGs) in the following areas: renewable or fossil-free energy; waste and side stream

management; and emissions reduction. Additionally, Metsä Board agreed on a revolving credit facility of EUR 250 million, with a margin tied to the long-term climate and energy efficiency targets. The facility replaced the unused EUR 200 million revolving credit facility due to expire in January 2027. The new credit facility will expire in 2030 and includes two one-year extension options requiring the consent of the creditors. The facility is intended for the company's general financing needs. In 2024, Metsäliitto Cooperative also refinanced a EUR 200 million revolving credit facility linked to sustainability targets.

The new investments are planned with a high level of automation and the best available technology. Detailed capital expenditures for climate action cannot be calculated, as some of the costs are indirect and incurred as part of other investments.

Metsä Group's investments will increase to around six billion euros after accounting for all completed and ongoing investments since 2015. In recent years, the key investments for phasing out the use of fossil energy in production have been the Kemi bioproduct mill, the renewal of the Husum pulp mill, including matters such as the renewals of the recovery boiler and turbine, the renewal of the turbine at the Kyro board mill, the renewal of the folding boxboard machine at Simpele, and the Mariestad tissue paper mill's renewal and expansion. Among other things, future investments include the electrification of the boilers and processes that still use fossil fuels.

The Taxonomy's technical screening criteria do not currently cover Metsä Group's core business. As a result, the share of Taxonomy-eligible economic activities is minimal. Based on the materiality principle of the

Areas related to climate change mitigation and adaptation

Reducing greenhouse gas emissions in own production and in the supply chain	Promotion of carbon sequestration and biodiversity in forests	Increasing the substitution benefit and long-term carbon storage of products
More renewable carbon from side streams into circulation	Evaluation of technological capture of bio-based CO ₂	Improving resource efficiency at mills
Developing carbon calculations	Good governance Risk management	Improving capabilities and cooperation Societal influence

new delegated act, activities related to Metsä Group's turnover, capital expenditure and operating expenditure have been excluded from the assessment. Metsä Group does not have significant equity investments in carbon, oil or gas.

Other considerations

Once Metsä Group achieves its 2030 emissions reduction targets, the company will have no locked-in fossil-based carbon dioxide emissions. It will be left with biogenic greenhouse gases, most of which are accounted for by biogenic carbon dioxide, classified as climate neutral in the EU criteria. In addition, wood-based energy generates small amounts of biogenic methane and nitrous oxide, which, according to the definition of the ESRS standards, are included in Scope 1 and Scope 2 total GHG emissions along with fossil-based carbon dioxide emissions. According to Metsä Group's estimate, the total amount of Scope 1 and Scope 2 emissions from biogenic methane and nitrous oxide will be around 110,000 tCO₂e in 2030.

Key assets, GHG emission lock-ins and risks related to them are described in the *Financial effects section*.

Metsä Group has not been excluded from the EU's benchmarks compliant with the Paris Agreement.

More information about Metsä Group's climate work is available separately in its Climate transition plan, which has been published on Metsä Group's *website*.

Policies

In its Environmental Policy, Metsä Group is committed to transitioning to fossil-free fuels in its production, replacing purchased electricity and heat with fossil-free alternatives, and improving its energy efficiency. Policy commitments and related actions are the key measures for managing the identified impacts, transition risks and opportunities. Commitments also encompass ways to manage physical climate risks through water efficiency and sustainable forestry, for example.

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

Forest use is guided by Metsä Group's principles for forest use and management, in which the company commits to increasing the amount of carbon bound in forests and to promoting forest biodiversity, among other

things. Certified quality and environmental management systems are in use in Metsä Group's wood supply.

Suppliers are required to commit to Metsä Group's Supplier Code of Conduct or to their own equivalent codes. The Supplier Code of Conduct encourages suppliers to take measures such as setting reduction targets for GHG emissions in accordance with the principles of the Science Based Targets initiative, and to continuously improve their environmental performance and efficient energy use. Suppliers are required to adopt a certified environmental management system where applicable. The policies are discussed in greater detail under *G1 – Business conduct*.

Actions

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

Continuous actions

A roadmap for phasing out the use of fossil energy in operations has been drawn up for each production unit. The roadmap measures apply to the fuels and backup fuels used at power plants and to the process fuels used at production units. In addition, Metsä Group will improve the efficiency of its energy and water use through continuous development and investments. Reducing water use is a way of mitigating climate change, as process water use and wastewater treatment consume energy, causing greenhouse gas emissions. Measures related to water use are discussed under *E3 – Water and marine resources*. The measures primarily affect local communities and the company's own workforce.

Metsä Group has signed a national energy efficiency agreement as part of the shared effort by Finnish businesses to make energy use more efficient and promote sustainability. The agreement is valid from 2026 to 2035. At all Metsä Group production units, energy efficiency work is managed by an energy efficiency coordinator. Energy efficiency measures are documented, and their calculated savings are disclosed as part of annual reporting. In 2025, most of the measures were operational, meaning that they did not require monetary investment but were implemented as changes in operating methods or through communication.

Actions in the reporting year

Production shutdowns and a production speed lower than normal reduce the energy efficiency of production units. Additionally, the low production volumes of recent years have affected emissions, resulting in some of the emissions reductions.

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Metsä Group completed the 60-million-euro renewal project of a board mill in Simpele in Finland. The revamped paperboard production line started up in October 2025. The investment improves the mill's performance and product quality, and the fossil-based process fuel is replaced with electricity. In the first half of the year, the Simpele mill discontinued the use of peat and replaced it with renewable energy sources.

Metsä Group's pulp mills and bioproduct mills have achieved significant energy savings with small investments through carefully planned process changes and optimisations. Additionally, Metsä Fibre has signed a contract with Rauman Energia regarding the supply of the surplus heat from the Rauma pulp mill to the municipal district heating network. The aim is to have the surplus heat from the Rauma pulp mill utilised in heating households in Rauma by the autumn of 2026. In Kemi, the company is investing in an additional district heat exchanger to further improve the supply of district heat to the Kemi municipal district heating network.

Despite production curtailments, Metsä Group has successfully reduced its relative energy use at its tissue paper mills. In the company's energy efficiency programme, means to enhance energy use have been sought systematically. The energy efficiency is also improved by the decision to move from using recycled fibre as a raw material to fresh fibre, meaning pulp. Due to the process change, reject paper processing has also been developed further, and the first improved process line was installed at the Žilina mill in Slovakia.

Metsä Group has broadly investigated the possibility of using electric boilers for steam production. The first investment will be carried out at the Småland tissue paper mill in Sweden. The electricity used by the electric boilers is generated with renewable fuels.

In 2025, Metsä Group conducted pilot testing for carbon capture at the Rauma pulp mill. Studies regarding carbon capture were also continued, investigating how the technology could be implemented, and how the captured carbon dioxide could be used in the future as a raw material, including in the hydrogen economy. However, profitable business requires large investments and the development of the capture technology and market. Metsä Group is progressing stage by stage in the carbon capture project.

Investments related to energy efficiency amounted to EUR 11 million in 2025. No significant operating expenditure was recorded. The items in question are not itemised in the financial statements. When drafting the business areas' 2030 target roadmaps, the required investments and their estimated values have been assessed. The investment decisions and roadmap progress will be reviewed as part of annual planning. The upcoming investments that are significant for climate change and the related expenses will be reported in more detail in the Sustainability statement after they have been approved.

Greenhouse gas emissions in the value chain

Continuous actions

Metsä Group encourages suppliers to set emissions reduction targets to mitigate climate change. The recommendation is part of the Supplier Code of Conduct, and its achievement is monitored in supplier assessments and audits, as well as through the website of the Science Based Targets initiative.

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

Logistics emissions will be continuously reduced by planning efficient routes, minimising transport distances, optimising fill rates and favouring rail connections over road connections on selected routes. In the latest investments, the Kemi bioproduct mill and the Rauma sawmill, the load size of transport units is maximised, and fossil-free fuels are used when transporting products from the production units to ports. Metsä Tissue also aims to produce all its tissue paper products as close as possible to consumers. More than 90% of deliveries are within a radius of 500 kilometres from the production unit. The measures primarily affect local communities and customers.

Actions in the reporting year

In 2025, the drafting of emissions reduction plans was started in accordance with the Scope 3 target set by Metsä Group in 2024. In 2025, no significant capital or operating expenditure was related to GHG emissions reductions.

Carbon balance of forests

Continuous actions

Metsä Group's principles of regenerative forestry include measures in wood supply and forest services with which the state of nature will begin to verifiably improve in Finland. Regenerative forestry measures will increase forests' carbon storage, biodiversity and ability to adapt to climate change. The calculation and reporting of the carbon balance of forests is being developed in cooperation with forest owners and partners.

Forest certification demonstrates that the forest has been managed sustainably. The international forest certification systems used by Metsä Group are PEFC (Programme for the Endorsement of Forest Certification, PEFC/02–31-03) and FSC® (Forest Stewardship Council, FSC-C014476). All the wood purchased by Metsä Group comes from either certified forests or forests that meet the requirements of controlled origin (PEFC Controlled Sources, FSC Controlled Wood).

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

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

from being released into the atmosphere and to minimise impacts on waterbodies.

Strategic sustainability targets have been set for all these measures, and they are presented in the table on page 45. The measures primarily affect Metsä Group's owner-members.

Products

Continuous actions

Many Metsä Group products mitigate climate change through a substitution effect: they replace materials produced from non-renewable raw materials and materials with a significant carbon footprint. The built environment causes around a third of the world's GHG emissions, and increasing the share of wood in construction materials often produces climate benefits. Wood construction is increasingly commonly mentioned in EU climate initiatives. Meanwhile, pulp production is in many cases a basic process for new and innovative products, allowing the various properties of wood to be utilised for many purposes.

The efforts to promote renewable energy and resource efficiency can be seen in the good results of the carbon footprint calculations based on product life cycle analyses. Climate benefit is a key part of the value promise of many Metsä Group products. Cooperation with customers is a key part of Metsä Group's climate work. Many kinds of development and cooperation projects are conducted with customers, with climate benefits representing an important part of the project results. The company also conducts training for customers regarding climate themes and supports life cycle calculations to determine climate impacts in the customers' applications.

Replacing a raw material made from fossil carbon with a bio-based alternative increases the amount of carbon stored in products and promotes society's transition to a fossil-free economy. The Group-wide strategic development programme for R&D and procurement includes three sub-areas that aim to reduce GHG emissions in the Group's own production and the value chain.

Actions in the reporting year

In 2025, Metsä Board conducted case-specific life cycle analyses of berry and takeout food packaging, according to which, packaging made with Metsä Board's paperboard had a significantly smaller carbon footprint than packaging made with plastic (PET, R-PET, PP), regardless of the final disposal method. In a simplified scenario where all packaging was incinerated at the end of the life cycle, packaging made with Metsä Board's paperboard had a carbon footprint that was 87–91% smaller than that of plastic packaging. This scenario did not take the significantly higher recycling rate of paperboard into account, which would make the climate benefits further pronounced. The study took both biogenic carbon storage and biogenic carbon emissions into account. The studies have been verified by independent research institutes, and their technical reports and verification statements are available on Metsä Board's *website*.

In 2025, a life cycle assessment (LCA) was also completed for Metsä Group's Kuura textile fibre, currently in the prefeasibility study phase. The assessment shows that large-scale production of the Kuura fibre with Metsä Group's concept would result in significantly lower GHG emissions than those for commercial cellulose fibres (viscose and Lyocell) and cotton

fibres. The Swedish research institute RISE has verified the LCA study and the comparison related to it. The reports are available on Metsä Spring's website. In addition to the LCA results, the Kuura textile fibre received good results in the 2024 Hot Button Ranking assessment. The assessment was conducted by the Canadian non-profit environmental organisation Canopy. For the fourth consecutive time, Kuura was awarded the "Green Shirt" classification, which requires a risk-free and transparent supply chain and the traceability of raw materials.

In 2025, several mill trials were conducted, both at pilot scale and mill-wide, with new raw materials such as adhesives and coatings for tissue papers and paperboards, and adhesives for wood products. The development work allowed the reduction of fossil-based latex use in paperboard production. Additionally, the investment programme for the Simpele paperboard mill in Finland will enable the use of bio-based binders in paperboard coating in the future. New wrapping solutions made from recycled plastic were deployed in 2025, and the delivery volumes of entirely unwrapped packages were increased. Thinner wrapping plastics were tested at mill trials and deployed in production, which reduces the use of fossil-based plastic. To support decision-making, the cost and technological impacts of fossil-free raw materials were defined in a separate development project. Metsä Group is participating in the EU-funded Superbark project for the development of fossil-free coatings for wood products.

New forest-based bioeconomy and circular economy business concepts are sought and developed in cooperation with partners. Further information about Metsä Group's R&D activities can be found in the Board of Director's report under *Research and development*. These actions primarily affect customers and consumers.

As of 2025, the target related to fossil free raw materials and packaging materials is no longer monitored as part of the overall target framework. Nearly all (99%) Metsä Group's raw materials and product packaging materials, including wood-based raw materials, are fossil-free. In the coming years, the main goal is to reduce the carbon footprint of products.

Climate change adaptation

Continuous actions

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

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

Metsä Group's wood supply always considers weather conditions and related changes in harvesting. Wood is harvested only in suitable conditions. If required, wood storage can be used to smooth out variation

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caused by harvesting conditions. Metsä Group's regenerative forestry principles and sustainable forest management services help forests adapt to climate change and promote forest biodiversity. Regenerative forestry is discussed in greater detail under *E4 – Biodiversity and ecosystems*.

In 2025, no significant costs were incurred due to actions related to climate change adaptation, and no such costs are expected in the near future.

Financial effects

The assessment of physical risks conducted for each production unit indicated that no material physical climate risks were associated with Metsä Group's production units. The climate scenarios used in the identification and assessment of the production units' physical climate risks are discussed in the *Material sustainability-related impacts, risks and opportunities* section.

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

Metsä Group's turnover is not significantly generated in sectors posing a substantial transition risk such as the coal, gas or oil sectors, and Metsä Group does not itself engage in the coal, gas or oil business. Metsä Group's main transition risks are related to regulation concerning forest use and wood-based energy, the impact of which, if realised, would be felt in the long term through increased costs.

Of Metsä Group's existing products, packaging and mechanical wood products made with fresh fibre paperboard in particular can be used to replace fossil-based products. The pulp the Group sells to third parties is also used for these purposes. Potential future products – Kuura and Muoto – will be targeted at the vast global textile and packaging markets. If these development projects progress to commercial production, they would have a significant impact on turnover. Carbon capture opportunities are found in big pulp mills. The carbon dioxide they generate can be used in the chemical industry and the hydrogen economy.

Metsä Group is in the scope of the EU Emissions Trading System (ETS). Metsä Group does not use an internal carbon pricing scheme generating actual financial flows. Metsä Board uses an internal carbon pricing scheme for the revenues and write-downs of production units. The price forecast for a tonne of carbon dioxide in EU emission trading is used as the basis for internal pricing. The price of emission allowances is expected to increase from the current level in accordance with the emission trading system's goals. All investment and energy efficiency calculations also take the price of carbon dioxide into account, thereby guiding the processes towards a low-carbon future. No estimate has been made of the emissions to which shadow pricing is applied. The price is defined annually, and the investments for each year use the prices for the year in question, which remains the same throughout the investment period. Metsä Group does not disclose the shadow price applied or related assumptions, as

it considers this critical and strategically sensitive information for its business.

Known or reasonably expected cost increases include the post-2025 phase-out of free emission allowances at mills with fossil-based emissions comprising less than 5% of their total carbon dioxide emissions. The EU Emissions Trading System is being updated, and based on current knowledge, free emission allowances will be phased out entirely after 2030. At the end of the 2025 and 2024 financial periods, the balance sheet had no provisions related to emission allowances. Emission allowances are discussed in more detail in the consolidated financial statements under *Intangible assets*.

Metrics

Energy consumption and combination of energy sources

MWh	2025	2024
FUELS		
Oil	342,959	613,014
Gas	1,078,253	1,262,728
Coal	0	0
Waste	24,102	40,663
Peat	22,387	50,544
Wood-based fuels	25,288,083	24,652,697

PURCHASED ENERGY

Purchased electricity and heat, renewable wood-based	207,897	257,000
Purchased electricity and heat, other renewable	236,116	184,641
Purchased electricity and heat, fossil	372,961	470,426
Purchased electricity and heat, nuclear	1,334,413	1,347,906

CONSUMPTION OF OTHER SELF-GENERATED RENEWABLE ENERGY

Consumption of self-generated hydropower	19,641	30,010
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TOTAL ENERGY CONSUMPTION

Total energy consumption, renewable wood-based	25,495,980	24,909,697
Total energy consumption, other renewable	255,757	214,651
Total energy consumption, fossil	1,840,661	2,437,375
Total energy consumption, nuclear	1,334,413	1,347,906
Total energy consumption	28,926,811	28,909,629

ENERGY INTENSITY (MWh/EUR turnover)

Energy intensity	0.005	0.005
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The turnover used in energy intensity calculations can be found in the consolidated financial statements under *Consolidated statement of comprehensive income*.

Energy production

MWh	2025	2024
Self-generated energy, renewable	16,862,777	17,113,321
Self-generated energy, fossil	462,141	745,908

Total energy consumption by energy source and business area

%	Metsä Fibre		Metsä Board		Metsä Tissue		Metsä Wood		Metsä Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Renewable, wood-based energy	98.6	97	74	73	26	28	78	79	88	86
Other renewable	0	0	1.3	1.2	7.7	5.1	3.3	2.9	0.9	0.7
Nuclear power	0	0	18	15	12	13	17	15	4.6	4.7
Fossil fuels	1.4	2.7	7.1	11	54	55	1.4	3.2	6.4	8.4
Total energy consumption, MWh	20,263,586	19,281,634	6,985,541	8,220,563	1,927,901	1,938,634	634,892	699,277	28,926,811	28,909,629

GHG emissions

	Base year 2022	2025	2024	Change % (2025/2024)
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO ₂ e)		433,785	547,110	-21%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		99.8	99.8	0%
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO ₂ e)		240,715	378,904	-36%
Gross market-based Scope 2 GHG emissions (tCO ₂ e)		230,578	328,068	-30%
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)		4,944,947	4,748,459	+4.1%
1 Purchased goods and services		1,097,522	1,152,998	-4.8%
2 Capital goods		152,372	166,678	-8.6%
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)		128,118	177,937	-28%
4 Upstream transportation and distribution	955,856	806,237	863,457	-6.6%
5 Waste generated in operations		4,152	6,437	-35%
6 Business traveling		3,105	3,822	-19%
7 Employee commuting		7,553	7,977	-5.3%
9 Downstream transportation		39,331	28,462	+38%
10 Processing of sold products		1,622,096	1,243,855	+30%
11 Use of sold products		21,083	22,452	-6.1%
12 End-of-life treatment of sold products		1,058,454	1,068,496	-0.9%
15 Investments		4,924	5,889	-16%
Total GHG emissions				
Total GHG emissions (location-based) (tCO ₂ e)		5,619,447	5,674,473	-1.0%
Total GHG emissions (market-based) (tCO ₂ e)		5,609,310	5,623,637	-0.3%

For Scope 1 and Scope 2 emissions, the base year and target year are not reported, as Metsä Group's emissions reduction target only applies to fossil-based carbon dioxide emissions. The current Scope 3 target focuses on the reduction of GHG emissions from transport services purchased by the company. The target is intensity-based, and the drafting of emissions reduction plans related to it started in 2025. As the emission modelling is still in an early phase, the target year is currently not reported. In 2026, Metsä Group is launching a project to assess the emissions reduction potential in the value chain's greenhouse gas emissions (Scope 3) in accordance with the Paris Agreement. The targets are described in more detail in sections *E1 Metsä Group's 2030 sustainability targets* and the *Transition plan for climate change mitigation*.

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GHG emissions by business area

tCO ₂ e	Metsä Fibre		Metsä Board		Metsä Tissue		Metsä Wood		Metsä Forest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Direct GHG emissions (Scope 1)	158,391	214,898	139,723	192,098	131,693	133,665	3,599	6,035	-	-
Location-based indirect GHG emissions (Scope 2)	0	71,408	143,634	259,496	107,058	138,115	22,434	32,942	-	-
Market-based indirect GHG emissions (Scope 2)	0	5,012	2,082	84,990	229,276	242,977	0	132	-	-
Value chain GHG emissions (Scope 3)	2,726,083	2,314,369	1,587,316	1,789,138	501,291	460,688	260,009	290,108	2,131,983	2,168,434
Location-based total GHG emissions	2,884,474	2,600,675	1,870,673	2,240,732	740,042	732,468	286,042	329,085	-	-
Market-based total GHG emissions	2,884,474	2,534,279	1,729,120	2,066,226	862,261	837,330	263,608	296,275	-	-

GHG intensity

tCO ₂ e / euros	2025	2024
GHG intensity based on turnover, Scope 1 and 2 (market-based), tCO ₂ e/euros	0.0001	0.0002
GHG intensity based on turnover, Scope 1 and 2 (location-based), tCO ₂ e/euros	0.0001	0.0002
GHG intensity based on turnover, Scope 1, 2 and 3 (market-based), tCO ₂ e/euros	0.001	0.001
GHG intensity based on turnover, Scope 1, 2 and 3 (location-based), tCO ₂ e/euros	0.001	0.001

The turnover used in emission intensity calculations can be found in the consolidated financial statements under *Consolidated statement of comprehensive income*.

Wood-based biogenic carbon dioxide emissions

tCO ₂	2025	2024
Wood-based biogenic carbon dioxide emissions	10,014,081	9,762,468

Reporting principles for metrics

Forest management targets

The amount of forest regeneration and young stand management includes, in hectares, the soil preparation and young stand management, or early cleaning and thinning, carried out by Metsä Group's Wood Supply and Forest Services. The amount of forest fertilisation includes, in hectares, the growth, boron and ash fertilisation carried out by Metsä Group's Wood Supply and Forest Services. The share of continuous cover forestry in peatland forest regeneration includes standing sales of Metsä Group's Wood Supply and Forest Services, as well as the group selection cutting, selection cutting and strip felling carried out to regenerate peatlands, and it is calculated based on the amount of felling. Based on the surface area of felling, the result would be 27% (22).

Volume of mechanical wood products

Long-lasting wood products include Metsä Fibre's sawn timber and the wood products produced by Metsä Wood. Changes in the production volumes of products also reflect the share of carbon stored in the products. In Metsä Group, the volume of products is reported to the customers as packed net production volume, in m³.

Energy consumption

Energy consumption encompasses all Metsä Group's production units. The calculation accounts for the Group's internal energy trade to avoid double counting. Energy consumption is expressed as final energy consumption, which means that the efficiency

factors of electricity and heat are not taken into account. Final energy consumption is obtained by summing up the fuel consumed at mills, self-generated hydropower, and the amount of purchased electricity and purchased heat. Internal logistics, including the fuel consumption of internal logistics, and the electricity purchased for buildings outside mill areas, such as warehouses and office facilities, is excluded from the calculation, as their share of total energy consumption, and thus of Scope 1 and Scope 2 emissions, is assessed to be non-material. Local factors are used to calculate the energy contained in different fuels. Metsä Group's heat consumption is mainly based on steam. Peat is classified as fossil-based. Waste is partly fossil-based and partly bio-based. Sorting waste into fossil-based and biogenic waste is mill-specific and is based on either definitions of the composition of the waste or on factors provided by Statistics Finland if the origin is not separately verified. Differences in composition are taken into account in the emissions calculation, and for this reason the shares are not reported separately.

Metsä Group's main business consists of pulp, paperboard, tissue and greaseproof papers, sawn timber and wood products for construction, and wood supply and forest services, which are considered high-impact climate sectors. Energy intensity has therefore been calculated based on the entire company's energy consumption and turnover.

The energy efficiency index is determined as specific energy consumption, meaning the ratio of energy consumption and production volume. Specific energy consumption is calculated for individual production lines, including the consumption of electricity, heat and fuels as megawatt hours (MWh). Tonnes and cubic metres are both used as units in production volume

calculations. They are considered to be of equal value. The energy efficiency of Metsä Group's power plants is not taken into account in calculations. Discontinued lines are included in the calculations for as long as they are used in production. The Tako mill, which was discontinued in 2025, is transferred to be part of real estate holdings. After production activities ended, the electricity used by the mill continues to be fossil-free, and the guarantees of origin covered all purchased electricity used for property maintenance throughout the year. New production units are included in the calculations from the year in which their production begins.

The value for the energy efficiency index in the 2024 comparison year has been retroactively adjusted from 104 to 102, correcting an error that emerged in the 2024 reporting.

The amount of waste used as fuel has been corrected from 72,563 MWh to 40,663 MWh. Renewable wood-based purchased electricity and heat has been corrected from 288,392 MWh to 257,000 MWh. Fossil purchased electricity and heat has been corrected from 528,331 MWh to 487,940 MWh. The corrections were due to errors identified after the 2024 reporting, such as the use of an incorrect energy unit in the plant's calculations and missing guarantees of origin. The corrections have also been taken into account in the total energy consumption for 2024.

GHG emissions

GHG emissions include the emissions of all Metsä Group production units. The emissions calculation accounts for the Group's internal energy trade to avoid double counting. GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The scope of reporting is based on operational control. An exception to this is the Lohjan Biolämpö Oy and Katrinefors Kraftvärme AB joint ventures, where operational control cannot be assigned to a single party. In Lohja, the consumption-based share of emissions, and in Katrinefors, the holding-based share of emissions, is included in calculations. Reporting covers direct GHG emissions (Scope 1) from Metsä Group's own operations, indirect GHG emissions (Scope 2) from the production of purchased energy and indirect GHG emissions from other parts of the value chain (Scope 3), including upstream and downstream. Power plant emissions are allocated to the mills that use the energy generated by the plants.

The calculation includes all the greenhouse gases covered by the GHG Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃). Emissions have been converted into carbon dioxide equivalents.

Scope 1 emissions have been calculated from the fuels used by production units. The calculation is based on supplier-specific emission factors for fuels or on national emission factors. Diffuse emissions are excluded from the calculation. Two different methods are used for Scope 2 carbon dioxide emissions. The market-based method uses supplier-specific emissions factors, supplemented with national residual mix emission factors for untracked purchased electricity. In the location-based method, country-specific average emission factors for electricity are used. The residual mix factors and country-specific factors have been obtained from the AIB (Association of Issuing Bodies) report on emission factors. The use of emission factors always involves uncertainty because they are based on averages that do not necessarily reflect the characteristics of the activities or context in question. Efforts are made to update the factors with supplier-specific factors when possible.

The 2024 fossil scope 2 carbon dioxide emissions (market-based) have been retroactively corrected from 335,570 tonnes to 323,607 tonnes. The correction was due to an identified error in the documentation of guarantees of origin.

In 2025, 75% (75) of Metsä Group's purchased electricity was covered by guarantees of origin, of which 87% (91) had been defined in purchased electricity agreements. Of all the guarantees of origin for purchased electricity:

- 71% (78) were nuclear power certificates with a long-term power purchase agreement;
- 15% (12) were hydroelectric power certificates with a long-term power purchase agreement;
- 0.4% (1.5) were biopower certificates with a long-term power purchase agreement.
- 0.3% (0) were wind and solar power certificates with a long-term power purchase agreement.
- 14% (8.8) were nuclear power certificates without a long-term power purchase agreement.

Guarantees of origin concern purchased heat and power. For heat, guarantees of origin are used only internally, which is why they are not disclosed in Metsä Group's emissions calculation.

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

Biogenic carbon dioxide emissions are generated from wood-based fuels and only contain biogenic carbon dioxide emissions covered by Scope 1. A carbon dioxide emission factor of 396 tonnes of CO₂/GWh, provided by Statistics Finland, has been used in their calculation.

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

The Scope 3 inventory has been calculated as tonnes of carbon dioxide equivalent, excluding biogenic carbon dioxide. For biogenic Scope 3 carbon dioxide emissions, the emissions resulting from biomass sold for energy use (Category 11) have been calculated and reported separately (641,641 tCO₂e in 2025). The reporting is subject to uncertainty due to the limited data available, and the reporting will be further developed in future

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reporting periods. The operational data used in the calculation is obtained from the Group's internal systems. In the absence of accurate data, assumptions have been used. The emission factors used are mainly from global databases, including ecoinvent 3.12, EXIOBASE 3, DEFRA's GHG conversion factors (full set 2025) and IEA v8 - IEA 2025 (11/2025). In Scope 3 category 4, "Upstream Transportation and Distribution", supplier-specific emission factors have been used for 90% (58) of Metsä Group's operational data. In category 1, "Purchased goods and services", supplier-specific emission factors have been used for 57% (53) of Metsä Group's purchases (excluding raw wood). To improve accuracy, supplier-specific emission factors are collected when available. The emission factors are reviewed annually to ensure the latest emission factors are in use.

In the absence of accurate data for purchased goods and services, assumptions and generalisations have been made in the selection of a suitable emission factor for specific purchase categories or individual materials and services, for example. Assumptions have also been made for raw materials and packaging materials when converting them from different units to tonnes, where average material conversion factors have been used in the absence of product-specific data.

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

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

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

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

Metsä Group set as its target a reduction of Scope 3 GHG emissions in category 4, "Upstream transport and distribution", by 30% per tonne-kilometre compared with the level in 2022. The selected comparison year, 2022, represents an ordinary year for operations, and it is the first year in which the Scope 3 emissions have been calculated with the current method. Regulatory impacts have been taken into account in the setting of the Scope 3 target. The calculation assumes that regulation will promote the target's achievement, as it encourages sea and land transport to use lower-emission equipment. Additionally, especially in Europe, the demand for products with a small carbon footprint is increasing due to regulation. The metric includes all emissions covered by category 4 that are generated by product transport to customers paid by Metsä Group, wood deliveries, harbour operations and storage, and raw material deliveries to Metsä Group that are not classified as emissions in Scope 3 category 1, "Purchased goods and services". Transport mode-specific emission factors have been used for the calculation of transport emissions. The factors are based on average materials such as the DEFRA database, factors collected from suppliers, and the emission factors of the EXIOBASE database for harbour operations and storage. In the metric, each category's GHG emissions are totalled and divided by the total tonne-kilometres of similar transports. The derived transport emission intensity is monitored annually relative to the set reduction target.

A more detailed description of the Scope 3 calculation methods is available on the company's *website*.

The metrics have not been validated by an external party.

E2 – Pollution

Pollution-related impacts, risks and opportunities

Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Pollution of air, water and soil					
<p>↓ In addition to greenhouse gas emissions, the production generates emissions to air, the majority of which comes from the combustion processes of the pulp mills and power plants. Production also generates wastewater discharges. Liabilities due to soil pollution related to former activities on industrial sites that have since been closed, sold or leased, and on decommissioned landfill sites.</p> <p>Pollution of air, water and soil due to technical faults and human error, which may cause harm to the environment, particularly through the repeatedly exceeding the permissible emission limits of environmental permits.</p>	●●○	--	<p>↓ Risk: Abnormal emissions that may cause liabilities for compensation, costs for corrective action and impacts on Metsä Group's reputation as a responsible operator</p> <p>↑ Opportunity: Verifiably proving emission minimisation efforts to customers through the use of the best available techniques and certified management systems</p>	●●○	--
Microplastics					
<p>↑ Products produced mainly from renewable raw materials that offer an alternative to plastic packaging and enable the reduction of microplastics.</p>	○●○	--	<p>↑ Opportunity: Increased demand for Metsä Group's products</p>	○●○	--
<p>↑ Positive impact on the environment and society, or on Metsä Group's business</p> <p>↓ Negative impact on the environment and society, or on Metsä Group's business</p>					
<p>●○● Upstream value chain</p> <p>○●○ Own operations</p> <p>○●● Downstream value chain</p> <p>-- Short (under one year)</p> <p>-- Medium (1–5 years)</p> <p>-- Long (over 5 years)</p>					

Targets

Metsä Group does not have targets related to pollution prevention, but the Environmental Protection Act and the emission limits defined in production units' environmental permits guide operations and encourage environmental pollution to be proactively prevented or minimised. Production units have internal targets that are stricter than the emission permits' conditions. In accordance with the Environmental Policy, negative environmental impacts are also minimised, and environmental efficiency is improved, by developing operations in accordance with the principles of sustainability and continuous improvement.

Material emissions to air, water and soil

Most of Metsä Group's emissions to air originate in the pulp mills' and power plants' combustion process. The primary emissions are carbon dioxide, sulphur dioxide, nitrogen oxides and particles. Additionally, small amounts of reduced emissions to air are generated at pulp mills.

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

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

Policies

In its Environmental Policy, Metsä Group is committed to protecting the environment and ensuring chemical safety, preventing environmental pollution, and continuously developing production processes by employing the best available methods and techniques. The Environmental Policy is described in greater detail under *G1 – Business conduct*.

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

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

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

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

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■ Actions

Pollution of air, water and soil

Continuous actions

The best available techniques (BAT) are used, and environmental performance is continuously monitored. All production units have a valid production-unit-specific environmental permit or equivalent official decision. The environmental permit and the related programme for monitoring emissions and impacts set the minimum requirements for the observation of environmental impacts. In addition to emissions, observations typically focus on waterbodies, fish stock, air quality and noise levels. Regular risk assessments and official inspections ensure the adequate scope of observations, performance of production units and prevention of disruptions. Any deviations and related corrective actions are immediately reported to the authorities. In 2025, no environmental pollution causing significant damage and corrective action occurred at Metsä Group. No significant chemical or other leakage incidents were caused by the operations in 2025. Environmental permits and the best available techniques are also ways to consider stakeholders living in the vicinity of production units in pollution prevention. More information about stakeholder engagement is provided under *S3 – Affected communities*.

Production processes are developed in line with continuous improvement and targets. For example, emissions to air are reduced by careful management of the combustion processes and through flue gas treatment. Emissions to water are reduced through reduced water use, more efficient processes and wastewater treatment. Environmental impact assessments are conducted in process change projects if required.

Except for sawmills and plywood and Kerto® LVL mills, all Metsä Group production units come under the scope of the EU's Industrial Emissions Directive and BAT conclusions. In addition, the main boilers of the paperboard and pulp mills' power plants come under the scope of the EU's Industrial Emissions Directive and the BAT conclusions concerning large combustion plants.

Actions in the reporting year

Emissions to air and water have, for the most part, decreased moderately compared with the previous year. This is the result of the general market situation and production limitations.

In 2025, production units carried out several actions to reduce environmental load on the air and waterbodies, as well as to improve process efficiency and environmental safety.

Optimisation of the Husum pulp mill's bark boiler significantly reduces nitrous oxide emissions. The Joutseno BCTMP mill's chip wash reject processing has been developed further, reducing raw material loss, solids in wastewater and chemical oxygen demand.

To reduce the environmental load of waterbodies, the Kemi paperboard mill has implemented water recycling for unbleached pulp production. The Simpele paperboard mill's oil trap has been renewed, and the management of water fractions has been improved, reducing the amount of wastewater and the risk of oil leaks.

Several renewals have been carried out at the Punkaharju mill: a storage water heater was installed at the water treatment plant in the summer of 2025 to improve the efficiency of the treatment process, and a recovery line for the Kerto® LVL mill's heat recovery water was constructed in the autumn of 2025. The third phase for the mill area's storm water system renewal was completed in the autumn of 2025, and the fourth phase will be conducted in 2026. In the fourth phase, the oil trap systems will be renewed, the plywood mill's resin unloading area will be renovated, and some of the plumbing will be renewed, improving the management of storm water and reducing environmental risks.

In 2025, actions related to the prevention of air, water and soil pollution did not involve significant expenses.

Microplastics

Metsä Board's paperboard does not contain microplastics, but the production units have several products in industrial use that contain components classified as microplastics. For example, the Husum paperboard mill has an extrusion coating line where food service paperboard is coated with polyethylene (PE). The waste material generated in coating is recovered and delivered to cooperation partners for reuse. In its packaging materials, Metsä Board uses both kraftliner and plastic to protect finished paperboard products during storage and transport.

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

■ Financial effects

The Group's business areas have environmental liabilities related to former activities on industrial sites that have since been decommissioned, sold or leased, and from closed landfill sites. Financial provisions for the costs of land rehabilitation work have been made in cases where it has been possible to measure the Group's liability for land contamination and any post-treatment obligations. The provisions amount to a total of EUR 8.3 (9.3) million.

The pollution-related risks and opportunities identified in the materiality assessment are presented in the table on page 57. The likelihood of significant accidental discharges is small thanks to the control measures in use, and no material financial effects such as compensation or depollution costs are known of or reasonably expected.

No significant environmental impacts, claims or compensation related to the pollution of air, water and soil were recorded in 2025, nor was there any significant media visibility related to these topics. Environmental permit deviations are presented in the *Metrics* section.

■ Metrics

Emissions to air

tn	2025	2024
Sulphur (SO ₂)	353	342
Nitrogen oxides (NO _x)	6,388	6,213
Particles (PM2.5)	361	788

kg	2025	2024
Ammonia (NH ₃)	52,368	59,360

The table includes only the emissions from those production facilities that exceed the facility-specific threshold value defined in Annex II of Regulation (EC) No 166/2006.

Emissions to water

tn	2025	2024
Nitrogen (N)	364	390
Adsorbable organic halogen (AOX)	294	329
Chemical oxygen demand (COD)	32,081	33,005
Biological oxygen demand (BOD)	1,293	1,086
Phosphorous (P)	36	38
Suspended solids	2,687	3,027

kg	2025	2024
Arsenic (As)	30	47
Cadmium (Cd)	0	39
Chromium (Cr)	0	213
Copper (Cu)	50	1,276
Quicksilver (Hg)	0	4,0
Nickel (Ni)	0	363
Lead (Pb)	0	31
Zinc (Zn)	140	5,507

The table includes only the emissions from those production facilities that exceed the facility-specific threshold value defined in Annex II of Regulation (EC) No 166/2006.

Exceptional emissions at Metsä Group's mills

Business area	Mill	Time of incident	Incident	Corrective actions
Metsä Board	Äänekoski	1/2025	Wastewater treatment plant's suspended solid reduction fell below the permissible monthly limit	Detailed process adjustment
Metsä Board	Äänekoski	2/2025	Wastewater treatment plant's suspended solid reduction fell below the permissible monthly limit	Detailed process adjustment
Metsä Board	Äänekoski	5/2025	Wastewater treatment plant's suspended solid reduction fell below the permissible monthly limit	Detailed process adjustment
Metsä Board	Kyro	7/2025	Three cases of power plants exceeding the permissible daily limits for HCl and CO emissions to air	Stabilisation of production
Metsä Board	Kaskinen	8/2025	Wastewater treatment plant exceeding permissible monthly limit of phosphorous and nitrogen	Better chemical management
Metsä Board	Kyro	10/2025	Power plant exceeding permissible monthly limit of NO _x emissions to air	Detailed process adjustment
Metsä Board	Kyro	10/2025	Seven cases of power plants exceeding permissible daily limit of NO _x and CO emissions to air	Boiler shutdown for bed maintenance
Metsä Board	Kyro	10/2025	Two cases of power plants exceeding permissible daily limits for CO emissions to air	Detailed process adjustment
Metsä Fibre	Rauma	7/2025	Recovery boiler exceeding permissible daily limit for SO ₂ emissions to air	Detailed process adjustment during start-up
Metsä Fibre	Rauma	8/2025	Recovery boiler exceeding permissible daily limit for SO ₂ emissions to air	Detailed process adjustment during start-up
Metsä Fibre	Rauma	10/2025	Two cases of recovery boiler exceeding permissible daily limit for SO ₂ emissions to air	Detailed process adjustment during start-up

Total of 21 environmental permit deviations. No deviations with a significant environmental impact

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Reporting principles for metrics

Emissions to water and air include the material emissions from Metsä Group's production units. Discontinued lines are included in the calculations for as long as they are used in production. Emissions are also reported to the authorities.

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

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

Measurements based on flow meters include the possibility of an error margin. However, the flow meters are regularly calibrated, and the measurement results are also monitored by the supervisory authority.

For the shared treatment plants, biological oxygen demand (BOD) and emissions of phosphorus and suspended solids are calculated based on the flow, using the following residual concentrations: BOD 10 mg/l, total phosphorus 0.5 mg/l and suspended solids 10 mg/l. Total nitrogen emissions are considered to be zero, as municipal wastewater contains excess nitrogen and the reduction of BOD binds nitrogen to biomass, reducing the unit's total nitrogen emissions. A seven-day measuring period (BOD7) is used to determine BOD.

Reporting of heavy metals is conducted annually, utilising the latest available analysis data and flow measurements. The analysis frequency varies by production unit. As such, not all production units' measurement results are from the reporting year.

The metrics have not been validated by an external party.

E3 – Water and marine resources

Impacts, risks and opportunities related to water and marine resources

Material sub-sub-topics	Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Water						
Water withdrawals	↔	The majority of production units are located in areas of low water risk with abundant surface water reserves, while two tissue paper mills are located in areas with high water stress. The water withdrawal of these two units accounts for 0.9% of Metsä Group's total water withdrawals and does not have a material impact on water sufficiency in the area. The operations are designed so they do not restrict other parties' rights or opportunities to use water.	●○	↑	Opportunity: The location of nearly all production units in areas of low water risk, which supports the Group's competitiveness in a changing climate. Cost benefits, improved energy efficiency and minimisation of water risks enabled by the reduction of process water consumption. The reduced need for clean water and recycling of process water in production, which reduces the water load on natural waters and improves Metsä Group's reputation as a responsible operator.	○●○
Water consumption	↔	The production process of pulp, paperboard and paper products requires a great deal of water, but the water consumption is low relative to the amount of water used. Of the water consumed, around 96% is returned to waterbodies after use, and around 4% evaporates or is bound to the products.	●○	↓	Risk: Failure to reduce water use in accordance with the target, preventing the achievement of cost benefits and the minimisation of water risks, while undermining Metsä Group's reputation as a responsible operator.	○●○
Wastewater discharges	↓	Wastewater discharges caused by production and possible local heat load from cooling water returned to waterbodies (water discharges described in section E2 – Pollution).	●○			

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

●○○ Upstream value chain ○●○ Own operations ○●○ Downstream value chain
 --- Short (under one year) --- Medium (1–5 years) --- Long (over 5 years)

Metsä Group's 2030 sustainability target

	2030 target	2025	2024	2023	2018
Reduction in process water use per produced tonne from the 2018 level, %	-35	-14	-11	+0,2	21 m ³ /t

Metsä Group's strategic 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. Metsä Group does not have separate targets for the two mills in areas of high water stress. The Group-wide target of reducing process water use by 35% also applies to them. The Group's target related to water resources is based on what would be achievable according to assessments with the best available techniques (BAT). More information about the use of best available techniques can be found in section E2 – Pollution. In addition to the Group-level target, all production units have regularly monitored targets for water use.

Progress in target

- **Reduction in process water use per produced tonne from the 2018 level** – Despite production limitations, water efficiency has remained at a reasonable level.

■ Policies

Resource efficiency is a key part of Metsä Group's Environmental Policy, and in compliance with it, Metsä Group is committed to reducing its water use in line with sustainability targets. The Environmental Policy is described in greater detail under G1 – Business conduct.

No separate policies have been specified for Metsä Group's two production units in areas of high water stress. Instead, they follow the same policies and management systems as the rest, complying with their own environmental permits. In the environmental permits of production units, attention is paid to water resources and their adequacy. Separate policies have therefore not been deemed necessary. Metsä Group also does not have separate policies or practices related to seas and oceans, as the Group does not use sea water in its production process.

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

Policies related to wastewater discharges are discussed under E2 – Pollution.

■ Actions

Continuous actions

Metsä Group's water consumption is low in relation to the volume of water used. Of all the water consumed, approximately 95% (96) is returned to waterbodies after use, and the remaining 5% (4) evaporates in the

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processes or is bound to the products. The best available techniques are used, and environmental performance is continuously monitored. Increasing the efficiency of water use supports the circular economy and energy efficiency and minimises emissions. Metsä Group's actions to reduce process water use in line with the 2030 sustainability target include investments in processes and wastewater treatment, as well as process development to use less water. The actions improve water recycling and reduce water withdrawal from waterbodies.

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

Actions in the reporting year

The efficiency of water use was improved in 2025 by actions improving water recycling. Examples of such actions include the completed expansion and renewal of the Mariestad mill, resulting in reduced water consumption, and the water consumption reduction project for two lines at the Joutseno mill, expected to last until 2027. Actions conducted in Kemi and Simpele are described in section *E2 – Pollution*. Investments related to the efficiency of water use amounted to EUR 6.6 million in 2025. No significant operating expenditure was incurred. When drafting the business areas' 2030 target roadmaps, the required investments and their estimated values have been assessed. The investment decisions and roadmap progress will be reviewed as part of annual planning. The upcoming investments that are significant for the efficiency of water use and the related expenses will be reported in more detail in the Sustainability statement after they have been approved.

Financial effects

As Metsä Group's production units are in areas of low water risk, no water-related expected financial effects were identified in the materiality assessment or in the analysis of climate change-induced physical risks conducted as part of the materiality assessment. The production units' location close to abundant surface water reserves is an opportunity for the Group in the management of climate change-induced physical risks, for example. Increasing the efficiency of water use also affects energy efficiency and thus enables cost savings.

Metrics

Water withdrawals and consumption and wastewater discharges

1,000 m ³	2025	2024
WATER WITHDRAWAL		
Surface water	294,608	343,581
Groundwater	672	710
Total water withdrawal	295,280	344,290

WATER WITHDRAWAL FROM ALL AREAS WITH WATER STRESS		
Surface water	2,534	3,470
Groundwater	0	0
Total water withdrawal from all areas with water stress	2,534	3,470

WATER CONSUMPTION		
Water consumption	12,992	13,788
Water consumption in areas of water stress	112	139

WATER INTENSITY (water consumption m³/EUR turnover)		
Water intensity	0.002	0.002

WASTE WATER FLOW		
Waste water flow	103,942	110,994
Waste water flow from areas with water stress	1,320	1,642

The turnover used in water intensity calculations can be found in the consolidated financial statements under *Consolidated statement of comprehensive income*.

Reporting principles for metrics

Water withdrawals and consumption

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

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

Process water refers to water sent from product production processes to wastewater treatment. Process water use per tonne produced is based on continuous measurements and calculated per tonne of product produced. Process water use is disclosed for paperboard, high-yield pulp, pulp and tissue paper mills. Plywood and Kerto® LVL mills and sawmills have been excluded from the calculation, as the production of pulp, paperboard, and tissue and greaseproof papers consumes considerably more water than that of wood products.

All process water sent to treatment is recycled at least once. The most relevant factor is the intake amount of process water, and how much water is sent to the treatment plant (m³/tonne of

product). The amount of stored water is not reported due to non-materiality, as water is mainly not stored in the operations.

Wastewater

Wastewater is treated water returned to a waterbody after a water treatment process. The amount of treated wastewater includes process water, as well as any other amounts of water generated in wastewater treatment.

At the paperboard, high-yield pulp, pulp and tissue paper mills, the flow of wastewater discharges is determined with continuous flow meters. The wastewater discharges disclosed for sawmills and Kerto® LVL and plywood mills is the volume of water use indicated by the mill and based on measurements. The measurement of wastewater load is described in more detail on page 34.

Measurements based on flow meters include the possibility of an error margin. However, the flow meters are regularly calibrated, and the measurement results are also monitored by the supervisory authority.

Discontinued lines are included in the calculations for as long as they are used in production.

The metrics have not been validated by an external party.

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E4 – Biodiversity and ecosystems

Material impacts, risks and opportunities related to biodiversity and ecosystems

Impacts	Value chain stage	Time horizon	Risks and opportunities dor Metsä Group	Value chain stage	Time horizon
Direct impact drivers of biodiversity loss					
↓ Climate change: Climate-warming greenhouse gas emissions generated by Metsä Group's production	●○○	---	↓ The risks, opportunities and actions related to climate change are discussed under <i>E1 – Climate change</i>		
↔ Group's biogenic carbon dioxide emissions classified as carbon neutral	○○●	---			
↓ Pollution: Emissions to water, air and soil from production units that can have a negative impact on species and ecosystems in the area	○○●	---	↓ The risks, opportunities and actions related to pollution are discussed under <i>E2 – Pollution</i>		
↓ Wood supply causing load related to nutrients, suspended solids, humus and metals in small waters and waterbodies, resulting in the eutrophication or darkening of the waterbodies	●○○	---	↓ Risk: Metsä Group's reputation as a sustainable operator weakening, particularly among local communities	○○●	---
↓ Changes in land use: Newly built production unit taking space from any original nature in the area in question	○○●	---	↓ Risk: Metsä Group's reputation as a sustainable operator weakening, particularly among local communities	○○●	---
↓ Direct exploitation: Metsä Group utilises wood as its raw material but does not own forests that would be significant in terms of wood supply. The majority of the wood raw material is procured from forests whose owners decide how they are used	●○○	---	↓ Risks are discussed under Impacts on the state of species and the extent and condition of ecosystems		
Impacts on the state of species and the extent and condition of ecosystems					
↓ Commercial forest use reduces the amount of dead wood and changes forest structure, leading to changes in species and the state of ecosystems	●○○	---	↓ Risks: <ul style="list-style-type: none"> • Regulation that emphasises the protection of forest nature to promote biodiversity restricts felling volumes or increases wood supply costs • A complex regulatory environment that sets conflicting requirements for the forest industry • Ecological compensation that may potentially increase the protection of commercial forests, as industries exploiting non-renewable materials strive to compensate their negative impacts while the use of non-renewable materials continues • Consumers views of forests as protected sites, which may reduce the consumption of wood-based products • If the state of nature continues to weaken, weakening of the legitimacy of the forest industry and Metsä Group's reputation as a sustainable operator 	●○○	---
↑ The aim is to measurably and verifiably strengthen the state of nature by 2030, which, if successful, will have a positive impact on the state of nature	○○●	---	↑ Opportunities: <ul style="list-style-type: none"> • Comprehensive management of the strengthening of the state of nature, as well as nature benefits or ecosystem services, improving the ability of forests to adapt to climate change • Improvement of Metsä Group's reputation as a sustainable operator through operations in compliance with the principles of regenerative forestry and success in strengthening the state of nature 	○○●	---
↓ Drainage repairs in peatlands, causing changes in habitats and possibly degrading biodiversity	●○○	---	↓ Risk: Regulation that emphasises the special role of peatlands as large carbon reservoirs, sources of GHG emissions, and potential restoration and protection sites restricts felling volumes	●○○	---
↓ If valuable habitats or endangered species are not identified or taken into account in wood supply and forest management, there will be fewer forests offering special ecological value and fewer endangered species	●○○	---	↓ Risk: Failure to take valuable nature sites in felling procedures into account, which may undermine Metsä Group's reputation as a sustainable operator committed to the development of regenerative forestry	●○○	---
			↓ Risk: The use of fresh fibre in products with a short life cycle is associated with biodiversity loss, which may negatively affect the reputation and market position of Metsä Group, the price of its products, its employer image, and the willingness of forest owners to sell wood to Metsä Group	○○●	---
↑ Biodiversity and the condition of waterbodies improve outside commercial forests	●○○	---	↑ Opportunity: Strengthening of Metsä Group's reputation as a sustainable operator	○○●	---
↑ Products based on native tree species offered to consumers	○○●	---	↑ Opportunity: Regenerative forestry offering a competitive advantage over competitors who use foreign tree species in their products	○○●	---
↑ Biodiversity plans for mill sites for increasing biodiversity, taking special local features into account, and combining local industrial history and nature solutions	○○●	---	↑ Opportunities: <ul style="list-style-type: none"> • Strengthening of Metsä Group's reputation as a sustainable operator • More comprehensive monitoring of the environmental impact of production units, as the built environment's biodiversity impacts are included in monitoring • Development of cooperation with significant stakeholders in the localities of production units 	○○●	---

Impacts	Value chain stage	Time horizon	Risks and opportunities dor Metsä Group	Value chain stage	Time horizon
Impacts and dependencies on ecosystem services					
↓ Tangible and intangible services produced by Finnish forests with a local, regional, national or international impact. The use of commercial forests, reducing the amount of dead wood and old trees and homogenisation of forest structures, affecting the state of species and ecosystems	●○○	---	↓ Risk: Deterioration of the state of forest nature, making forests more vulnerable to weather phenomena caused by climate change	●○○	---
			↓ Risk: Development of ecological compensation models, leading to increased protection of commercial forests	○○●	---
↑ The aim is to measurably and verifiably strengthen the state of nature by 2030	○○●	---	↑ Opportunity: Comprehensive management of the strengthening of the state of nature, as well as benefits derived from nature, or ecosystem services, improving the ability of forests to adapt to climate change and enabling pollination services, harvested products, clean water, recreational use and carbon sinks. Popularisation of regenerative forestry practices, fully harnessing its benefits in the industry and in societal discourse	○○●	---

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

●○○ Upstream value chain --- Short (under one year)
 ○●○ Own operations - - - Medium (1–5 years)
 ○○○ Downstream value chain - - - Long (over 5 years)

Metsä Group's 2030 sustainability targets

	2030 target	2025	2024	2023
Retention trees on regeneration felling sites, %	100	96	97	96
High biodiversity stumps on harvesting sites, %	100	100	98	92
Spruce as the only tree species after young stand management, %	0	25	26	25
Measures promoting biodiversity, number	10,000	10,616	6,586	816

The realised figures for actions promoting biodiversity are cumulative, starting from 2023.

Metsä Group's strategic 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. The targets play an important role in managing the impacts, risks and opportunities identified on pages 64–65.

The 2030 sustainability targets for wood supply are defined so that Metsä Group can essentially influence them with its own actions. The targets only apply to Finland, but international wood supply is considered in the calculation of the forest certification percentage. The targets are related to impacts, risks and opportunities identified in the upstream value chain in particular. The targets are not based on a scientific framework, but they are aligned with the goals for curbing biodiversity loss stated by the UN, the EU and Finland. The targets do not include external ecological compensation, and in the absence of suitable values, no ecological threshold values have been used in target setting to date. Metsä Group follows research on ecological threshold values and evaluates the values' usability in its operations.

Regenerative forestry is a science-based and systematic action plan seeking to strengthen the state of nature. The 2030 sustainability targets for wood supply are part of the regenerative forestry's overall target of strengthening the state of nature. The practical operations and their development are guided by the targets, actions and verified results. The 2030 sustainability targets for wood supply were in part determined by the nature management actions linked to the forest management actions. By monitoring these actions, the implementation and development of the operational targets can be proven. In addition to the actions, Metsä Group studies the effects of its forest management measures. The studies are described in more detail under *Actions*.

With its 2030 targets related to biodiversity and ecosystems, Metsä Group mainly seeks to avoid and minimise harm. Forest management,

support of the diversity of tree species and thinning procedures increase the vitality of forests, as well as their resilience to matters such as weather phenomena and insect damage resulting from climate change. Additionally, Metsä Group restores and rehabilitates natural areas that may have suffered harm. For example, the management of sunlit slopes and groves supports the rehabilitation of biodiversity. The goal is to increase the number of species on sites allocated to production by diversifying tree species and adding decaying wood, for example.

Progress in targets

- **Retention trees on regeneration felling sites** – In 2025, the target progressed as expected.
- **High biodiversity stumps on harvesting sites** – The target was achieved in 2025.
- **Spruce as the only tree species after young stand management** – Progress towards the target was not sufficient in 2025. In 2026, Metsä Group will increase training for its own personnel and forest management contractors as part of the phased introduction of the new pricing model for young stand management work. The trainings will also cover quality management and measurements of the remaining stand.
- **Measures promoting biodiversity** – Progress has exceeded the planned level, and the target has been achieved. Most of the measures consist of Metsä Group Plus agreements, the number of which has increased significantly over the past two years.

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

Risk management as part of the operational activities of wood supply and forest services

Metsä Group's wood supply is not based on the company's own forests. In Finland, most of the wood is acquired from Metsäliitto Cooperative's owner-members, who together own around half of Finnish private forests and 32% (32) of all the forests in Finland. In Sweden, wood is mainly procured from Norra Skog's owner-members, who own around 10% (10) of Sweden's productive forest land. Metsä Group Wood Supply's certified ISO 14001 environmental management system guides operations towards environmental targets and supports risk management as part of daily operations.

The assessment of nature risks is part of the wood trade process. Notifications of forest use are submitted to inform authorities of felling plans, and the authorities will notify the company if statutory requirements must be taken into account in the implementation of felling. In addition to legislation, felling plans and implementation must comply with the requirements of forest certification systems. Metsä Group has a comprehensive and constantly maintained set of geospatial data on nature, which is utilised in wood trade offers and sales, as well as the planning and implementation of felling. The geospatial data system allows risk areas to be identified and geospatial analyses to be conducted. Additionally, the geospatial data system allows environmental data such as endangered species registers and data on properties, groundwater areas and waterbodies to be updated in real time as part of work supervision.

Regulatory impacts on forest use are one of the risks identified in Metsä Group's wood supply. Regulatory risks are identified and assessed in accordance with Metsä Group's standardised risk management process, and assessments are conducted regularly. Risk identification, assessment

and management are handled jointly by Metsä Group's Wood Supply and the Group's Stakeholder Engagement unit.

Risk management as part of investments and the operational activities of production units

Metsä Group's production units may have negative impacts on the production unit sites' biodiversity and ecosystems due to the units' emissions and land use. The environmental impacts of production units are identified and assessed in the environmental permit process. The need for environmental impact assessments is ultimately determined by the local contact authority. The assessment takes any impacts on conservation areas and Natura areas into account. If necessary, a Natura assessment is conducted in accordance with a predetermined procedure, and in the case of major projects, a separate environmental impact assessment (EIA), before the environmental permit process. After any environmental impact assessment, the production units operate in accordance with their environmental permit and the Group's operational management system. The methods for identifying and managing the impacts of pollution are discussed under *E2 – Pollution*.

Stakeholder engagement

The results of the operating model for stakeholder engagement are considered in the sustainability materiality assessment and identification of biodiversity risks. The inclusion of stakeholders in wood supply is described further under *Policies*. The inclusion of local communities in the environmental aspect of production units' operations is described under *E2 – Pollution*. A general description of the operating model for stakeholder engagement, as well as processes for managing stakeholder engagement, can be found under *S3 – Affected communities*. The inclusion of stakeholders in resilience analysis is implemented broadly and actively. They have participated in measures such as initiatives related to regenerative forestry and regenerative land use.

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

Business area	Production unit	Total surface area owned	Name of area valuable to biodiversity	Protection type of area valuable to biodiversity	Distance from Metsä Group's production unit	Metsä Group's impact on the area
Metsä Board Metsä Fibre	Kemi	1,787 ha	Perämeri National Park, Kallinkangas, Kaltiojänkä herb-rich forest, Kirvesaapa	Natura 2000 sites (the National Park is also a state nature reserve)	6–10 km	Mild indirect combination impacts from eutrophication on the Perämeri National Park. The ecological state of surface waters in the area is satisfactory. No direct impacts on buffer zones and thus on the protected habitats or species
Metsä Board	Kaskinen	180 ha	Närpes archipelago, Kristiinankaupunki archipelago, Bredmosmyran nature reserve	Natura 2000 sites (and several areas in the Närpes archipelago included in nature conservation programmes)	2–10 km	Mild indirect combined impacts from eutrophication on the Närpes and Kristiinankaupunki archipelagos 2–5 km from the production unit. The ecological state of surface waters in the area is satisfactory. No impacts on the habitat types or species forming the basis for Natura protection
Metsä Tissue	Mariestad	80 ha	Sandviken, Karleby and Tidans Kvilar conservation areas	State nature reserves	0–2 km	No impact during normal production. The Tidan river flows through the site. In the new mill construction project, the environmental permit specifies the risk management practices during construction. No impact on endangered species

■ Considering biodiversity and ecosystems in the strategy and business model

The resilience of the strategy and business model has been assessed by identifying material risks related to biodiversity and ecosystems, and by

assessing how effective Metsä Group's long-term actions aligned with the regenerative forestry and land-use principles are in managing the risks in question. The material risks are presented in the table on pages 64–65. Key uncertainty factors identified in the resilience analysis include the

weak predictability of EU legislation and the climate change adaptation of complex natural ecosystems, which are discussed in greater detail under *E1 – Climate change*. The implementation of the materiality assessment and the periods used in it are described on pages 32–35.

Resilience has been assessed both in the company's own operations and in the value chain. The key risks related to biodiversity and ecosystems are related to the wood supply chain. The assessment of business risks fundamental in the resilience analysis is based on the climate scenarios also used in the climate risk analysis and on the scenarios in the wood processing industry's biodiversity roadmap.

In Finland, the climate change scenario means significantly faster climate warming than average global warming. As forest rotation periods are very long in Finland from a global perspective, climate change adaptation is a key forest-related resilience issue. Based on general research, it can be said that diverse ecosystems have a better ability to adapt to changing circumstances than an ecosystem with fewer species. As such, nature-oriented solutions have been identified as important for Finland in particular in terms of climate change adaptation.

Comprehensive identification and management of ecosystem services seek to prepare for transitional risks, systems risks and physical risks. Key risks are related to matters such as regulation governing forest use and the physical risks caused by climate change. Increasing biodiversity plays a key role in forests' adaptation to climate change.

- The goal of regenerative forestry is to develop forestry so that ecosystem services can be identified and measured, and that wood is produced as part of a shared production model for various services. The key identified factors strengthening Metsä Group's business resilience are:
- A production model based on native tree species, which does not require changes in land use, is an important part of business resilience in terms of ecosystems, biodiversity and climate change.
- Increasing the value of the forest assets of Metsäliitto Cooperative's owner-members and transferring forests in a stronger state from one generation to the next are key elements of Metsä Group's strategy and owner strategy. The value potential of a diverse forest with a variety of species is greater than a forest with less biodiversity.
- Comprehensive safeguarding of ecosystem services recognises not only the carbon balance but also those ecosystem services that are important for national self-sufficiency and security of supply.
- Regenerative forestry recognises the importance of the operational diversity of forest ecosystems. Forest nature is an interconnected ecosystem in which producers, consumers and decomposers are mutually dependent.
- With its target of strengthening the state of nature, Metsä Group sets an example in the private sector to support international, EU and national Finnish biodiversity targets.
- Dialogue, cooperation and partnerships support the overall goals of regenerative forestry and land use.

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

■ Policies

In its Environmental Policy, Metsä Group is committed to obtaining wood raw material from sustainably managed forests, and to paying attention to the economic, social and environmental aspects of forest management and wood supply. The company is committed to preventing pollution and continuously developing production processes by employing the best available methods and techniques. The Environmental Policy is described in greater detail under *G1 – Business conduct*.

Wood supply and forest services

Metsä Group adopted its regenerative forestry principles in 2023 as a continuation of the Group's ecological sustainability programme for safeguarding biodiversity. Regenerative forestry aims for a set of measures that lead to the state of nature verifiably strengthening in Finland. The wood supply strategy is based on wood production that does not involve land-use change, and in which the amount of native species is very high despite production. Metsä Group has measured the state of nature and its development in collaboration with researchers using the best available data. Science-based indicators and the development of monitoring are key development actions for the reliability of the measured data. The regenerative forestry programme was approved by the Group's Board of Directors, and it was presented to all owner-members.

Forest certification can be used to demonstrate that the forest has been managed sustainably and responsibly, promoting the implementation of regenerative forestry principles. Forest certification has two key elements: sustainable forest management and the wood supply chain. The international forest certification systems in use at Metsä Group are PEFC and FSC.

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

Metsä Group's wood supply does not cause deforestation. All the countries from which the company procures wood have issued legislation requiring forests to be renewed after harvesting. Metsä Group procures wood mainly from Finland, Sweden and the Baltic countries. A breakdown of wood supply by country is presented in the table on page 101. Metsä Group requires all partners to comply with legislation, and operations adhere to the European Timber Regulation (EUTR), US Lacey Act and UK Timber Regulation (UKTR). In 2025, Metsä Group has continued updating its due diligence system to comply with the requirements of the EU's Deforestation Regulation (EUDR). Wood supply is described in greater detail under *G1 – Business conduct*.

Metsä Group's Wood Supply considers the impacts of its operations on its key stakeholders, including forest owners, mill locations and their residents, nature and people who earn their livelihood from it, such as the indigenous Sámi peoples, as well as other parties interested in the environment, such as various NGOs. In the home region of the Sámi, Metsä Group engages in local dialogue about the coordination of reindeer

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husbandry and forestry with key stakeholders, including forest owners and reindeer owners' associations. Communication with the Sámi is typically related to practical questions. Reindeer owners' associations in the home region of the Sámi are recognised as a significant local community.

Production units

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

Metsä Group has also set a target of strengthening the state of nature in its operations in the industrial sites of its production units. Metsä Group's regenerative land-use principles offer guidance towards nature-oriented solutions in the industrial environment. To implement the operating model, the Kemi integrated mill will conduct a pilot test for the project. Based on the experiences from the test, the hope is to integrate the activities in other mill localities as well. The aim is to link the development of biodiversity in production unit sites as part of the environmental management, operations and reporting of production units. The biodiversity roadmaps of production units are described under *Actions*.

The policies related to water use and emissions to water are described in sections *E2 – Pollution* and *E3 – Water and marine resources*. The inclusion of local communities in the environmental aspect of production units' operations is described under *E2 – Pollution*.

■ Actions

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

Wood supply and forest services

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

The goals of regenerative forestry are discussed under *Policies*. The regenerative forestry programme includes the development of monitoring systems with the research community so the impacts of operations on the state of nature can be measured and reported.

Continuous actions

Forestry and nature management methods, as well as harvesting methods, are based on up-to-date research and the accumulated experiences regarding practices. Metsä Group engages in active cooperation with various research institutes. Some of the key measures for the promotion of biodiversity following the principles of regenerative forestry include the following:

- Wood is procured only from forests that are certified or of controlled origin, and certified wood is prioritised. Metsä Group actively participates in the development of international PEFC and FSC forest management standards. Owner-members are offered the opportunity to certify their forest in accordance with the PEFC and FSC system, and a higher price is paid for certified wood.

- For industrial use, Metsä Group only procures tree species naturally occurring in the area, that is, spruce, pine, silver birch, downy birch and aspen. In their natural habitats and areas of distribution, trees can live in interaction with abundant companion species.
- More than 20 native broadleaved tree species will be entirely excluded from purchasing and processing. These tree species are linked with thousands of companion species.
- Mixed forests increase forest biodiversity and forest resilience against storm and insect damage, for example. Metsä Group offers forest owners a forest regeneration service, in which both spruce and pine are planted on the same site. Broadleaved trees such as birch, which spreads to stands naturally, are favoured in forests.
- Decaying trunk wood is added through several measures: retaining dead trees; leaving retention trees; and making high biodiversity stumps. The amount of decaying trunk wood will also increase in the valuable habitats excluded from processing, as well as in the buffer zones around waterbodies.
- In herb-rich forests, the company recommends nature management methods or voluntary protection for forest owners. Nature management measures are thus focused on places where they have the greatest impact on biodiversity. Protective thickets are left for animals at all stages of forest management.
- The management of sunlit slopes promotes natural habitats in the open site types of eskers. The management of sunlit areas entails the removal of trees that provide shade and uncovering the mineral-based ground layer.
- Metsä Group's nature site service helps focus the protection required by the FSC on the sites most valuable in terms of nature.
- Buffer zones along waterbodies promote biodiversity and prevent the runoff of soil and nutrients. A buffer zone is a strip of land along a waterbody where forest management is carried out in a lighter form or not at all.
- Continuous cover forestry is chosen as the procedure for sites for which it is suitable.

In peatlands, the water economy and quality of water ecosystems is maintained, and the diversity of species is protected by avoiding the creation of new drainage and only conducting drainage repairs when required. Rehabilitation sites are determined on a case-by-case basis, and forest owners are offered the option of continuous cover forestry as an alternative with added bonuses. The wood trade process includes an assessment of nature risks using geospatial data, and the environmental data is taken into account in the planning and implementation of harvesting.

A tangible example of the implementation of regenerative forestry measures comes from the Metsä Group Plus service, which is Metsäliitto Cooperative's forest management model designed for its owner-members. In the model, measures that safeguard and improve the state of forest nature more comprehensively than current standard practices are agreed in connection with wood trade and orders for young stand management. Under the model, more retention trees and high biodiversity stumps are left per hectare of forest during harvesting. To accelerate the creation of decaying wood and to secure the living conditions of species that inhabit burnt environments, more retention trees will be burned. For valuable

habitats and littoral forests, the model represents the highest level of requirements currently in use. Metsä Group pays its owner-members a bonus per hectare for Metsä Group Plus wood to compensate the lost wood income due to the additional measures. The service was launched in 2023, and in 2025, around 19% (21) of the wood from standing sales of private forests was harvested from Metsä Group Plus sites. The costs of the service are not disclosed, as they are sensitive data.

Metsä Group has actively participated in the drafting and further development of the wood processing industry's biodiversity roadmap in cooperation with the forest sector. The publicly available roadmap covers the general development areas related to forestry, as well as needs of shared indicators and monitoring systems. The roadmap reflects the development of the biodiversity of forest nature in Finland in recent decades. It is based on the test plot data from the National Forest Inventory and the national charting of forest plant life.

In addition to the roadmap, Natural Resources Institute Finland started the VMI-Moni research project for the pilot testing of the National Forest Inventory, expanded with new biodiversity indicators. Metsä Group is represented in the project steering group.

Natural Resources Institute Finland has compiled summaries of the state of forest nature and its development, including summaries for Metsä Group's own wood supply areas in Finland. Additionally, modelled scenarios were commissioned for the Metsä Group Plus service's impacts on biodiversity.

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

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

Actions in the reporting year

In 2025, Metsä Group announced it would establish a foundation for forest protection. The foundation will start its operations in early 2026. Its aim is to improve biodiversity. The foundation provides forest owners with financial compensation for sites whose conservation supports national biodiversity objectives. The protection criteria are drafted based on nature conservation principles, and the protection decisions will be statutory and permanent. The foundation's protection activities will mainly target the forests of Metsä Group's owner-members, but other Finnish forest owners can also participate in the application process.

Production unit locations

Continuous actions

The pilot programme started at Kemi in 2023 has been continued to promote the development of the regenerative land-use action plan. The goal of the pilot programme is to develop a cost-effective operating model for strengthening the state of nature in a built and industrial environment. The planning area in Kemi covers the mill area and land owned by the company surrounding the mill area. The special features of local nature will be taken into account in the action plan, and the living conditions of endangered species will be improved. The work is conducted with an expanding cooperation network, and it aims to create internationally approved planning principles for the improvement of the state of nature in a built and industrial environment, regardless of industry. Approximately EUR 175,000 (260,000) was spent on the 2025 biodiversity plans and actions. The costs include purchases from third parties that can be directly allocated to the project. For example, they do not include internal payroll costs. It is hoped that the operating model will also extend outside the production units and for regenerative land use to develop into an internationally accepted and recognized approach that strengthens the state of nature. Expected costs for actions in the coming years are not yet available.

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

Funding programme for nature projects

Actions in the reporting year

Metsä Group's nature project funding programme annually funds development projects that improve biodiversity and the state of waterbodies regionally, and that are implemented outside commercial forests in Finland. The funding programme is detached from Metsä Group's own impacts and value chains, and it is not calculated as compensating the company's own impacts on nature. Its aim is to promote a new operating culture in nature-related practical cooperation at the local level. Contact between the project's operators and the annual meetings promote the development of theme-specific specialist networks at a national level. Projects are selected for the nature project funding programme once a year. In 2025, a total of 22 (26) projects related to the management and restoration of Finnish biodiversity were selected for funding based on the proposal of an independent panel as follows:

- Migratory fish and watercourses: 5 projects
- Wetlands and aquatic bird habitats: 7 projects
- Traditional landscapes: 1 project
- Multipurpose projects: 9 projects

The funding for these projects totalled EUR 600,000 (600,000).

For example, in 2025, Metsä Group participated in the planning of the Luokas project in cooperation with the Finnish Environment Institute. The project aims to improve the supply and develop the market for natural plants, with wide-ranging participation from various operators. The availability of seeds and saplings for natural plants would lead to significant cost savings in restoration projects for built environments. Metsä Group is providing the Luokas project's work package with EUR 90,000 of funding in its nature project funding programme. The work package will create national criteria for reproductive material based on factors such as origin.

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Impacts and dependencies on ecosystem services

For Metsä Group as a forest company, wood production is one of nature's key ecosystem services. If the state of forest nature deteriorates, forests become more vulnerable to weather phenomena caused by climate change and to invasive species. The resilience of forests in the face of climate change will improve through the comprehensive management of ecosystem services, or benefits obtained from nature, and regenerative forestry, which strengthens the state of nature. The goal of Metsä Group's forest management services is to safeguard locally, nationally and internationally significant ecosystem services. The more diverse the forest assets are when transferred from one generation to the next, the better the forest owners' ability to create added value for their forest assets.

Continuous actions

In terms of actions related to biodiversity and ecosystems, the key resources are related to areas such as personnel, development actions, systems development and, indirectly, the equipment used in forest management operations. The geospatial data system for the operating area's forests is a key resource for the forest management actions. To remedy any environmental deviations, Metsä Group uses voluntary nature compensation as part of regenerative forestry, which outweighs the harm to nature resulting from any non-compliance with legislation. The compensation model is being developed, and it will have a retroactive effective date of 2023 for all detected deviations. The compensation model is described in more detail under *S3 – Affected communities*.

Impact metrics related to biodiversity and ecosystem change

The 2030 targets providing a measure of the actions are described under Targets. Emissions to air and water are discussed under *E2 – Pollution*. Indicators describing the state of forest nature, their reliability and a common monitoring system are being developed both in cooperation with the industry and to achieve Metsä Group's own targets. These activities are described in more detail under *Actions*.

Financial effects

The risks related to biodiversity and ecosystems are presented in the table on pages 64–65. As Metsä Group does not own forest important for its wood supply, the risks related to biodiversity and ecosystems do not affect its assets. If the risks were to be realised, they would affect Metsä Group's business areas in the long term through the availability and cost of wood raw material. Financial effects are not evaluated in more detail at this time, as reporting on them is still only being developed.

Reporting principles for metrics

The calculation of high biodiversity stumps left on harvesting sites only covers the direct standing sales conducted by Metsä Group's Wood Supply and Forest Services. In other words, delivery sales are not included in the calculation. The harvesting sites include intermediate and regeneration felling sites. The calculation of retention trees left on regeneration felling sites covers the direct standing sales carried out. Forest certification criteria set minimum requirements for the number of retention trees. The calculation is based on the number of regeneration felling sites. Stands containing only spruce after young stand management include the young stand management work conducted. The calculation takes into account spruce-dominated sites where spruce accounts for more than 50% of the remaining trees. Spruce is considered to be the only tree species if other species account for less than 10% of those remaining on the site.

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

Metsä Group is developing indicators to describe the state of forest nature, their reliability and a common monitoring system. The development of the indicators is described in more detail under *Actions*.

The implementation of Metsä Group Plus sites was evaluated by an external evaluator in 2025. Other metrics have not been validated by an external party.

E5 – Resource use and circular economy

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

Impacts	Value chain stage	Time horizon	Risks and opportunities dor Metsä Group	Value chain stage	Time horizon
Resources inflows, including resource use					
↑ Thanks to regenerative forestry, the primary renewable resources used by Metsä Group can be obtained in accordance with circular economy principles. They are a sustainable alternative to fossil-based raw materials	●○○	---	↑ Opportunity: Legislation that recognises the climate and other benefits of fossil-free raw materials in the production of materials, and sets requirements for replacing primary fossil-based raw materials with more sustainable alternatives	●○○	---
			↑ Opportunity: Full use of renewable wood as a main raw material. Development of innovations, production processes and side streams, which can increase the added value of wood raw material and diversify the product portfolio	●○○	---
			↓ Risk: Legislation that requires the use of recycled material in bio-based products and does not recognise the circular economy benefits offered by fresh fibres and other bio-based raw materials important to Metsä Group. This may negatively affect business operations and possibly require new investments	●○○	---
The impacts, risks and opportunities related to wood-based energy are described under <i>E1 – Climate change</i>			The impacts, risks and opportunities related to wood-based energy are described under <i>E1 – Climate change</i>		
Resource outflows related to products and services					
↑ Metsä Group's products offer customers and consumers a recyclable alternative to products made from fossil-based raw materials. Wood products used in construction offer long-term storage of bio-based carbon, which has a positive climate impact	●○○	---	↑ Opportunity: Legislation and brands' own sustainability targets favouring products made from the renewable materials of the forest sector instead of fossil-based alternatives in areas such as packaging, textiles and construction, resulting in growth opportunities	●○○	---
			↓ Risk: Legislation that favours reusable packaging or other reusable products instead of recyclable disposable products can reduce the demand for Metsä Group's products. Additionally, implementing the chemical recycling of plastic at an industrial scale may increase the acceptability of plastic and reduce the need to replace it	●○○	---
			↑ Opportunity: New products from innovation work allow Metsä Group to expand its product portfolio, and the utilisation of industrial side streams in new products with partners as a core part of RDI work	●○○	---
Waste and side streams					
↑ New products refined from production side streams and concepts based on partnership such as the bioproduct mill based on industrial symbiosis and Metsä Spring's cooperation with start-up companies all enhance the utilisation of side streams	●○○	---	↑ Opportunity: The utilisation of side streams as material and bioenergy brings economic benefits, the full utilisation of forest industry side streams improves the acceptability of the industry and secures future operations; the long-term aim is to utilise an increasingly large share of wood raw material from side streams in valuable material use	●○○	---
↓ A small amount of landfill waste from production, causing emissions to air, water and soil, even though the majority of production side streams is utilised as material or energy	●○○	---	↓ Risk: Weakening of the image of forest industry operations and economic benefits if a purpose is not found for all side streams	●○○	---
			↓ Risk: Legislation that leads to a decline in the use of forest industry side streams for bioenergy generation erodes respect for forest industry operations	●○○	---
↑ Positive impact on the environment and society, or on Metsä Group's business		●○○○ Upstream value chain		--- Short (under one year)	
↓ Negative impact on the environment and society, or on Metsä Group's business		○○● Own operations		--- Medium (1–5 years)	
		○○○ Downstream value chain		--- Long (over 5 years)	

Metsä Group's 2030 sustainability target

	2030 target	2025	2024	2023
Process waste delivered to landfills, t	0	8,405	14,696	16,207

Metsä Group's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. The above target of "0 tonnes of process waste delivered

to landfills" is related to resource outflows. The target is based on Metsä Group seeking to direct all its production side streams to be utilised, and to entirely eliminate landfill waste. The target will be achieved by identifying a purpose for all process waste. In the waste hierarchy, this is categorised

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as waste recovery. The target's achievement requires all side streams to be utilised, which indirectly contributes to a product design based on the circular economy. The utilisation of side streams is discussed in more detail under *Waste and side streams*. The target is indirectly related to increasing the utilisation rate of recycled materials by utilising side streams, but not to the sustainable procurement and use of resources, or to the minimising of primary raw materials. The target-setting is based on compliance with legislation, and the target is based on the EU's Waste Directive and the targets it sets. Comprehensive system-level indicators for the circular economy are under development internationally. Metsä Group follows the development of indicators, and participates in testing and development work.

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

Progress in target

- **Process waste delivered to landfills** – The amount of landfill waste decreased in 2025 compared to the previous year, as the utilisation rate increased by approximately one percent compared to 2024. Production limitations have affected the amount of process waste.

Policies

In its Environmental Policy, Metsä Group is committed to efficiently using raw materials, water and energy, and continuously developing operations. The side streams generated in production processes are used primarily as raw material or energy. Metsä Group takes advantage of synergies between its production units and develops industrial cycles and the recyclability of products. The Environmental Policy is described in greater detail under *G1 – Business conduct*.

The quality, environmental and energy efficiency systems of production units guide environmental management and environmental performance. The production units systematically conduct internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

The Group's operations follow circular economy principles, safeguarding nature's capacity for renewal, minimising waste and emissions, and keeping natural resources used by society in use for as long as possible and as valuable as possible.

As it is impossible to completely recycle and reuse materials forever, maintaining the material cycle also requires the addition of primary raw materials to the cycle. Fresh fibre plays a critical role in the effective recycling of fibre-based packaging, for example. Primary renewable resources can be obtained in line with circular economy principles from forests managed in accordance with the principles of regenerative forestry, for example. Metsä Group offers its owners a forest management model based on regenerative forestry, which is described in more detail under *E1 – Climate change* and *E4 – Biodiversity and ecosystems*.

Actions

Resources inflows, including resource use

Continuous actions

Raw materials are used resource-efficiently to avoid waste in production. The main raw material is renewable wood, which is used fully. The most valuable part of the tree is the log wood, which is used for Kerto® LVL, plywood and sawn timber. Thinner tree parts and the thin trees obtained from thinning are used as the main raw material at pulp and paperboard mills, while branches and logging residue are used to produce renewable energy. The utilisation of side streams is discussed under *Waste and side streams*.

Metsä Group promotes the circular economy by strengthening industrial symbioses and investing in cleaner process technology. Metsä Fibre's Äänekoski bioproduct mill and the Kemi bioproduct mill, completed in 2023, are based on the ecosystem concept and are examples of industrial symbiosis, in which a network of companies offers synergies in resource use. Ecosystem companies of different sizes and at different development stages convert the bioproduct mill's production side streams into valuable products. The bioproduct mill features an advanced closed chemical cycle in which water and chemicals are recycled and returned to the process for reuse. Even some of the emissions are utilised as raw material: odorous gases are processed into sulphuric acid, which the mill needs in the manufacture of products such as tall oil.

Metsä Group's key measures related to resource inflow and use include:

- In 2025, Metsä Group began the construction of a research and development laboratory in Äänekoski to research and develop veneer-based wood products. The new laboratory will create the conditions for testing load-bearing structures for material-efficient construction and will also enable product research based on a broader raw material base.
- Metsä Group is committed to the development of regenerative forestry and promoting regenerative land use in mill areas. This action improves the state of forest nature and biodiversity in the built environment. Further information is available under *E1 – Climate change* and *E4 – Biodiversity and ecosystems*.
- Water use is reduced by developing production processes and introducing new technologies in the paperboard and tissue paper businesses, as well as in wood supply and forest services. Further information is available under *E3 – Water and marine resources*.
- Transitioning to completely fossil-free energy in production to reduce fossil-based GHG emissions in the pulp, sawn timber, paperboard, tissue and greaseproof paper as well as wood product businesses. Further information is available under *E1 – Climate change*.
- Energy efficiency is improved by enhancing power, heat and fuel use in the wood product, paperboard, tissue and greaseproof paper businesses, as well as in wood supply and forest services. Further information is available under *E1 – Climate change*.

Outflows related to products and services

Continuous actions

As a rule, Metsä Group's products and packaging materials are mainly reusable or recyclable in accordance with local recycling systems. In practice, most are recycled or reused. For example, after use, toilet paper ends up in sludge separated from wastewater, which is used to make soil or biogas. Except for Kerto® LVL products, product reparability or durability compared with the industry standard are not relevant aspects of product use when accounting for product outflows.

Mainly produced from renewable raw material, the company's paperboards – except for the PE-coated grades – are certified as industrially compostable in accordance with the DIN EN 13432 and/or ASTM D6400 standards. In addition, some paperboard grades are certified as home compostable in accordance with the NF T 51–800 standard. Metsä Board is one of the founding members of the 4evergreen initiative. The goal of the initiative is to raise the recycling rate of fibre-based packaging in the EU to 90% by 2030. The target of Metsä Board, Metsä Group's paperboard business, is to make packaging lighter through material development and packaging planning to reduce resource use.

Metsä Group's strategic choice is to produce tissue papers primarily from fresh fibre. In hygiene products, the use of fresh fibre instead of recycled raw material reduces the need for water and energy, and generates less waste. Most of the fresh fibre is pulp originating from Metsä Group's value chain, from the Group's own pulp and sawn timber business, which in turn obtains its wood from Metsä Group's Wood Supply and Forest Services. Plastic accounts for around a quarter of the packaging material used for Metsä Group's tissue and greaseproof papers. The goal is to continuously increase the share of recycled raw material in plastic packaging materials.

Kerto LVL products are designed and produced as very durable construction materials. Correctly designed, buildings made from Kerto LVL elements can be dismantled and reused for other purposes. In cooperation with customers, solutions for moving entire buildings from one place to another have been implemented. Kerto LVL products are CE marked in accordance with EN 14374 Timber structures – Structural laminated veneer lumber – Requirements. The structural load-bearing capacity of Kerto LVL products is examined in accordance with the limit states of Eurocode 5. When structural Kerto LVL is produced and tested in accordance with the harmonised EN 14374 product standard, its durability matches the requirements for a design service life up to 100 years. In Europe, traditional structural elements are generally designed for a service life of 50 years. As a lightweight and strong material, Kerto LVL is excellently suited for repair construction – for strengthening old supporting structures in buildings, for example. Reuse and recycling are the primary options for Kerto LVL and plywood, and incineration for energy is last in line.

Actions in the reporting year

Metsä Group's key measures related to products and services include:

- The environmental impacts of packaging in the paperboard business and innovation company are reduced through product development, mill trials, and offering customers services in areas like sustainability and packaging design to reduce environmental impacts across the life cycle of packaging. Resource use is reduced through lightweight packaging concepts. Further information is available in the Board of Director's report under *Research and development*.
- The circular economy is promoted by participating in international initiatives across the Group. The aim is to accelerate the development of the European and global circular economy. The Group continues the development of the utilisation of industrial side streams, as well as the longer circulation of raw materials. Examples of such initiatives include the national green deal commitment for the circular economy, and membership in the Ellen MacArthur Foundation's circular economy network since 2022. The Ellen MacArthur Foundation is a circular economy network in which companies, developers, universities and opinion leaders cooperate to promote the circular economy. The company also engages in active dialogue with policymakers to develop the operating environment. Further information about membership and political influence is available under *G1 – Political influence and lobbying activities*.

Waste and side streams

Continuous actions

Waste generated at Metsä Group's production units includes wood-based fractions, organic and inorganic sludge, ash, paper and paperboard waste, metals, and small amounts of plastic and glass waste, as well as energy waste from sorting at the mills. Hazardous waste generated includes oil and oily waste. Construction and demolition operations generate waste such as concrete debris and metal waste.

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

Some mills have their own waste management area or landfill, where operations are subject to an environmental permit. The environmental impacts of the mills' own waste management areas are minimised in accordance with the environmental permits. Part of the waste is delivered to waste management companies, whose operations are subject to environmental permits, for processing or disposal. The sustainability of waste management operators is ensured in supply agreements.

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The main process waste components are green liquor dregs generated in pulp production and ash, which is generated in energy generation. Metsä Group is actively seeking industrial applications for green liquor dregs by conducting its own research and pilot projects, and participating in universities' jointly funded research projects. The green liquor dregs from bioproduct mills are already used in applications such as soil improvement, which has reduced the amount of waste delivered to landfill in the reporting year.

A strategic R&D programme for converting side streams for use in the circular economy is underway at Metsä Group. Metsä Group is researching and developing, both independently and with partners, various new purposes for sludge, ashes, lignin, sawdust, bark and other forest industry side streams. The innovation company Metsä Spring has invested in four start-up companies refining Metsä Group's wood-based side streams, and supports these companies in scaling up their production and commercialising their products.

Metsä Group is committed to the national circular economy green deal. The participants set targets up to 2035 and commit to actions that promote a low-carbon circular economy. Metsä Group's aim is to commercialise three new significant products or solutions based on Metsä Group's side streams by 2035, and to reduce energy production based on side stream incineration so that the annual energy production in 2035 will be 1,000 gigawatt hours lower than in 2025. Monitoring of these targets began at the start of 2025.

- Metsä Group's key measures related to waste and side streams include:
- To promote the industrial upgrading of lignin, Metsä Group constructed a demo plant for lignin refining in Äänekoski in 2025. In the demo plant project, the Group has partnered with a chemical industry company that is developing effective bio-based water reducing agents for concrete and gypsum applications using the demo plant's lignin product. A Veolia biomethanol refinery was also started up in connection with the Äänekoski bioproduct mill. The biomethanol refinery uses crude methanol generated at the bioproduct mill as a raw material.
 - Opportunities for carbon capture and upgrading were also explored. Carbon dioxide capture and further processing are discussed in more detail under *E1 – Climate change*.
 - During the year, cooperation was continued and new collaborations were established with universities, research institutes and companies related to the further processing of wood-based side streams, sludges and inorganic production side streams. Examples of such collaborations include the KIRSI Kierrätysravinteita prosessisivuorosta project funded by the European Regional Development Fund, as well as the open innovation challenge on the utilisation of softwood bark presented to the members of the Biobased Industries Consortium.
 - In 2025, Metsä Group was one of the circular economy partners recognised by Soilfood. Metsä Group received special recognition for creating added value to the circular economy. Through the cooperation, around 260,000 kilograms of phosphorus and 1.6 million kilograms of coal from Metsä Group's production side streams were recycled onto agricultural fields for primary food production in 2024. The use of soil improvement fibres improves the quality of soil and reduces nutrient runoff from fields to waterbodies, while the use of recycled nutrients reduces the need for virgin fertiliser products.

- In the coming years, the research and development operations for the further processing of side streams will continue. In 2026, the lignin demo plant will produce test batches for customers and validate the production technology in the mill environment.

In 2025, no significant capital or operating expenditure was incurred from the key measures related to resource use and the circular economy. The research and development costs in 2025 amounted to EUR 64 (54) million.

Financial effects

The impacts, risks and opportunities concerning resource use and the circular economy identified in the material assessment are presented in the table on page 71, and the time horizons used in their assessment are described on page 33. The main known or reasonably expected financial effects related to side streams concern emission allowances and wood-based energy use, which are discussed under *E1 – Climate change*. A key uncertainty factor for the assessment of these impacts is the poor predictability of EU legislation. Other potential additional costs are related to the increasing efforts to utilise side streams, which also generates cost savings as landfill costs decrease. In addition, any electrification of energy generation may incur additional costs if fibre-based fractions have to be delivered to third parties for processing. However, such costs are not expected to exceed the limit for materiality.

When developing new concepts promoting efficient resource use and the circular economy, their economic impacts on the company's business are continuously monitored through cost-benefit analyses and scenario analyses, combined with roadmaps using economic calculation methods. Investment proposals are evaluated while taking the strategic benefits and financial figures into account.

The possible commercial production of Metsä Group's potential future products, the Kuura textile fibre and Muoto hot-pressed fibre packaging product, as well as carbon capture as opportunities concerning resource use and the circular economy are discussed in more detail under *E1 – Climate change*.

Metrics

Inflows of material and energy streams

Wood-based raw materials, 1,000 t	2025	2024
Wood	19,598	19,344
Purchased pulp	95	98
Recycled fibre	157	183

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

Other raw materials, 1,000 t	2025	2024
Process chemicals	91	98
Coating, binders and pigments	256	288
Packaging materials	104	100

The sustainability of other raw materials is monitored with separate metrics. For example, the metric related to the traceability of raw materials monitors the share of recycled, reused and renewable material of all material inflows. This matter is described in further detail under *G1 – Business conduct*.

Metsä Group uses a limited amount of critical raw materials in its production processes. The company uses aluminium sulphate at a few mills, as well as talc containing magnesium silicate. Water use is described in further detail under *E3 – Water and marine resources*. The use of tangible property during the reporting year is described in the Group's consolidated financial statements in section 4.2, *Property, plant and equipment*.

Share of renewable and recyclable raw materials and packaging materials*, %	2025	2024
Renewable materials	97	96
Recycled materials	1.1	1.0

* Share of the total weight of materials used in the reporting period.

Waste use and disposal, 1,000 t	On-site	Off-site	Total 2025	Total 2024
PROCESS WASTE (NON-HAZARDOUS WASTE)				
Material utilisation	1.7	95	97	132
Energy use	115	70	185	222
Landfill	3.7	4.8	8.4	15
Total process waste	120	170	290	369
OTHER NON-HAZARDOUS WASTE				
Material utilisation	5.8	54	60	30
Energy use	0	2.4	2.4	3.3
Landfill	0.01	1.6	1.6	2.7
Total other non-hazardous waste	5.8	58	64	36
HAZARDOUS WASTE				
Material utilisation	-	0.8	0.8	1.1
Energy use	-	1.3	1.3	0.6
Incineration without energy benefit	-	0.6	0.6	0.8
Landfill	-	0.3	0.3	0.6
Other disposal*	-	0.3	0.3	0.5
Total hazardous waste**	-	3.4	3.4	3.5
Total waste	126	232	358	409
Share of landfill waste of total waste, %	2.9	2.8	2.9	4.4

* Disposal and treatment of waste other than landfilling. The amount also includes repackaging and pre-treatment prior to disposal operations.

** Metsä Group's operations do not generate radioactive waste.

Outflows of material and energy streams

Products, 1,000 t	2025	2024
Chemical pulp	3,339	3,238
BCTMP	398	504
Paperboard	1,331	1,539
Tissue paper	474	474
Greaseproof tissue paper	52	56
Wood-based fuels	2,324	2,398
Other bioproducts (biogas, tall oil and turpentine)	148	126
Mechanical wood products, 1,000 m ³	2,019	2,000

By-products, 1,000 t	2025	2024
Fertilisation and soil improvement (lime, ash, sandy park)	146	95
Industrial use (lime dust, ash, de-inking sludge)	63	48
Energy use (de-inking sludge, biopellet)	17	20
Total	226	164

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Reporting principles for metrics

Resource inflows

Resource inflows are reported in the original state of the materials. Wood volumes are reported based on data from Metsä Group's Wood Supply and Forest Services business and, for other raw materials, based on tonnes of raw material received. The inflows of packaging material are based on internal reporting.

The most significant assumptions in the calculation of resource inflows are related to the material conversion factors, and the categorisation of materials as renewable and recycled materials. Some converted inflow volumes are based on assumptions regarding average conversion factors specific materials or products. If a material cannot be categorised as renewable or recyclable, the assumption is that it is neither.

Resource outflows

The waste volumes include waste transferred directly from the mill process, interim storage, and construction and demolition projects external to mill activities to final disposal, and that are under operational control including material and energy recovery, landfill disposal and hazardous waste treatment. Waste transferred from the mill process to interim storage is

not included in the disclosed waste volumes. The waste volume includes moisture.

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

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

It is impossible to break down material utilisation into subcategories in accordance with the standard, as the available data is based on codes from waste legislation which do not allow such breakdowns. Estimating the volumes is difficult, as there are differences between the code-specific waste data and categorisation in accordance with the ESRS which require additional investigation for harmonisation. This additional clarifications are being done so that the categorisation can be estimated for the 2026 report.

The metrics have not been validated by an external party.

S – Social responsibility

S1 – Own workforce

Material impacts, risks and opportunities related to own workforce

Material sub-sub-topics	Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Equal treatment and opportunities for all						
<ul style="list-style-type: none"> • Gender equality and equal pay for work of equal value • Diversity • Measures against violence and harassment in the workplace • Training and skills development 	<p>↑ Wellbeing at work and the opportunities for continuous learning and career development will improve alongside equality in the treatment, pay and recruitment of employees</p>	●○○	---	<p>↑ Opportunity: Strengthening of the employer image, as well as innovation capacity, performance and competitiveness, as a result of selecting the most suitable candidates for key positions</p>	●○○	---
	<p>↓ Wellbeing at work and the opportunities for continuous learning and career development will weaken if equality is not achieved in the treatment, pay and recruitment of employees</p>	○○○	---	<p>↓ Risk: Weakening of the employer image, as well as innovation capacity, performance and competitiveness as a result of a failure to select the most suitable candidates, and a weakening of Metsä Group's attractiveness, in particular among minorities</p>	○○○	---
Working conditions						
<ul style="list-style-type: none"> • Social dialogue • Freedom of association, including the existence of work councils • Collective bargaining • Work-life balance 	<p>↑ The work ability and wellbeing of employees will improve as a result of measures improving working conditions, such as company-specific collective agreements, flexible working hours and an individual shift work model</p>	●○○	---	<p>↑ Opportunity: The improvement of employees' work ability, job satisfaction and commitment to Metsä Group, and the improvement of the company's employer image and performance</p>	●○○	---
	<p>↓ Weakening of the quality of life of employees and their families, increased inequality as a result of possibly deficient working conditions</p>	○○○	---			
<ul style="list-style-type: none"> • Health and safety 	<p>↑ Employees' general physical and mental wellbeing and work ability will improve as a result of actions promoting health and safety</p>	●○○	---	<p>↓ Risk: The weakening of employees' work ability, job satisfaction and commitment, and the weakening of Metsä Group's employer image and performance</p>	●○○	---
	<p>↓ Employees' physical and mental wellbeing and work ability will weaken as a result of possibly deficient actions for the promotion of health and safety</p>	○○○	---			
Other work-related rights						
<ul style="list-style-type: none"> • Privacy 	<p>↓ Possible data privacy shortcomings may endanger the privacy and personal data protection of employees, which causes mental stress and weakens wellbeing</p>	○○○	---	<p>↑ Risk: The weakening of employees' work ability, job satisfaction, trust and commitment, and permanent damage to Metsä Group's reputation</p>	○○○	---
<p>↑ Positive impact on the environment and society, or on Metsä Group's business</p> <p>↓ Negative impact on the environment and society, or on Metsä Group's business</p>		<p>●○○ Upstream value chain</p> <p>○○○ Own operations</p> <p>○○○ Downstream value chain</p>		<p>--- Short (under one year)</p> <p>--- Medium (1–5 years)</p> <p>--- Long (over 5 years)</p>		

Metsä Group's 2030 sustainability targets

	2030 target	2025	2024	2023
Total recordable incident frequency, own employees (TRIF)	0	4.0	5.2	6.1
Employee engagement, index (scale 0–100)	AAA	A	A+	A+
The implementation of the measures defined based on the employee survey, %	100	96	-	-
Women in leadership roles, %	>35	30	28	27
Employee experience on diversity, equality and inclusion (DEI) implementation, Metsä for all -index (scale 0–100)	100	73	73	-
Anonymous recruitment for vacancies open to all, %	100	100	99.1	80

Not all the comparative data has been provided for the new 2030 targets set in 2025.

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

The company's own workforce has not directly participated in setting the targets, but the results of surveys focusing on the personnel, such as

the Personnel survey, are considered in the materiality assessment. The 2030 sustainability targets are discussed by the mills' management teams, which include personnel representatives, and at cooperation meetings with personnel representatives. The sustainability target progress is made available to all personnel on the internal intranet pages four times a year.

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Progress in targets

- **Total recordable incident frequency, own employees (TRIF)** – The accident frequency progressed as planned toward the zero-accident target. Unfortunately, among the recorded incidents there were three serious injuries, which highlights the need to continue strong focus on proactive safety work and the prevention of serious accidents.
- **Employee engagement** – The target was not achieved as planned. Actions to promote engagement – defined based on personnel surveys – were monitored and effectively implemented. The monitoring and implementation of actions will continue in the coming years.
- **Implementation of measures determined based on employee survey** – Progress was in line with the plan. The actions focused on, among other things, developing leadership, strengthening an open dialogue culture, and improving safety management.
- **Women in leadership roles** – In 2025, progress was made in many business areas and in Group functions. The KPI and results from previous years were updated in 2025.
- **Employee experience of diversity, equality and inclusion (DEI) implementation** – Progress towards the target was not as planned. However, the Metsä for All vision was promoted by training supervisors in diversity, equality and inclusion. In addition, employees at production units were trained about the importance of psychological safety in the workplace community. Employee awareness and competence will continue to be developed through internal training in the coming years, and the mandatory e-learning course on equality for all employees will be updated in 2026.
- **Anonymous recruitment for vacancies open to all** – The use of anonymous recruitment became established, and the target of 100% was achieved. This supports Metsä Group's objective to promote equality in recruitment processes and reducing the impact of preconceptions in recruitment decisions.

Affected own workforce

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

The identified material negative impacts are mainly related to individual cases. The areas highlighted in human rights impact assessment include occupational safety and occupational wellbeing stress factors. Workers at production units and in investment projects face a higher risk of accidents. The most typical accidents consist of injuries to hands and feet. Additionally, all employees may be exposed to negative impacts related to mental wellbeing and/or loading.

Metsä Group has also identified potential negative impacts on diversity and the achievement of equality, including challenges to gender equality in a male-dominated industry. Challenges may also arise in the achievement of diversity regarding the origin, language or age of the company's own workforce, and the equal treatment of minorities.

In addition to the most significant impacts, the assessment identified potential negative impacts related to working conditions, especially concerning uneven work allocation and work-life balance. Of the own workers, 59% (59) work in Finland, which may present a risk of lack of transparency concerning operations outside Finland. Additionally, possible

negative impacts have been identified related to the data protection and information security of employees.

Policies

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

Equal treatment and opportunities for all

Metsä Group is committed to promoting the diversity, equality and inclusion (DEI) of its own workforce. This work is guided by the Group's Code of Conduct, Equality Policy and the Metsä for All vision. In practice, Metsä Group's equality work is guided cooperatively by the HR function and businesses.

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

Awareness of diversity, equality, inclusion and non-discrimination is promoted through the Code of Conduct and DEI e-learning courses that are mandatory for employees, as well as psychological safety training carried out by internal training personnel. The themes are part of the induction of new white collars and apprentices, as well as the company's management and leadership coaching.

Training and skills development

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

Working conditions

In addition to local legislation, Metsä Group complies with the applicable practices for working conditions in its operating countries. In its Code of Conduct, the company is committed to fair terms and conditions of employment. Of Metsä Group's employees, 73% (74) are covered by collective agreements. In Finland, Metsä Group complies with company-specific collective agreements for the chemical and mechanical forest industry and forestry sector white-collar employees.

All of Metsä Group's production facilities are located in countries that have high-standard statutory requirements concerning working conditions such as reasonable working hours, annual leave, parental leave and part-time work. Wage payment practices for family-related leave of

employees in Finland have been harmonised to a level that exceeds the statutory requirements concerning family-related leave, offering parents equal opportunities to take care of their child. All Metsä Group employees are paid adequate wages (as was the situation at the end of the reporting period, 31 December 2025). Metsä Group's employees have the right to belong or not to belong to a trade union.

Health and safety

Metsä Group's occupational safety is guided by the safety management system, comprising the Corporate Security Policy and the safety principles, standards, processes and work instructions. Metsä Group's safety management system also considers each country's legislation, for example, the Occupational Safety and Health Act in Finland. The Corporate Security Policy defines the targets and operating models of safety activities to which all employees must be committed in their work. The Safety principles guide safety-related decisions and define the criteria for the creation of safety processes and standards. In addition to guiding occupational safety, the ISO 45001 standard calls for a safety management system. The heads of business areas are responsible for the implementation of safety policies in accordance with the requirements specified by the Group's senior management. The roles and responsibilities of occupational safety are defined in the Safety Management principles. The related e-learning course is mandatory for the employees of production units.

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

100% (100) of the production units' employees and service providers come under the scope of the occupational safety management system, which has been certified by a third party. Employees working at production units account for 74% (74) of Metsä Group's total workforce. Office workers outside production units are covered by Metsä Group's occupational safety management system, but these operations have not been certified by a third party.

At Metsä Group, wellbeing and the improvement and maintenance of work ability are guided by the Code of Conduct and the Occupational Safety and Wellbeing instructions, in which Metsä Group commits to promoting the employees' physical and mental wellbeing. The promotion of workplace wellbeing and work ability is proactive, the goal being to identify threats to employees' work ability, initiate actions and maintain the employees' health throughout their careers. The sites are responsible for compliance with the applicable legislation and the Group's requirements for workplace wellbeing.

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

Other work-related rights

As part of the Code of Conduct, Metsä Group is committed to acting in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and to respecting internationally recognised human rights in accordance with the UN's Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work.

The company is committed to remedying any negative impacts on human rights in accordance with the UN Guiding Principles on Business and Human Rights, and Metsä Group's principles guiding the reporting and investigation of non-compliance. In the Code of Conduct, Metsä Group is committed to ensuring that no child or forced labour, human trafficking, or other forms of modern slavery occurs in its business operations and supply chain. Metsä Group has focused its production in countries with no significant risk of child or forced labour. Metsä Group publishes a modern slavery statement annually in accordance with the UK Modern Slavery Act transparency statement, in which it describes the actions taken to ensure that no modern slavery occurs in the company's own operations or its supply chain.

Metsä Group supports the UN Global Compact initiative and its principles concerning human rights and employees, among other things. Human rights matters are discussed in e-learning courses such as those focusing on sustainability, the Code of Conduct and DEI, which employees are required to complete regularly.

Privacy

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

Engaging with own workers and workers' representatives about impacts

Metsä for All vision

Interaction with employees played an important role when defining the Metsä for All vision, published in 2021. The vision's content was influenced by the opinions of an international working group comprising the company's employees, as well as the results of a survey for all employees. The site-specific challenges and development measures related to the vision's implementation were determined in workshops for local management, aided by local DEI employee surveys.

Statutory equality and non-discrimination plans are drawn up annually with employee representatives for each business area.

Collective agreements

Company-specific collective agreements for the chemical and mechanical forest industry and forestry sector white-collar employees are renewed among the parties based on the principle of continuous negotiations. The concluding of company-specific collective agreements marked the beginning of measures carried out jointly with the employees' representatives to renew and improve work life.

Measures related to cooperative activities

Metsä Group complies with local legislation and applicable collective agreements in all its operating countries. Cooperation is carried out

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in accordance with each country's legislation. The goal of cooperation is to develop the company's operations and improve the employees' opportunities to influence decision-making concerning their own work, working conditions and position in the company. HR, business area management and employee representatives are jointly in charge of the measures related to cooperation.

An annual cooperation forum is organised for elected representatives in Finland, where the elected representatives and the company management discuss the elected representatives' questions, development proposals and the Group's financial position. In addition, the management team at all mills in Finland includes an elected representative.

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

Personnel survey and Pulse survey

The company annually conducts a Personnel survey to measure employee engagement, the quality of management work and employees' opinion on the ethics of business operations. The survey also provides data for an index measuring employee engagement and a Metsä for All index, which measures the employees' experiences of the implementation of diversity, equality and inclusion in the company. The Personnel survey's results are supplemented with the Pulse survey, which is conducted four times a year to measure employees' commitment to the company and their views on the ethics of business operations. Employees can use the Personnel survey and Pulse survey to provide written feedback on the implementation of ethics and report any shortcomings. The Compliance and Ethics Channel, which is intended for the reporting of ethics issues, is discussed in greater detail under *G1 – Business conduct*.

HR is responsible for both the Personnel survey's and the Pulse survey's implementation and reports the results to senior management. Supported by the HR function, senior management ensures the Personnel survey results are handled and addressed in decision-making. The results are discussed at different organisational levels and with elected representatives. The processing of the actions is described in more detail under Actions. The results of the Personnel survey and Pulse survey are used as indicators for strategy implementation.

The effectiveness of the Personnel survey and Pulse survey are measured by evaluating the response rates of the surveys, the implementation of the determined development actions and comparing the results with those of other companies.

Safety talks and occupational health and safety committees

Safety at work is promoted and supported with safety talks, or information sessions for the workforce, which are recorded in the system. The coverage of safety talks is evaluated by monitoring the target figures set for safety talks.

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

The organisation of safety talks and occupational health and safety committees is the responsibility of the line management. To increase the effectiveness of communication, stakeholders have been involved in the occupational safety communication processes.

Processes to remediate negative impacts and channels for own workers to raise concerns

Metsä Group considers its obligation to remediate any negative impacts on its own workforce. In accordance with the Principles on non-compliance notifications and the related investigation, the company conducts a case-by-case assessment of reasonable remedies to ensure that the injured party is put in the same position as they would have been in had the incident of non-compliance not occurred, or as close as possible to it. The assessment takes the rights of the injured parties into account.

Compliance and Ethics Channel

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

Working conditions

Health and safety

Metsä Group's own workforce can raise concerns and express opinions about occupational safety by recording their safety observations in the HSEQ system. Safety observations are also discussed at daily meetings. Metsä Group does not accept countermeasures against whistleblowers. If required, whistleblowers can also submit a report anonymously through the Compliance and Ethics Channel.

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

Actions

As part of its cost savings and profit improvement programme, Metsä Group began change negotiations in October 2025 regarding all business areas and Group services. The impact of the negotiations was expected to be a permanent reduction of around 800 permanent jobs. For Finland, the negotiations were concluded in November, and they resulted in the termination of 520 permanent jobs. The change negotiations were

conducted in accordance with the legislation of each country, and the employees were offered support measures such as relocation support and training.

Metsä Group surveys the measures affecting its own workforce based on the identified impacts. The impacts on the company's own workforce are systematically assessed through double materiality assessments, taking the results of employee studies such as the annual Personnel survey into account.

Based on the results of the Personnel survey, an action plan is drawn up for the areas with the poorest results. The implementation of actions is monitored at the Group level and in business areas. Business areas and the Group determine business-area-specific priorities for development actions. Supervisors discuss the results of the Personnel survey with their teams. The discussion can also include participants from HR and third parties if necessary. Based on the results, the teams choose the required measures, and their implementation is monitored at team meetings and by the business areas' management.

The effectiveness of the implemented measures is assessed with the Personnel and Pulse surveys. The surveys measure the implementation of ethics and equality, as well as employee engagement and the quality of management work. Additionally, reports received through the Compliance and Ethics Channel and other cases brought to the investigation of the Compliance Committee provide an understanding of the state of the implementation of ethics at an annual level.

Equal treatment and opportunities for all

Continuous actions

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

As part of the continuous development work, Metsä Group conducts an annual equal pay survey, trains employees regularly, and takes measures to ensure that the gender distribution in leadership and supervisor training corresponds to the DEI targets. In successor planning, attention is paid to the goal of a more balanced gender distribution in Group duties. Metsä Group's recruitment partners are committed to the DEI targets.

Anonymous recruitment is the main recruitment method. It supports the diversity of employees by encouraging people with different backgrounds to apply for jobs at Metsä Group. Anonymous recruitment minimizes the risk of bias and its potential impact on recruitment. Since the introduction of anonymous recruitment, the share of women among all recruited employees has increased by 13% (14) in relative terms between 2021 and 2025.

Actions in the reporting year

During 2025, a training programme focusing on themes of psychological safety and their internal coaching was implemented for occupational safety and health committees in Finland, and corresponding target groups in other countries of operation. The programme covered topics such as inappropriate treatment, bullying, harassment, discrimination and psychological safety, as well as ways to address grievances. Participants in the training went on to train the members of their own unit's occupational safety and health committee and supervisors in the topics covered by the

training. The company's HR function also received training in diversity to support their professional competence.

Training in psychological safety and inclusion will be continued in the coming years at the production units, and similar training is also planned for employees working outside production units.

Training and skills development

Continuous actions

Training and skills development focuses on the continuous development of professional competence, core process skills and leadership skills. Personal targets and development goals are set annually, and their progress is monitored in performance and development appraisals, which all employees conduct with their supervisor twice a year. Personal assessments and wider competence surveys can guide the development of individual, group and organisational competence development, and the content of development programmes.

As part of the strategy implementation, a development programme concept – Metsä Group's Academies – has been developed, with the goal of identifying future competence needs and developing core competence important to the Group. Mentoring programmes and job rotation support the employees' professional growth and enable the use of tacit knowledge.

Competence development is monitored at two levels. The Group monitors the number of personal development plans and Personnel survey results related to the opportunities to use one's own competence. In addition, feedback is collected on the academies and other training programmes.

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

Actions in the reporting year

In 2025, competence development was conducted on the themes of finance, sales, procurement, sustainability and leadership. The production academy was also launched.

The Workday personnel system's Learning function was also introduced to support and improve the monitoring of competence development and the management of training. The functionality brings all training offered by Metsä Group in one place and guides employees in systematically developing their individual competences.

Working conditions

Continuous actions

More than 99% of Metsä Group's employees are included in the same HR system, which reduces the risk of employment conditions or wages in breach of the law or agreements. In some positions, employees have flexible working hours and a hybrid model, which enables them to work remotely part of the week. The company supports the employees'

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wellbeing at different stages of life and enables a long career by offering various solutions such as job rotation.

Actions in the reporting year

As a result of change negotiations conducted in the reporting year, employees were offered transition security in accordance with the local legislation of each country.

Health and safety

Continuous actions

In Metsä Group, safety management is based on the prevention of hazards and risks. Operations are guided by safety processes, safety standards and work instructions. The e-learning course for safety management is mandatory for the employees of production units. In addition, the general safety induction e-learning course dealing with hazards and risks in the work environment is mandatory for Metsä Group's own workforce in the Group's production units and on its construction sites.

Safe work environments are ensured through common safety-at-work standards, continuous proactive measures such as risk assessments, safety observations, safety walks and safety training, and investments improving safety. Safety standards define separate operating method requirements for high-risk duties. The permit to work standard covers the most important of them: lockout/tagout; working at heights; lifting work; work in confined spaces; excavations; and hot work.

The zero accidents target is supported by long-term safety priorities, which guide the development of safety work, define the key targets and make safety work more predictable.

Occupational safety measures are actively monitored in the HSEQ system, which classifies the measures according to their impact on occupational safety. The zero accidents target is used to assess the effectiveness of occupational safety measures in the grand scheme.

Occupational healthcare evaluates employees' health in view of the demands of their duties and the exposures related to their work through health checks and health surveys. In some Metsä Group operating countries, occupational health partners also conduct occupational health surveys. The healthcare services of leased labour are handled by their own employer. Workplace conditions are organised with the best health security possible through means such as tidiness and adequate ventilation, and the appropriateness, use and adequacy of personal protective equipment are ensured. Thanks to the measures, the most common occupational illnesses such as allergic reactions caused by chemicals or dust on the skin or in the respiratory system are decreasing. Metsä Group has not been made aware of any fatalities from occupational diseases among its own or its service providers' workforces.

Metsä Group has operating models for rehabilitative activities and early support to support work performance. A substance abuse programme is also in place. The implementation of early support is monitored in relation to the predetermined targets and needs. Supervisors are offered regular annual guidance and training for managing occupational wellbeing to ensure that work ability and occupational wellbeing are considered part of daily management work.

Actions in the reporting year

In 2025, the key focuses in safety work included the Group-wide safety management training programme and the consolidation of the Fair & Just safety culture.

The safety management training programme continued in 2025 at the Finnish production units with the "train the trainer" model, in which supervisors were themselves responsible for conducting the training for production employees. The training focused on discussing safety responsibilities and obligations at the different levels of the organisation. Additionally, the training that was started in the previous year for white collars and supervisors was expanded in 2025 to all production units outside Finland.

The principles of the Fair & Just safety culture were introduced as part of the safety training. The aim of the new operating method is to discuss the prevention of accidents, emphasising the importance of following instructions and the responsibility of supervisors to ensure the safe operations of their team members. The implementation method focuses on raising employee awareness of key safety rules and employee commitment to act in accordance with the rules. The operating method also harmonises the procedures and further actions related to intervening in deviations, whether they are related to an individual employee, their supervisor or the whole organisation.

In 2025, special attention was paid to improving occupational wellbeing in terms of the employees' musculoskeletal condition and support for mental wellbeing. Webinars and health talks for the personnel included the key themes of ergonomics, including cognitive ergonomics, as well as improving resilience and psychological safety.

The individual shift work model, which began with a trial in 2024, was extended for all Finnish production units in 2025. The experiences were positive, and the trial will continue in 2026.

As a result of the change negotiations conducted in the reporting year, employees and supervisors were offered support with challenging situations and handling terminations.

Other work-related rights

Continuous actions

The implementation of human rights is considered as part of the development of HR processes. In addition to the human rights impact assessment conducted in 2024, the Compliance and Ethics Channel, the updated Personnel survey's ethics questions and collected open feedback are important tools for the identification of human rights impacts.

Actions in the reporting year

Investments in occupational safety and wellbeing, DEI work, and e-learning courses dealing with these topics were key practical measures affecting the implementation of human rights in 2025.

Privacy

Continuous actions

Regarding data protection, procedures for processing employees' personal information have been defined. At Metsä Group, data protection

and information security are implemented with high-level technical and organisational methods. The same level of requirements contractually applies to companies that provide occupational healthcare services.

To ensure data protection, employees participate in e-learning courses such as data protection training, which is mandatory for all employees. Additionally, HR personnel and supervisors have a mandatory advanced e-learning course with a particular focus on handling employee data and the related special legislation. Themes related to data protection are discussed at the meetings of HR managers and persons responsible for key HR processes four times a year. Additionally, anyone can submit requests related to their personal data through Metsä Group's website.

Actions in the reporting year

An updated version of the advanced data protection e-learning course intended for all supervisors and HR employees was launched in 2025.

Financial resources allocated to the management of material impacts

In 2025, voluntary social costs totalled EUR 21.3 (19.0) million. These included the costs of occupational health services, recreational activities, occupational safety equipment and lunch.

The employees' training expenses in 2025 totalled EUR 8.1 (7.5) million.

Metrics

Employee head count by gender

	2025	2024
Male	7,191	7,618
Female	2,285	2,415
Other	0	0
Not reported	0	0
Total employees	9,476	10,033

In Metsä Group's personnel system, a person's gender is determined based on their legal gender.

Incidents, complaints and severe human rights impacts

In 2025, Metsä Group was made aware of incidents that may have had a direct or indirect negative impact on the Group's human rights obligations. Metsä Group's progress towards the zero accidents by 2030-target is proceeding as planned. Despite a strong focus on safety, a total of four serious workplace accidents occurred in 2025. One of the incidents involved a service provider and three involved own employees. All accidents were thoroughly investigated in close cooperation with the persons involved and specialists. Corrective and preventive actions were defined for all investigated accidents. Additionally, the lessons from the accidents were shared with all business areas to avoid similar accidents in the future.

In 2025, the company received a total of 13 reports related to harassment or discrimination. One of the investigated harassment cases resulted in termination of employment, five led to written warnings, and one resulted in the termination of the assignment of one external employee who had worked on the company's premises. None of the incidents reported to the company concerned the use of forced labour or child labour.

The mechanisms for identifying, reporting and investigating concerns are described under *GI – Business conduct*.

Employees broken down by country

	2025	2024
Finland	5,560	5,925
Sweden	1,375	1,381
Germany	876	940
Poland	618	656
United Kingdom	335	347
Slovakia	298	308
Estonia	220	225
United States of America	70	81
Other countries	124	170

Countries with more than 50 employees.

Employees by contract type, broken down by country

	Finland		Sweden		Germany		Poland		United Kingdom		Slovakia		Other countries		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees	5,560	5,925	1,375	1,381	876	940	618	656	335	347	298	308	414	476	9,476	10,033
Number of permanent employees	5,168	5,397	1,336	1,337	769	814	584	593	331	347	281	288	413	459	8,882	9,235
Number of temporary employees	305	435	39	42	107	126	34	63	4	0	17	20	1	17	507	703
Number of non-guaranteed hours employees	87	93	0	2	0	0	0	0	0	0	0	0	0	0	87	95
Number of full-time employees	5,354	5,676	1,316	1,311	816	869	611	649	327	336	298	306	411	470	9,133	9,617
Number of part-time employees	206	249	59	70	60	71	7	7	8	11	0	2	3	6	343	416

The six largest operating countries.

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Employees by contract type, broken down by gender

	Female		Male		Other		Not reported		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees	2,285	2,415	7,191	7,618	0	0	0	0	9,476	10,033
Number of permanent employees	2,118	2,160	6,764	7,075	0	0	0	0	8,882	9,235
Number of temporary employees	137	221	370	482	0	0	0	0	507	703
Number of non-guaranteed hours employees	30	34	57	61	0	0	0	0	87	95
Number of full-time employees	2,153	2,256	6,980	7,361	0	0	0	0	9,133	9,617
Number of part-time employees	132	159	211	257	0	0	0	0	343	416

In Metsä Group's personnel system, a person's gender is determined based on their legal gender.

Employee turnover and recruitment

	2025	2024
Employee turnover rate, total	850	705
Employee turnover rate, %	9.9	7.7
Female	9.6	6.6
Male	9.9	8.1
Under 30 years old	16	9.7
30-50 years old	7.3	6.1
Over 50 years old	12	9.2
Number of new hires, total	294	463
Female	89	132
Male	205	331
Under 30 years old	87	150
30-50 years old	166	253
Over 50 years old	41	60

Non-employee workers in own workforce

	2025	2024
Total number of non-employee workers in the company's own workforce	70	144

Gender distribution at top management level

	2025	2024
Share of men and women in top management	515/218	576/226
Share of men and women in top management, %	70/30	72/28

Distribution of employees by age group

	2025	2024
Under 30 years old	1,220	1,505
30–50 years old	4,685	4,914
Over 50 years old	3,571	3,614

Collective bargaining coverage and social dialogue

Coverage rate	Collective Bargaining Coverage		Social dialogue
	Employees - EEA	Employees - Non-EEA	Workplace representation (EEA only)
0–19%	Estonia	United States of America	
20–39%			
40–59%	Poland	United Kingdom	
60–79%	Finland		
80–100%	Germany, Slovakia, Sweden		Finland, Sweden, Poland, Estonia, Slovakia, Germany

Countries with more than 50 employees.

Social protection

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

Training and skills development

	2025	2024
Employees that participated in regular performance and career development reviews, %	95	94
Female	93	90
Male	96	96
Blue collar	95	94
White collar	96	94
Executive	98.6	98
Average number of training hour per employee	13	17
Female	14	21
Male	13	16
Blue collar	12	12
White collar	14	25
Executive	21	32

Family-related leave

	2025	2024
Number of employees entitled to take family-related leave	9,476	10,033
Number of employees that took family-related leave	704	668
Number of women that took family-related leave	209	201
Number of men that took family-related leave	495	467
Employees entitled to take family-related leave, %	100	100
Employees that took family-related leave, %	7.4	6.7
Women that took family-related leave, %	9.1	8.3
Men that took family-related leave, %	6.9	6.1

Health and safety

	2025	2024
OWN EMPLOYEES		
Occupational accidents	62	82
Total recordable incident frequency, TRIF	4.0	5.2
Lost time occupational accidents	49	64
Lost time accident frequency, LTAIF	3.2	4.0
Fatal occupational accidents	0	0
Occupational diseases	0	1
Fatal occupational diseases	0	0
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	817	1,021
SERVICE PROVIDERS		
Occupational accidents	49	65
Total recordable incident frequency, TRIF	4.3	5.6
Fatal occupational accidents	0	0

Total remuneration

	2025	2024
The annual total remuneration ratio of the highest paid individual to the median employee annual total remuneration (excluding the highest-paid individual)	19	66

Total remuneration ratio of women and men

%	Finland			Sweden			Germany			Poland			United Kingdom			Slovakia		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Blue collars	94	95	96	98.5	98.5	97	97	97	97	95	94	94	96	-	-	92	91	91
White collars	99.9	99.4	99.0	97	96	92	98	98	100	101	101	101	98.8	101	96	93	89	88

The six largest operating countries.

Incidents, complaints and severe human rights impacts

	2025	2024
ALL REPORTED INCIDENTS RELATED TO UNETHICAL BEHAVIOUR		
All reported cases	180	202
Reported cases which led to full-scale investigation	51	68
Number of complaints filed to National Contact Points of OECD Multinational Enterprises	0	0

DISCRIMINATION AND HARASSMENT INCIDENTS

Reported cases related to discrimination and harassment	13	9
Confirmed cases of discrimination and harassment	6	6
Total amount of fines, penalties, and compensation paid for the reported cases of discrimination and harassment	0	0

SEVERE HUMAN RIGHTS INCIDENTS

Severe human rights incidents (child labour, forced labour, human trafficking)	0	0
Total amount of fines, penalties, and compensation paid for the severe human rights incidents	0	0

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Key personnel figures by business area

	Metsä Fibre		Metsä Board		Metsä Tissue		Metsä Wood		Metsä Forest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees	1,472	1,539	2,130	2,409	2,557	2,624	1,664	1,700	634	694
Women	212	223	480	553	511	513	410	408	132	151
Men	1,260	1,316	1,650	1,856	2,046	2,111	1,254	1,292	502	543
Under 30 years old	191	232	223	330	379	405	231	255	86	119
30–50 years old	797	812	998	1,095	1,226	1,252	775	825	329	334
Over 50 years old	484	495	909	984	952	967	658	620	219	241
Permanent employees	1,348	1,362	1,989	2,221	2,383	2,403	1,587	1,630	612	668
Temporary employees	94	155	119	154	171	218	70	65	19	25
Full-time employees	1,408	1,470	2,044	2,283	2,461	2,510	1,612	1,653	629	686
Part-time employees	64	69	86	126	96	114	52	47	5	8
Share of men and women in management, %	80/20	80/20	75/25	75/25	66/34	72/28	72/28	73/27	98/2	98/2
Employee turnover, %	6.1	9.6	13	4.8	11	7.5	9.0	12	7.1	6.7
Number of new hires	21	35	30	62	120	125	73	132	15	34
The average number of training hour per employee	13	18	11	20	11	12	22	17	9.2	22

Reporting principles for metrics

The figures for the company's own workforce include the entire Metsä Group, excluding the following small companies, the employees of which are not included in the centralised HR system: Kumpuniemen Voima Oy; Oy Silva Shipping Ab; Lohjan Biolämpö Oy; and Katrinefors Kraftvarme Ab. On 31 December 2025, the total number of employees of these companies was 46 (47), or around 0.5% (0.5%) of the entire Group's employees. In other respects, the consolidation principles for financial reporting have been applied to the figures.

The number of employees used in the calculations is indicated as the number at the end of the reporting period (31 December 2025). The figure also includes non-active employees such as employees on family-related leave. Metsä Group annually employs around 900 (1,000) seasonal summer employees, thesis workers and trainees, some of whom are not employed at the end of the reporting period, when the number of employees is determined. The number of employees as full-time equivalents is presented in the consolidated financial statements, Notes 2.1. The most significant factor explaining the decrease in employees compared with the previous year is the change negotiations conducted during 2025.

The metrics have not been validated by an external party.

Turnover and recruitment

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

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

Non-employees in own workforce

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

Collective bargaining coverage and social dialogue

There have been no changes in the listed countries or coverage rates compared to the baseline year 2024.

Diversity metrics

The scope of the gender distribution in management positions and Metsä Group's "Women in leadership roles" metric were updated in 2025. The management positions included in the metric data are defined by a preset complexity requirement that corresponds to demanding leadership and expert positions. These include all CEO, SVP and VP positions, and some other demanding roles below that level. Along with the update, the figures for the comparison years have been updated to reflect the new scope.

Social protection

The lack of social security for the listed life events applies to all employee groups in the listed countries, a total of 10 (13) people. There have been no changes in the listed countries compared to the baseline year 2024.

Health and safety

A work-related accident is reported whenever a person who has been injured during working time seeks medical care, modified or replacement work, or the accident causes an absence from work. The calculation of accidents that lead to absences from work and the LTA1F frequency only consider accidents that have caused at least one day of absence. The assessment of a serious occupational accident is based on the definition provided by the Occupational Safety and Health Administration in Finland's Tyosuojelu.fi website.

Work-related accident frequencies have been calculated per million hours worked. The working hours of service providers are estimated based on procurement costs. The number of work-related accidents is indicated separately for the company's own employees and service providers' employees.

The disclosed days absent may involve uncertainty due to possible changes made afterwards. Days of absence caused by occupational diseases also include absences caused by participation in examinations related to occupational diseases. In the case of fatal occupational accidents, the number of days absent is indicated as 0 for calculation reasons. There were no fatal accidents in 2025 or 2024.

Family-related leave

Family-related leave includes maternity, paternity and parental leave that is available based on national legislation or collective agreements.

Compensation metrics

The total remuneration ratio of women and men has been calculated as an average of women and men in the same pay category, weighted by the number of people. If pay categories are not in use in the unit, remuneration has been compared within the same site. The calculation utilises a gross hourly wage for blue collars and gross annual wage for white collars, maintained in the HR system. The calculation is being developed to take the requirements of the Pay Transparency Directive into account.

The adequate wage indicator has been calculated by comparing employees' total remuneration with comparative data. The comparison is based on the national minimum wages confirmed in accordance with the EU Minimum Wage Directive (2022/2041). In countries without a national minimum wage, such as Finland and Sweden, the comparison has been conducted based on regional market data offered by an external partner.

Incidents, complaints and severe human rights impacts

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

Personnel survey

The Personnel survey results are based on the employee survey conducted annually. All Metsä Group employees can respond to the survey. Responses are collected on a scale of 1–4 (fully disagree/agree), and an external service provider converts the responses to indexes on a scale of 0–100 (100 = everyone fully agrees).

The results of the Metsä for All index are based on five questions in the Personnel survey related to the employees' experience of the implementation of diversity, equality and inclusion.

The index depicting employee engagement is based on the results of the Personnel survey's statements concerning the employee's own work, team, leadership and company, for which benchmark data is available. The results are compared with European benchmarks, and the level of employee commitment is derived from this. The target level of AAA is "very good" compared with the benchmark, and the employee survey's threshold for reaching it compared with the European benchmark is 81.3.

The metric regarding the implementation of measures determined based on the Personnel survey includes actions defined at the Group and business area levels. The actions are recorded in a system that is also used to monitor their implementation status.

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S2 – Workers in the value chain

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

Material sub-sub-topic	Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon	
Working conditions • Secure employment • Working time • Adequate wages	↑ Metsä Group's requirements and control mechanisms such as the model for combating the grey economy have potential positive impacts on the working conditions of suppliers' employees	●○○○	---	↑ Opportunity: Improvement of suppliers' employees' work ability, wellbeing and commitment, as well as a positive impact of the company's reputation as a responsible and safe partner	○○●	---	
	↓ The wellbeing of suppliers' and customers' employees may be adversely affected by poor working conditions, potentially widening inequality and impacting their families' quality of life	●○○●	---				
	• Health and safety	↑ Metsä Group's safety requirements may have positive impacts on the wellbeing and work ability of suppliers' employees, and the wellbeing of the employees' families	●○○○	---	↓ Risk: Weakening of suppliers' and customers' employees and contract entrepreneurs' work ability, satisfaction and commitment, and risks to the company's reputation as a responsible and safe partner	●○○●	---
		↓ The work ability and overall wellbeing of suppliers' and customers' employees may be compromised, and occupational accidents increase, due to insufficient health and safety standards or a lack of effective enforcement	●○○●	---			
Other work-related rights							
• Child labour • Forced labour	↓ A potential infringement of labour rights in Metsä Board's value chain could lead to adverse human rights impacts, reduced quality of life for suppliers' and customers' employees and their families, and widening social inequality.	●○○●	---	↓ Risk: Risks to Metsä Group's reputation as a sustainable partner and operator	●○○●	---	

↑ Positive impact on the environment and society, or on Metsä Group's business
 ↓ Negative impact on the environment and society, or on Metsä Group's business

●○○○ Upstream value chain --- Short (under one year)
 ●○○● Own operations - - - Medium (1–5 years)
 ●○○● Downstream value chain - - - Long (over 5 years)

Metsä Group's 2030 sustainability target

	2030 target	2025	2024	2023
Total recordable incident frequency, contractor employees (TRIF)	0	4.3	5.6	4.1

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

Progress in target

- **Total recordable incident frequency, contractor employees (TRIF)**
– Regarding contractor employees, safety performance improved compared to the previous year. However, the goal is to achieve an even stronger level of performance within this area of cooperation going forward. Unfortunately, among the recorded incidents there was one serious injury.

■ Affected workers in the value chain

Workers in the value chain that may be affected by impacts are present on Metsä Group's sites, in the upstream value chain and in the downstream value chain. If they occur, depending on their nature and the stage of the value chain, the impacts may be related to individual cases such as work-related accidents, or be systemic in nature, especially in long value chains and high-risk countries.

Value chain workers are involved in Metsä Group's investment projects, production unit maintenance, and harvesting and transport. Harvesting, transport and forestry partners who are independent contractors are considered value chain workers. The human rights impact assessment results of these worker groups emphasised the potential negative impacts on health and safety, with particular exposure to the employees of wood supply, investment projects and production units' maintenance shutdown service providers. In the investment projects, possible negative impacts related to equality, working time and pay were identified, with women and minorities identified as being particularly vulnerable. In addition to the most significant impacts, the assessment highlighted the possible negative impact on the working conditions of workers in the forest management value chain, particularly during the forest regeneration stage.

Possible significant negative impacts in the upstream value chain are related to the value chains of chemicals, binders, coatings, pigments and mill equipment, which are long and may also extend to high-risk countries in terms of their human rights impacts. The possible negative impacts affecting workers in these value chains are related to poor working conditions, labour exploitation and occupational safety.

In the downstream value chain, potential negative impacts are primarily concentrated in the sale of products produced by the company to globally operating customers, some of whose branches of industry or countries of location have been identified as being linked to a higher risk of human rights violations. The human rights status of countries is considered as one factor when determining risks related to customer relationships. A country's poor human rights situation primarily affects vulnerable workers of customer companies or their value chains. For example, the tobacco industry's value chains are generally associated with potential negative impacts particularly regarding women's and children's rights and on occupational safety in the production process.

■ Policies

Sustainability related to workers of Metsä Group's suppliers is guided by the Group's Supplier Code of Conduct, approved by the Group's Executive Management Team and Metsä Group's safety management system. All suppliers are required to commit to Metsä Group's Supplier Code of Conduct, which sets requirements for suppliers concerning matters such as working conditions, occupational safety, equal treatment and other work-related rights. Metsä Group does not have separate policies for downstream value chain workers. To ensure sustainability in the downstream value chain, Metsä Group carries out due diligence in accordance with its Know Your Business Partner process, which is discussed under *G1 – Business conduct*.

Working conditions

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

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

The responsibility for implementing the Supplier Code of Conduct lies with those responsible for procurement, and the person ultimately accountable for its principles is the President and CEO of Metsä Group.

Health and safety

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

Metsä Group's occupational safety is guided by the safety management system, comprising the Corporate Security Policy and the safety principles, standards, processes and work instructions. The safety management system encompasses all the workers of service providers working in Metsä Group's operations, and the system's requirements are the same for the company's own workforce and service providers. The heads of business areas are responsible for the implementation of safety policies in accordance with the requirements specified by the Group's

senior management. The responsibilities related to safety policies are described under *S1 – Own workforce*.

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

Other work-related rights

The Supplier Code of Conduct includes many requirements concerning other work-related rights of suppliers' employees with which suppliers must comply:

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

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

■ Engaging with value chain workers about impacts

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

Metsä Group's Wood Supply and Forest Services, and the Pulp and Sawn Timber Industry regularly organise cooperation forums with representatives of key service providers. The forums deal with topics such as the conditions for safety cooperation and joint development needs. Expanding the cooperation model to all business areas will be one of the key safety development measures in the coming years.

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Service providers' safety performance is monitored in large investments such as construction projects. Regular on-site safety talks are organised for the project employees, and observed safety deviations are actively addressed. A contact person from the applicable trade union and a health and safety representative are assigned to projects. Additionally, construction projects utilise a grey economy prevention model and an incident reporting channel, which project workers can use to report any anomalies they observe.

Metsä Group has long-term partnerships with harvesting, forest management and transport entrepreneurs. It organises regular cooperation meetings with contractors to discuss matters such as workforce management and competence development. The wood supply production function is in charge of the cooperation forums and meetings with contractors, and of the implementation of agreed actions. Assessments and audits are organised for contract entrepreneurs and their employees, conducted by both Metsä Group and external parties. The assessments and audits concern matters such as work permits, occupational safety and training.

The aim of the means of communication described above is to gain an understanding of the views of employees in the upstream value chain, including those particularly vulnerable to impacts. Metsä Group does not have a process for directly communicating with workers in the downstream value chain. Communication with corporate customers is discussed under *S4 – Consumers and end-users*.

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

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

The rectification of any deviations identified based on supplier assessments and audits is monitored. A model for combating the grey economy, as well as on-site spot checks, is in use in construction projects. Supplier satisfaction and awareness of the means of communication are assessed through supplier surveys. These means of communication and interaction are discussed in greater detail under Actions in this section and under *G1 – Business conduct*.

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

Compliance and Ethics Channel

Metsä Group's Compliance and Ethics Channel is available to all stakeholders, including workers in the value chain. Value chain workers are encouraged to report any ethical concerns and non-compliance with the law related to their cooperation with Metsä Group. To increase awareness

of the Compliance and Ethics Channel, the channel is promoted in the Supplier Portal, and in information channels and on posters on the sites. Reports can be submitted anonymously. Value chain workers can also report their observations directly to Metsä Group's contact person. In accordance with the Supplier Code of Conduct, the suppliers' employees can report incidents of non-compliance through the Compliance and Ethics Channel. The Compliance and Ethics Channel, raising concerns, and the processing of notifications are discussed in greater detail under *G1 – Business conduct*.

Working conditions

Health and safety

Safety is continuously developed and monitored with service providers working at mills and in construction projects. Service providers' employees are required to point out development areas by reporting their safety observations in the system. The recording of safety observations is enabled across the value chain. The observations are handled as part of daily management. Service providers are required to engage in systematic and proactive safety work such as safety observations, walks and talks. Metsä Group does not accept countermeasures against whistleblowers. If required, whistleblowers can also submit a report anonymously through the Compliance and Ethics Channel.

Accidents and hazardous situations are investigated thoroughly in cooperation with service providers. The investigation creates conditions for avoiding similar situations and identifying any shortcomings in safety management. When the investigation report is completed, a summary of the investigation is distributed to all business areas.

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

In 2025, Metsä Group established the Fair & Just operating model for both its own employees and service providers. A total of six cases of safety non-compliance by service providers were identified during the year. None of these cases resulted in accidents, but each was assigned a sanction in line with the operating model. More information about the model is provided in section *SI – Own workforce*.

■ Actions

In 2025, Metsä Group's operations did not cause severe human rights impacts, and no confirmed severe human rights issues or human rights violations in the upstream or downstream value chain were brought to the company's attention. Less severe work-related accidents causing personal injuries, incidents and complaints are discussed under *SI – Own workforce*.

With these actions, Metsä Group seeks to mitigate negative impacts and produce positive impacts on value chain workers. The actions are continuous and annual. The processes are developed in line with continuous improvement. Metsä Group has not identified significant operating or capital expenditure allocated to actions concerning value chain workers.

Working conditions

Continuous actions

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

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

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

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

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

Actions in the reporting year

In 2025, Metsä Group's wood supply introduced internal inspections for contract entrepreneurs on a risk basis. The inspections are voluntary and are related to matters such as the work permits, training, protective equipment use and working conditions of employees of contract entrepreneurs. Additionally, pilot testing for anonymous surveys regarding working conditions was conducted with select contract entrepreneurs.

Health and safety

Continuous actions

The general safety induction dealing with hazards and risks in the work environment is mandatory for service providers working at Metsä Group's production units and construction sites. Before they start work at a Metsä Group site, suppliers undergo a job-specific safety induction and must obtain the required work permits. Service providers must assess the risks

in their own work and prepare for them with a safety plan. The plans must be submitted to Metsä Group before initiating work. Service providers also participate in Metsä Group's safety walks and risk assessments. Service providers' work-related accidents in Metsä Group are registered in the same system as those of the company's own employees. Accidents and reported safety observations are monitored continuously. In construction projects, the safety performance of different service providers is monitored, and any safety deviations observed are actively addressed. Contract entrepreneurs are trained in quality, safety, environmental and sustainability matters.

Requirements for occupational safety training have been introduced for contract entrepreneurs in wood supply, and contract entrepreneurs participate in regular safety walks at the loading and unloading sites of production units and terminals. Additionally, risk assessments are conducted for all forest work sites.

Wood supply workers utilise an application that supports working alone in the field.

Actions in the reporting year

In 2025, Metsä Group defined shared targets and operating models for the development of service provider safety, with the aim of improving work environment safety in cooperation with service providers. The defined operating models are particularly significant for the drafting of safety plans and risk assessments, the setting of targets for preventive safety work and reviewing the content of cooperation arrangements for matters such as auditing.

Metsä Group's wood supply continued the safety management training for contract entrepreneurs that was started in the previous year. The e-learning course regarding work near power lines was also updated. This e-learning course is mandatory for all wood supply employees, contract entrepreneurs and their employees. To support the planning and implementation of wood supply, a new notification service was launched to bring all key environmental and safety matters related to sites together. During the year, minimum requirements for wood product cranes were also introduced, with defined transition periods and recommendations of the best technical solutions to improve operator safety.

Other work-related rights

The *Working conditions* subsection describes supplier management practices for everifying the implementation of social responsibility with the aid of audits, for example. The auditors have been trained to detect risks related to forced labour and labour exploitation, for example.

Reporting principles for metrics

Total recordable incident frequency, contractor employees (TRIF)

The incident frequencies have been calculated per million hours worked. The working hours of service providers are estimated based on procurement costs. The work-related accident figures are presented under *SI – Own workforce*. The metric has not been validated by an external party.

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S3 – Affected communities

Material impacts, risks and opportunities related to affected communities

Material sub-sub-topic	Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Communities' economic, social and cultural rights						
Land-related impacts	↑ Positive impacts for the employment, livelihood and tax revenue from production units and wood supply, especially in small localities	○●○	---	↑ Opportunity: Improvement of sustainability impacts and strengthening of the company's reputation as a responsible operator through stakeholder engagement	○●○	---
	↓ Possible negative impacts of production units such as noise, odour and dust	○●○	---		↓ Risk: Weakening of the image of operations and the company's reputation as a responsible operator as a result of insufficient stakeholder engagement	○●○
	↓ Possible impacts of commercial forest use on the recreational use of forests compared with old, primary or near-primary forests	●○○	---	●○○		---
Rights of indigenous peoples						
Free, prior and informed consent	↓ Possible impacts of wood procurement in Northern Finland and Northern Sweden on the livelihood of the Sámi peoples	●○○	---	↓ Risk: Insufficient consideration of indigenous peoples may weaken understanding of the impacts of operations, the quality of decision-making and the company's reputation as a responsible operator	●○○	---

↑ Positive impact on the environment and society, or on Metsä Group's business
 ↓ Negative impact on the environment and society, or on Metsä Group's business
 ●○○ Upstream value chain ○●○ Own operations ○○○ Downstream value chain
 --- Short (under one year) --- Medium (1–5 years) --- Long (over 5 years)

Targets

Metsä Group's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. Sustainability targets related to the environment and the supply chain are primarily designed to reduce – directly or indirectly – the negative impacts of Metsä Group's operations or promote positive outcomes for affected communities. The goal of Metsä Group's regenerative forestry strategy is to measurably improve the state of nature by 2030. Furthermore, the goal of regenerative land use is to create operating models and methods for supporting biodiversity in the built environment. The regenerative forestry strategy and regenerative land use are discussed under *E4 – Biodiversity and ecosystems*.

Affected communities

The main communities affected by Metsä Group include forest owners, mill localities and local communities, the nature around the mills and the people who earn their livelihood from it, as well as other interested parties such as indigenous peoples (the Sámi) and NGOs. In mill localities, Metsä Group's impacts on communities are directly caused by the company's own operations. In wood supply areas, the impacts are caused in the value chain. If they occur, the impacts are mainly systematic. The affected communities are therefore considered in the investment planning for both the mill and wood supply operations. Individual impacts are possible due to exceptional situations at the mill, for example.

Policies

Sustainability concerning affected communities is guided by the Code of Conduct and the Supplier Code of Conduct, which include commitments

to human rights. In all its operations, Metsä Group respects internationally recognised human rights and in accordance with the UN Guiding Principles on Business and Human Rights, it is committed to rectifying any negative human rights impacts. In relation to affected communities, no confirmed incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises have been brought to Metsä Group's attention. The Code of Conduct and the Supplier Code of Conduct are discussed in more detail under *S1 – Own workforce* and *S2 – Workers in the value chain*. In addition to the company's own workforce and workers in the value chain, the commitments concern all affected communities.

The principles of regenerative forestry and regenerative land use are key policies in increasing positive impacts among local communities, especially in owner-members' forests and in mill localities. These are described in greater detail under *E4 – Biodiversity and ecosystems*. Forest certification schemes also set out strict criteria for social sustainability. They include requirements for safeguarding the rights of indigenous peoples, for example. In and near the home region of the Sámi, Metsä Group requires wood suppliers to consider the Sámi culture and reindeer herding in their forestry measures through agreements and sustainability assurance. Wood suppliers are audited regularly.

The consultation of affected communities is guided by matters such as the environmental permits and environmental management systems of production units. These policies are described in the environment-related sections *E1, E2, E3, E4* and *E5*, as well as in this section under *Engaging with affected communities about impacts*.

Special attention is paid to the affected communities in the operating model for stakeholder engagement. Metsä Group also strives to develop its operations by regularly surveying opportunities for cooperation.

Engaging with affected communities about impacts

The goal of stakeholder dialogue is to ensure that stakeholders are met and heard, and that Metsä Group obtains feedback on its operations. Feedback is analysed, and it is taken into account in operational development and reported to senior management. The operating model for Stakeholder Engagement is described on page 33.

The scope and frequency of engagement differs depending on the stakeholder. Metsä Group's Stakeholder Engagement unit aims to organise a bilateral meeting at least once a year with each stakeholder in a key position at the Group level. Other engagement mechanisms include cooperation days, the organisation of visits, and cooperation projects. No specific frequency for meetings with local communities has been defined at the Group level. Instead, engagement takes place in the form of open house events, investment projects, meetings with the authorities or feedback channels, for example. The company engages directly with community members such as the residents of mill locations or their representatives such as the local authorities.

In 2025, the community feedback survey was conducted for the first time. The survey investigates the views of local communities regarding the sustainability and reliability of Metsä Group's operations. The key development areas based on the survey results are related to the communication of information, interaction with local communities and the promotion of the social wellbeing of local communities. Positive feedback was received on matters such as the financial impacts of Metsä Group on the local area, as well as the environmental performance of forest use and forest management.

Regarding indigenous peoples, the Sámi are affected by Metsä Group's operations primarily in the context of wood supply. In the home region of the Sámi, Metsä Group engages in dialogue about the coordination of reindeer husbandry and forestry with stakeholders, including forest owners and reindeer owners' associations, annually and whenever necessary. Additionally, the company ensures that the wood procurement does not endanger the conditions for reindeer husbandry at the local level.

Processes to remediate negative impacts and channels for affected communities to raise concerns

The implementation of large projects such as new production lines always includes an environmental impact assessment, carried out in advance, which also involves hearing local communities and other stakeholders. In addition, local communities have a statutory right to participate in the mills' environmental permit processes by submitting reminders and views on environmental permit applications, which are considered in the permit process. In other matters, the affected communities can raise concerns by directly contacting local operations through the production units' contact persons, Metsä Group's Communications or Stakeholder Engagement

units, for example. The feedback received is processed, a response is sent to the feedback provider, and the feedback is recorded in the HSEQ system as soon as possible. Open house events organised at production units are an established way of informing local residents and other interested parties about Metsä Group's operations.

To remediate any negative impacts, the company acts without delay and in close cooperation with the local and regional authorities. Social sustainability, which includes local communities and the customs, traditions, rules and justice systems of indigenous peoples, are taken into account in the requirements of forest certification and the Chain of Custody. In the case of any non-compliance with them, an investigation is launched in accordance with wood supply's due diligence system, and corrective action is taken if required. To remedy any environmental deviations, Metsä Group has introduced a voluntary nature compensation system, which will outweigh the harm to nature resulting from any non-compliance with legislation. The operating model is used to ensure that the corrective action for any shortcomings in operations provide more benefit than harm to nature. Nature compensation will be applied in key biodiversity-related matters related to the Nature Conservation Act and the Forest Act. The compensation model is being developed, and it will have a retroactive effective date of 2023 for all detected deviations. In 2025, an independent team of specialists has participated in the determining of harm to nature and corrective action on the sites, while developing the operating model's methods for the future.

Compliance and Ethics Channel

Affected communities can also report any ethical concerns or non-compliance with legislation through Metsä Group's Compliance and Ethics Channel. In the Supplier Code of Conduct, the supplier commits to rectifying any non-compliance with the Code. The Compliance and Ethics Channel is described under *G1 – Business conduct*.

Actions

In 2025, Metsä Group's operations did not cause severe human rights impacts, and no confirmed severe human rights issues or human rights violations related to the affected communities were brought to the company's attention. Incidents, complaints and severe human rights impacts are discussed under *S1 – Own workforce*.

Continuous actions

Negative impacts are managed and positive impacts are promoted in the mill localities by systematically reducing environmental impacts, including local communities, and increasing cooperation and quality of life at the local level through initiatives providing benefits such as increased employment and recreational opportunities. In wood supply, significant local stakeholders are taken into account, and compliance with certification requirements is ensured.

The regenerative forestry strategy and the supporting Metsä Group Plus service model represents a solution Metsä Group has systematically developed to seriously address stakeholder concerns – such as those from NGOs – regarding biodiversity loss and climate change. In addition to

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regenerative forestry. Metsä Group is promoting other actions such as the voluntary METSO forest conservation programme and its implementation. Metsä Group also funds restoration projects improving biodiversity through its nature programme. These actions are described in detail under *E4 – Biodiversity and ecosystems*.

Actions in the reporting year

In 2025, Metsä Group announced it would establish the Metsä Conservation Foundation for the conservation of forests with valuable biodiversity, and served as one of the main partners for the Campfire Summit of the Guides and Scouts of Finland. Metsä Group also continued to implement its regenerative land-use operating model.

The regenerative land-use operating model has been pilot tested at the Kemi mill site since 2023. The goal of the model is to strengthen the state of nature in a built environment through means such as the cultivation of native and local plant species, removing harmful invasive species, promoting stakeholder cooperation, and studying how work supporting biodiversity can be combined with industrial production. The planning and implementation of projects strengthening the state of nature is conducted in cooperation with specialists and local stakeholders such as associations, cities and municipalities.

More information about these actions, including the costs of regenerative land use projects in the reporting year are presented under *E4 – Biodiversity and ecosystems*. Metsä Group has not identified other significant operating or capital expenditure allocated to actions concerning affected communities.

S4 – Consumers and end-users

Material impacts, risks and opportunities related to consumers and end-users

Material sub-sub-topic	Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Personal safety of consumers and end-users						
Health and safety	↓ Impacts of possible defects related to product safety on the health and safety of consumers and end-users	○●○	---	↓ Risk: Reputational damage among potential new customers, consumers and end-users, possible liabilities for compensation, and other costs related to the limitation of damage	○●○	---
↑ Positive impact on the environment and society, or on Metsä Group's business ↓ Negative impact on the environment and society, or on Metsä Group's business		●○○ Upstream value chain ○●○ Own operations ○○● Downstream value chain		■--- Short (under one year) ---■ Medium (1–5 years) ---■ Long (over 5 years)		

Targets

Product safety, human rights and respect for the environment are important themes for consumers and end-users. Metsä Group has yet to set a 2030 sustainability target specifically related to consumers and end-users. The company's internal targets and policies for ensuring the quality and compliance of operations and products have been defined in Metsä Group's Quality Policy, the goals of which are described under *Policies*.

Affected consumers and end-users

Users of products for hygiene, food contact and construction are among Metsä Group's key consumers and end-users. Product safety is particularly important in wood products used in construction, paperboard products intended for food contact, and tissue paper and greaseproof paper intended for hygiene use. The impacts are not systematic but are most likely related to isolated incidents, such as product defects.

In addition to the impacts and risks related to health and safety presented in the table above, other impacts, risks and opportunities related to consumers were detected in the double materiality assessment. These are described under *E1 – Climate change*, *E4 – Biodiversity and ecosystems* and *E5 – Resource use and circular economy*.

Policies

Sustainability related to Metsä Group's consumers and end-users is guided by policies comprising Metsä Group's Code of Conduct, Supplier Code of Conduct, Quality Policy and management systems approved by the company's Board of Directors. The goal of policies is to minimise adverse environmental impacts, promote human rights and comply with the Code of Conduct, and thus demonstrate to consumers and end-users that the products are safe and sustainably produced. The policies indirectly encompass all consumer and end-user groups.

Metsä Group respects internationally recognised human rights in all its operations. In accordance with the UN Guiding Principles on Business and Human Rights, the company is committed to rectifying any negative human rights impacts. In relation to consumers or end-users, no incidents

of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises have been brought to Metsä Group's attention. The Code of Conduct and the Supplier Code of Conduct are discussed in more detail under *S1 – Own workforce* and *S2 – Workers in the value chain*.

Metsä Group's Quality Policy defines the company's internal targets and policies for ensuring the quality and compliance of operations and products. The goal is to ensure product safety, and that the quality of the company's operations, products and services meet the needs and expectations of customers – and thus consumers and end-users. The implementation of the Quality Policy is the responsibility of business areas' leadership teams, and in the case of matters concerning the entire Group, the Group's Executive Management Team.

Health and safety

The Code of Conduct includes the commitment to ensure product safety across the value chain. In addition to traceable wood fibre, Metsä Group's other raw materials come from reliable suppliers, who are committed to complying with the Supplier Code of Conduct, and who meet the requirements for product safety.

Metsä Group complies with legislation protecting the health of people and the environment, such as the EU regulation on the registration, evaluation, authorisation and restriction of chemicals (REACH), the CLP Regulation on classification, labelling and packaging, legislation on the use of biocides, and product requirements concerning food safety. The product management organisation of each business area is responsible for ensuring compliance with the requirements concerning Metsä Group's products and for ensuring that the product information is up to date.

Metsä Group's mills comply with good production practices and have appropriate certified quality systems. Mills that produce paperboard for use in food contact comply with the same product safety requirements as the food industry. The certified management systems of Metsä Group's units are listed in the table on pages 108–112.

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Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

As a rule, Metsä Group's customers are companies that interact with consumers and end-users in accordance with their own processes. Metsä Group does not have a process for contact with consumers and end-users, but consumers and end-users can contact Metsä Group using the contact form available on each business area's website. A form for product complaints is available on the website of Metsä Group's tissue paper consumer brands.

Contacts from corporate customers, consumers and end-users are processed and directed to the necessary people to ensure a comprehensive response can be provided. Contacts concerning product feedback are used in product or product portfolio analyses, and they are taken into account in product and service development.

Any product complaints are investigated internally at Metsä Group and supported by external parties such as research institutions if required. In the product quality assurance process, root cause analyses are conducted in the case of quality deviations, and any required corrective actions are taken. A standardised recall process is followed in the event of any product defects affecting consumer safety to ensure that all products potentially harmful to health are removed from the market and transports. In 2025, no Metsä Group products were recalled from consumers due to product safety. No incidents of non-compliance with legislation or regulation were reported concerning the company's marketing communications or product and service information and labelling.

Compliance and Ethics Channel

Consumers and end-users can use Metsä Group's Compliance and Ethics Channel to report any ethical concerns or non-compliance with legislation. The Compliance and Ethics Channel and the process for handling reports are described in greater detail under *G1 – Business conduct*.

Actions

In 2025, Metsä Group's operations did not cause any severe human rights impacts, and no confirmed severe human rights issues or human rights violations related to consumers or end-users were brought to the company's attention.

Metsä Group's actions seek to mitigate negative impacts and produce positive impacts on consumers and end-users. The actions are continuous and annual, and no individual actions can be identified for reporting in the reporting year or coming years. The processes are developed in line with continuous improvement. Metsä Group has not identified significant operating or capital expenditure allocated to actions concerning consumers and end-users.

Continuous actions

Product compliance is monitored with the product safety process, which includes raw material information management, compliance assessment and product testing, both internally and with external cooperation partners. In production, product safety is assessed and ensured with risk assessment methods such as the HACCP (Hazard Analysis and Critical Control Points), which is widely used in the food industry. The quality and product safety systems specify how any concerns arising in risk assessments are handled. Metsä Group's management system

also requires internal and external audits, including audits related to the certification of ISO systems.

Risks are always assessed in projects related to Metsä Group's new products and appropriately mitigated. Both current and future requirements and risks are considered in product development, which can be seen in raw material selection and process planning, for example. The product safety specialists of business areas continuously monitor developments in legislation and requirements.

Quality and safety are also monitored with the aid of reputation surveys, customer feedback and customer surveys. Metsä Group conducts quarterly monitoring and assessment of customer feedback related to negative impacts on consumers and end-users. Any negative impacts are classified as material in individual business areas based on the type code of the customer feedback. The type codes monitored include products' foreign objects, sensory properties, purity and wood thickness.

G – Governance

G1 – Business conduct

Impacts, risks and opportunities related to business conduct

Impacts	Value chain stage	Time horizon	Risks and opportunities for Metsä Group	Value chain stage	Time horizon
Corporate culture					
↑ A safe working environment for employees as a result of actions promoting an ethical corporate culture, as well as preconditions for ethical and reliable cooperation with stakeholders	●○○	---	↑ Opportunity: Employees' and stakeholders' positive experience of Metsä Group, and strengthening of the company's reputation as an ethical and reliable operator	●○○	---
↓ Inadequate measures to commit employees to an ethical corporate culture could lead to unlawful or unethical business operations, as well as unequal treatment and harassment	●○○	---	↓ Risk: Financial losses for unlawful operations, weakening of reputation as a responsible partner and operator, as well as weakening of employees' job satisfaction and commitment as a result of possible unequal treatment and harassment	●○○	---
Corruption and bribery					
↑ Prevention and detection: Actions and control mechanisms for preventing corruption and bribery offer stakeholders the opportunity to cooperate with an ethical and reliable operator.	●○○	---	↑ Opportunity: Stakeholders' experience of Metsä Group and the company's reputation as an ethical and reliable operator strengthen, which supports the improvement of performance and competitiveness	●○○	---
↓ Incidents: The occurrence of corruption and bribery as a result of potentially inadequate preventive actions and control mechanisms	●○○	---	↓ Risk: Significant financial consequences and weakening of reputation and employer image due to corruption or bribery	●○○	---
Management of relationships with suppliers					
↑ The potential positive impact of requirements, monitoring mechanisms, and sustainability cooperation on ethical performance and sustainability in the supply chain	●○○	---	↑ Opportunity: A stronger reputation as a responsible partner and operator, and more intensive cooperation with suppliers, which supports the creation of long-term partnerships	●○○	---
↓ Non-compliance with company or legal requirements in the supply chain as a result of potentially inadequate Metsä Group requirements and control mechanisms	●○○	---	↓ Risk: Inadvertent support of operations that do not comply with the company's values, which may endanger the reputation as a responsible partner and weaken supplier relations, causing the loss of the best partnerships	●○○	---
↓ Unequal treatment of suppliers as a result of potentially inadequate training of procurement personnel and monitoring mechanisms	●○○	---			
Protection of whistleblowers					
↓ Possible retaliation towards whistleblowers or victims as a result of shortcomings in the safeguarding of whistleblower anonymity and confidentiality	●○○	---	↓ Risk: Weakening of trust in the Compliance and Ethics Channel. Failure to report suspected cases of abuse, which may lead to failure to detect operations in violation of the values and Code of Conduct, as well as financial losses and weakening of job satisfaction and the employer image	●○○	---
Political engagement and lobbying activities					
↑ Expressing views emphasising the role of wood-based products promoting the circular bioeconomy in social discourse as a result of successful influencing	●○○	---	↑ Opportunity: Political operators recognising the potential of the circular bioeconomy and the role of forests and wood-based solutions in climate change mitigation, improving the conditions of Metsä Group's operations	●○○	---
↓ Social influencing that is inconsistent or non-compliant with Metsä Group's policies, and a failure to utilise the potential of the circular bioeconomy and wood-based products as a result of possibly inadequate core messaging and implementation of ethical practices	●○○	---	↓ Risk: Inconsistent expression of identified essential core messages in political discourse, which may at worst result in the realisation of regulatory risks and the weakening of reputation as a responsible operator	●○○	---
↑ Positive impact on the environment and society, or on Metsä Group's business				●○○ Upstream value chain	
↓ Negative impact on the environment and society, or on Metsä Group's business				○○● Own operations	
				○○● Downstream value chain	
				--- Short (under one year)	
				--- Medium (1–5 years)	
				--- Long (over 5 years)	

Metsä Group's 2030 sustainability targets

	2030 target	2025	2024	2023
Employee experience on ethical corporate culture implementation, ethics index (scale 0-100)	100	79	79	-
Share of certified wood, %	100	92	93	93
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases, %	100	99.5	99.1	98.7
Supplier assessments and audits of core suppliers, %	100	71	70	57
Joint sustainability target with partner suppliers, %	100	100	100	100
Traceability of raw materials, share of total purchases, %	100	94	93	93

In 2024, ethics index monitoring was changed from actions-based to index-based, which is why the comparison year 2023 is not available.

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

Progress in targets

- **Employees' experience of ethical corporate culture implementation** – Progress towards the target was not made as planned, and the result remained unchanged from the previous measurement. Development actions will continue, including employee training using the new Code of Conduct e-learning course published in early 2026.
- **Share of certified wood** – In 2025, progress toward the target did not proceed as planned. The certification target was updated, and starting in 2025 the new goal is 100%. The second half of 2025 saw the launch of actions to increase FSC certification, and a higher additional price has been paid for FSC certified wood since the beginning of November. These measures resulted in 27,000 hectares of new area being added to Metsä Group's FSC group during the end of the year.
- **Suppliers' commitment to the Supplier Code of Conduct, share of total purchases** – Progress was made as planned toward the 2030 target.
- **Supplier assessments and audits of core suppliers** – The target remained at the previous year's level in 2025. EcoVadis sustainability assessments were used more extensively in supplier assessments.
- **Joint sustainability targets with partner suppliers** – A sustainability target has been agreed with all current partner suppliers, which means the target has been achieved. In 2025, cooperation with partners continued through more detailed target setting and planning and, with certain suppliers, direct implementation.
- **Traceability of raw materials, share of total purchases** – The target remained at the previous year's level. The traceability of non-wood raw materials is being advanced by collecting origin data through the product safety questionnaire.

The role of the administrative, management and supervisory bodies

The Compliance and Ethics programme is supervised by the Compliance Committee, composed of Metsä Group's directors in charge of legal affairs, internal audit, HR, and compliance and ethics. In 2025, the Compliance Committee convened six (6) times. The Group's President and CEO annually participates in two meetings in the role of a non-ordinary member. The agenda of each Audit Committee meeting includes a Legal & Compliance review, in which the Group's General Counsel reports on any significant legal and official processes and investigations. Once a year, the director in charge of compliance and ethics presents a compliance and ethics review to the Audit Committee. The directors in charge of legal affairs, taxes, and compliance and ethics present a legal affairs, compliance and tax review twice a year to the CEO and CFO of each business area.

The Compliance Committee's role in investigating ethical concerns is described under Mechanisms for identifying, reporting and investigating concerns.

All the members of Metsäliitto Cooperative's Board of Directors have gained significant experience of good governance and corporate culture

from their previous duties in operational management and/or as Board members in listed companies or other large corporations.

Policies

The sustainability of Metsä Group's business is guided by applicable legislation, as well as the values, Metsä Group's Code of Conduct and various policies approved by the company's Board of Directors. As part of its Code of Conduct, Metsä Group is committed to operating in accordance with the UN Guiding Principles on Business and Human Rights and requires the same of its business partners. Since 2003, Metsä Group has supported the UN Global Compact and its principles on human rights, employees, the environment and anti-corruption. The Compliance function takes care of compliance with legislation, the Code of Conduct, policies and internal guidance, trains personnel and ensures that policies are up to date in cooperation with policy owners.

In 2023, all Metsä Group's 16 policies were updated to comply with changes in legislation and the company's operating methods. Three of the policies are public, and 13 are internal to the company. The policies are mandatory, and all Metsä Group employees must comply with the principles and provisions they specify. Each policy sets out its targets, purpose, scope of application, responsible parties, and the decision-making and change process.

All the Group's employees are required to complete e-learning courses in the Code of Conduct and other key policies such as the Equality Policy, Data Protection Policy and Information Security Policy every three years. The e-learning course in the Code of Conduct includes Metsä Group's key ethical principles, and describes the best practices related to business sustainability through examples and exercises. An updated version of the e-learning course on the Code of Conduct, which is mandatory for all employees, was launched in 2025.

Depending on the employees' duties, they are also required to complete e-learning courses related to other policies such as the antitrust, procurement, agreement and legal affairs policies. Updated versions of the advanced data protection e-learning courses, one for supervisors and the other for sales and marketing personnel, were launched in 2025. Additionally, all white collars are required to complete an e-learning course launched in 2025 regarding generative artificial intelligence, which covers the basics of the responsible use of AI.

As part of the assessment of corruption and bribery risks conducted in 2025, the entire sales organisation and all strategic procurement personnel participated in classroom training on business ethics and anti-corruption measures. Before the training, the participants responded to a survey charting corruption and bribery risks, the results of which were used to plan the content of the training. The training also included a section on the development of supervisors' capabilities to address ethical grievances and encourage the reporting of grievances. Ethical operations and doing the right thing are also part of the induction of new white collars and apprenticeship trainees.

The completion of e-learning courses and classroom training is regularly monitored by the Compliance Committee, which supervises the Compliance and Ethics programme, and the results are reported once a year to the Audit Committee of the company's Board of Directors. The completion percentage of the Code of Conduct e-learning course is presented in the *Completion of e-learning courses table*.

The implementation and development of the culture of doing the right thing are measured with the ethics index, calculated based on the ethics statements in the Personnel survey, which measures the employees' experience of ethics in the company's operations. According to the most recent survey, conducted in 2025, financial misconduct, corruption, conflicts of interest, inappropriate influencing of partners' decision-making and data protection breaches are not considered material risks. The results of the ethics statements will be discussed at all sites by the end of March 2026. Each site will define development measures for 2026 for the correction of the detected shortcomings.

The corruption and bribery risks are assessed as part of Metsä Group's risk management process. Of the company's internal functions, sales and marketing, procurement and lobbying have been identified as most at risk of corruption and bribery. Measures for preventing corruption and bribery are described in more detail on page 101.

To ensure the sustainability of its suppliers, customers and other partners, Metsä Group follows third-party due diligence in its Know Your Business Partner process, in which the partner's background is checked for any risks related to trade sanctions, corruption, money laundering, human rights violations, environmental offences and various other misconduct before a binding agreement is concluded, as well as during the cooperation relationship by means of continuous monitoring. In 2025, the process was developed further by harmonising the data management model, clarifying roles and responsibilities, and providing training regarding the key contents of the Know Your Business Partner principles, published in 2024. Relationships with goods and service suppliers are described in more detail on page 100.

Metsä Group discontinued its business in Russia due to Russia's military aggression against Ukraine in 2022, including the Metsä Svir sawmill, wood supply and paperboard sales. Since the transaction was completed in 2024, the Group no longer owns anything in Russia.

Summary of key sustainability-related policies

Policy	Key content	Scope of application	Monitoring process	Highest accountable level
Code of Conduct	Defines the commitment to operate ethically, respect human rights, promote equality and safety, protect the environment and prevent corruption and abuse. Partners are required to commit to equivalent principles.	All Metsä Group companies and their personnel	Monitoring of completion rates of the e-learning course mandatory for all employees, Compliance and Ethics Channel, ethics index consisting of responses to the ethics questions of the Personnel survey	Group President and CEO
Supplier Code of Conduct	Covers the key elements of ethical business operations, such as respect for human rights and the basic principles of working life, environmental responsibility, safe and non-discriminating work environments, and the prevention of corruption and bribery.	Suppliers of Metsä Group companies and suppliers' employees	Commitment rate of Metsä Group's suppliers of goods and services to the requirements of the Supplier Code of Conduct, Compliance and Ethics Channel, supplier assessments such as EcoVadis	Group President and CEO
Environmental Policy	Defines the commitment to sustainable forestry, integrates environmental impact considerations into operations and supply chain, promotes continuous improvement of environmental efficiency, mandates the phasing out of fossil energy in production and prioritizes proactive stakeholder cooperation.	All Metsä Group companies and their personnel	Monitoring of mandatory e-learning course completion rates for all employees, and the achievement of sustainability targets	Group EVP, Stakeholder Engagement
Human Resources Policy	Covers the employee-related principles for responsible operations, management, resource planning, recruitment, pay and remuneration, and the development of the personnel and organisation.	All Metsä Group companies and their personnel	The Personnel survey and Employee engagement index consisting of the survey questions related to the employee's own work, team, management and the company, quarterly Pulse survey	Group EVP, HR
Equality Policy	Defines Metsä Group's position in all activities related to equality and non-discrimination. Metsä Group is committed to treating everyone equally, fairly and respectfully, and discrimination is not tolerated in any form.	All Metsä Group companies and their personnel	Monitoring of mandatory e-learning courses' completion rates for all employees, the gender distribution in supervisor and management positions, and the Metsä for All index consisting of the DEI statements in the Personnel survey	Group EVP, HR
Corporate Security Policy	Defines the key principles, goals and operating models related to the overall management of safety matters. The key aim is to ensure Metsä Group's operations can continue without disruption, to protect the Group companies, employees and other important stakeholders, information, property and the operating environment from damage, reputational damage, abuse and criminal activities.	All Metsä Group companies and their personnel	Risk management process, occupational safety training, Know Your Business Partners due diligence process	Group General Counsel
Data Protection Policy	Defines the principles and rules that must be followed when processing personal data. The policy aims to ensure the implementation of privacy and related rights, as well as to manage risks related to non-compliance with the requirements.	All Metsä Group companies and their personnel	Data protection management model, monitoring of mandatory e-learning courses' completion rates for all employees, advanced data protection e-learning courses updated in 2025	Group General Counsel
Quality Policy	Defines the company's internal targets and policies for ensuring the quality and compliance of operations and products.	All Metsä Group companies and their personnel	Continuous quality control, monitoring and measurement at production units, internal and external audits of certified quality control systems	Group President and CEO

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■ Mechanisms for identifying, reporting and investigating concerns

Employees and stakeholders are encouraged to report any ethical concerns and non-compliance with the law related to Metsä Group's operations. Observations can be reported to the supervisor, local management, HR and the Compliance Committee, or through Metsä Group's Compliance and Ethics Channel, which is available on the company's website in ten languages to all the company's stakeholders.

Reports can be made anonymously. The channel's technical implementation is handled by an external service provider.

The ethics statements of the Personnel survey and open feedback are used to monitor the effectiveness of the Compliance and Ethics Channel, other notification channels and the investigation process. In addition to the e-learning courses, awareness of the Compliance and Ethics Channel is promoted by improving the channel's visibility through means such as posters provided to production units and the Supplier Portal intended for the management of cooperation with suppliers. Satisfaction with and awareness of the means of communication are also assessed as part of the supplier surveys. The awareness and trust of the downstream value chain, affected communities, or consumers and end-users for the notification channels, and the effectiveness of the channels for these groups are currently not separately assessed.

Every breach or violation, and suspected breach or violation, of which the company becomes aware is investigated. The investigation is supervised by the Compliance Committee. The committee is tasked with monitoring the consistent application of the consequences of the investigations in cases of equal gravity. Corrective actions must be adequate in the manner defined in the company's Code of Conduct, and the Principles on non-compliance notifications and the related investigation. Any illegal activities are reported to the authorities. A person being investigated or the supervisor of such a person is not allowed to participate in the investigation of the breach or suspected breach. If called for by the significance of the breach under investigation, the Compliance Committee reports the incident to Metsä Group's President and CEO and the management and Board of Directors of the Group company in question at a regular meeting, or immediately if required.

The cases are divided into the following categories: fraud or other criminal behaviour; corruption and bribery; competition law; conflicts of interest; employee matters; discrimination or harassment; privacy and information security; occupational safety; the environment; breaches of the Supplier Code of Conduct; and other reports. Crimes against the Group and such attempts are also taken into account in the number of reports.

In 2025, no confirmed cases of bribery or corruption were brought to the company's attention. In addition to the principle of continuous development followed in the company's Compliance & Ethics programme and the Anti-Corruption principles published in 2024, the company conducted a survey of bribery and corruption risk in 2025.

In 2025, Metsä Group was made aware of incidents that may have had a direct or indirect negative impact on the Group's human rights responsibilities. Incidents concerning the company's own workforce are discussed under *S1 – Own workforce*. Incidents concerning the occupational safety and other work-related rights of suppliers' employees are discussed under *S2 – Workers in the value chain*. None of the incidents reported to the company concerned forced labour or child labour.

The changes required by the EU Whistleblowers Directive (EU 2019/1937) in Metsä Group's operating countries have been taken into account in the Compliance and Ethics Channel, the investigation of reported incidents, and the protection of whistleblowers over the 2022–2024 period as local legislation in EU Member States has entered into force. The company is committed to fairly investigating all reports submitted in good faith, and adopting the required actions based on the investigation and its results if required. The company is also committed to protecting the rights and privacy of people who report breaches in good faith. These commitments have been confirmed in the company's Code of Conduct and the principles guiding the reporting and investigation of breaches, which have been updated to meet the requirements of the Whistle-blowers Directive. The Compliance Committee determines the required actions to ensure that the prohibition of retaliatory action and report prevention is complied with. Whistleblowers are advised to immediately contact the Committee if they suspect retaliatory action may be taking place. The prohibition of retaliatory action is made clear in the investigation of reports. In cases with an elevated risk of retaliatory action, a follow-up contact will be arranged if necessary. In 2025, no cases of retaliation against whistleblowers were brought to the company's attention.

■ Management of relationships with suppliers

Supplier management practices

Metsä Group's wood supply is ensured by Metsä Group's Wood Supply and Forest Services. The procurement of other raw materials and services is centrally handled by Group services. The goal of the wood supply processes and Group-wide procurement process for other materials and services is to ensure that the Group's supply chain partners operate sustainably. This aims to minimise risks related to the environment, health, corruption, the use of child labour and human rights violations in the supply chain.

As a minimum requirement in supplier selection, suppliers are required to commit to the Metsä Group Supplier Code of Conduct or their own equivalent principles, and to pass background checks. Agreements may also have more specific sustainability requirements related to matters such as occupational safety, product safety or environmental management. The requirement applies to all industrial wood suppliers and distributors in Wood Supply, as well as the suppliers of other raw materials and services.

To ensure the sustainability of suppliers, Metsä Group follows third-party due diligence in its Know your Business Partner background check, which is described under Policies.

The standard payment term in Metsä Group's general terms and conditions for purchases is 60 days net. However, this can be reconsidered individually in the case of smaller suppliers, for example. Metsä Group is not party to any legal proceedings due to late payments.

Wood supply

Metsä Group uses wood from forests in Northern Europe as its main raw material. Metsä Group has wood supply organisations in Finland and Sweden. The company works in close cooperation with local contract entrepreneurs in harvesting, transport and forestry work. Metsä Group itself procures all the wood used in its production units. Wood is also

supplied to selected customers. All the countries from which wood is procured have issued legislation requiring forests to be renewed after regeneration felling. Wood and pulp account for 94% (93) of raw material consumption, measured by weight. The origin of purchased pulp is known.

Metsä Group requires wood suppliers to commit to wood sustainability requirements with an agreement, chain of custody certificate and sustainability assurance, which includes environmental and sustainability requirements, and obligations for the wood supplier and forest owner.

The sustainability and traceability of wood are ensured by practices that meet the requirements of the EU Deforestation Regulation (EUDR), PEFC Chain of Custody and FSC Chain of Custody. In 2025, Metsä Group updated its due diligence system to comply with the requirements of the EUDR. The company has conducted the country-specific risk assessments in compliance with the EUDR. According to the assessments, all wood is procured from low-risk countries. Metsä Group annually assesses the wood procurement practices with internal and third-party audits. The audits focus on matters related to environmental and social responsibility in the operations of wood suppliers and harvesting contractors, as well as on the traceability of wood fibre. Metsä Group aims for certified wood to account for 100% of all the wood used by the company by 2030. The share of certified wood in 2025 is presented under *Metsä Group's 2030 sustainability targets*. Non-certified wood is also required to be of a sustainable origin, and the wood always meets at least the requirements for PEFC Controlled Sources and FSC Controlled Wood.

Wood supply by country, %

	2025	2024
Finland	85	84
Sweden	9.8	10
Baltic countries	5.0	5.0
Other countries	0.2	0.8

Procurement of other raw materials and services

In addition to the Know Your Business Partner background checks, more detailed supplier assessments focus on the core suppliers and on suppliers operating in industries with identified potential risks related to human rights, corruption or the environment. Risk assessments and supplier surveys are analysed using Metsä Group's own analyses and, since 2023, EcoVadis analyses, leading to a significant increase in supplier assessments compared to previous years. Metsä Group, an external HSEQ cluster and, if required, another third party also conduct supplier audits annually. The audits are conducted onsite. Assessments and audits are used as the basis for making development proposals and monitoring any corrective action taken. The results of supplier assessments and audits are the responsibility of a third party or a Metsä Group employee who is not responsible for suppliers. In 2025, no serious deviations were detected in the supplier assessments and audits.

To ensure the equal treatment of suppliers, the procurement employees are trained to disqualify themselves in decisions that may involve conflicts of interest. A written commitment to this is required in the procurement process. Approximately every two years, suppliers may complete an anonymous survey concerning the smoothness and fairness of cooperation, and factors contributing to these matters. The

survey results are submitted to the suppliers, and measures to improve procurement practices are adopted based on them. The procurement employees have annual financial performance targets related to matters such as conducting supplier sustainability assessments and monitoring improvements proposed by suppliers.

Metsä Group's goal is to agree joint sustainability targets and measures to achieve them with all its partner suppliers. The management of environmental impacts in cooperation with suppliers is discussed in greater detail under *E1 – Climate change*. Another target is to know the origin – or at least the country of manufacture – of all the raw materials by the end of 2030, including wood, packaging materials and process, basic, and coating chemicals.

Annual monitoring of suppliers and raw materials ensures that Metsä Group's products comply with statutory and Metsä Group's own stringent product safety requirements. Product safety is discussed in greater detail under *S4 – Consumers and end-users*.

New supplier background checks, %

	2025	2024
Share of suppliers for which a Know Your Business Partner background check was made	91	90

■ Prevention and detection of corruption and bribery

The Code of Conduct, which guides business sustainability, prohibits corruption and bribery. It also includes principles for avoiding conflicts of interest, crucially linked to anti-corruption, and Principles on Gifts and Hospitality. Metsä Group also has Anti-Corruption Principles that supplements the Code of Conduct. Metsä Group is committed to anti-corruption and anti-bribery in its own operations and in relation to its partners. A similar prohibition is included in Metsä Group's Supplier Code of Conduct. Anti-corruption and anti-bribery efforts contribute to Metsä Group's 2030 sustainability targets concerning a responsible corporate culture and supply chain.

The following are the main measures for preventing and detecting corruption and bribery:

- Training in the Code of Conduct and other policies guiding Metsä Group's operations (described in more detail under *Completion of e-learning courses*).
- Anti-Corruption principles published in 2024, and communication and training related to it.
- The ethics index used to measure the employees' experience of ethics in business and to identify areas of development (further details under *Metsä Group's 2030 sustainability targets*).
- Assessment of corruption and bribery risks as part of Metsä Group's risk management process, and separate corruption and bribery risk assessment conducted by Metsä Group in 2025 (described in more detail under *Mechanisms for identifying, reporting and investigating concerns*).
- The Compliance and Ethics Channel, which is available to all internal and external stakeholders. There is a defined formal process for processing notifications (described in more detail under *Mechanisms for identifying, reporting and investigating concerns*).

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- Due diligence in ensuring the sustainability of partners, and the required background checks (third-party due diligence) as part of the Know Your Business Partner process (described in more detail under *Policies*).
- Continuous development of ethical operations in the supply chain. The key measures in this respect include supplier commitment to the Supplier Code of Conduct in line with the 2030 sustainability targets, as well as supplier audits and assessments (discussed in greater detail under *Management of relationships with suppliers*).

Completion of e-learning courses

	2025	2024
CODE OF CONDUCT		
Number of employees who completed the Code of Conduct training	8,578	9,542
Share of all employees who have completed the Code of Conduct training, %	97	98
Share of Board members who have completed the Code of Conduct training, %	100	100
DIVERSITY, EQUALITY AND INCLUSION		
Number of employees who have completed DEI training	8,501	9,349
Share of all employees who have completed DEI training, %	96	96
SUSTAINABILITY		
Number of employees who have completed Sustainability training	8,434	9,240
Share of all employees who have completed Sustainability training, %	95	95

Incidents of non-compliance with good governance or ethical corporate culture

	2025	2024
COMPLIANCE WITH LAWS AND REGULATIONS		
Significant incidents of non-compliance with laws and regulations where fines occurred (above EUR 10,000)	0	0
Significant fines paid in the reporting year for incidents that occurred in previous reporting periods (above EUR 10,000)	1	0
CORRUPTION OR BRIBERY CASES		
Confirmed incidents of corruption or bribery	0	1
Confirmed incidents of corruption or bribery where own workers were dismissed or disciplined	0	1
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0	1
Public legal cases regarding corruption or bribery brought against the undertaking and its own workers during the reporting period	0	0
Number of convictions related to anti-corruption and anti-bribery laws	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0	0

In 2025, Metsäliitto Cooperative was ordered to pay a corporate fine of EUR 40,000 for an occupational safety violation in 2022.

Political influence and lobbying activities

Metsä Group participates in advocacy at the EU and national levels, especially in Finland and Sweden. Metsä Group's parent company Metsäliitto Cooperative is registered in the Transparency Registers of the European Union and Finland, and complies with their codes of conduct. Its member number in the Transparency Register is 962687110415-94 and in the Finnish Transparency Register MET-24-399-R. One member of Metsäliitto Cooperative's Board of Directors has held public-sector posts similar to their current duties in the last two years.

The Board of Directors of Metsä Group's parent company Metsäliitto Cooperative ensures that the Group has an appropriate stakeholder engagement function in view of its business. The President and CEO of Metsä Group, supported by the Executive Management Team, determines the priorities of political influence for all the Group's business operations and monitors the progress made in them. Metsä Group's Stakeholder Engagement function coordinates practical influence work, handling cooperation among the Group's business operations and other functions, and reporting the work's progress and effectiveness to Group management and the Board of Directors.

To identify the most significant legal risks and priorities of lobbying, Metsä Group conducted a comprehensive assessment of regulatory risks, covering all the business areas. These risks have also been considered in Metsä Group's double materiality assessment.

Metsä Group follows and participates in discussions about forests, biodiversity and forestry, and influences policy questions related to the bioeconomy and products. Metsä Group has actively influenced several national and EU-level legal initiatives, including the deforestation regulation, nature restoration regulation, packaging and packaging waste regulation, and sustainable product policy.

Metsä Group promotes the circular bioeconomy and emphasises the role of forests and wood-based products in climate change mitigation, and the safeguarding of biodiversity. Metsä Group is committed to the development of regenerative forestry with the aim of verifiably strengthening the state of forest nature in Finland by 2030. Metsä Group seeks to increase understanding of regenerative forestry and the role of renewable carbon. Statements on these themes are available on Metsä Group's *website*. Metsä Group supports Finland's national carbon neutrality goal for 2035, as well as the EU's environmental targets and the 2050 climate neutrality target. The Group also seeks to increase understanding of the role of fresh fibres in product safety and efficient recycling processes. Furthermore, the Group promotes the benefits of fresh-fibre food packaging, including environmental and health aspects.

Metsä Group's main advocacy messages are as follows:

1. Sustainable forest use, including regenerative forestry, creates wellbeing broadly across society. Sustainable forest management mitigates climate change and safeguards biodiversity.
2. In addition to Metsä Group's own voluntary measures for nature restoration and forest conservation (conservation foundation), the company promotes national voluntary restoration programmes in Finland: METSO; Helmi; and NOUSU.

3. The EU must reduce its dependence on fossil-based raw materials in the energy and materials sectors. Biological carbon sinks should not be used to compensate fossil-based emissions.
4. The EU should pay more attention to the opportunities offered by biogenic carbon capture and use, and encourage operators to adopt measures promoting it. However, this should not be mandatory. Investments in industrial scale biogenic carbon capture require parliamentary cooperation across parliamentary terms. National decisions must ensure a predictable operating environment, and the continuation of government subsidies such as direct subsidies and tax rebates through the 2030s.
5. Fresh fibre is a renewable raw material for the circular economy and forms the basis of new bioeconomy business networks. Metsä Group uses every part of the tree for the purpose of generating the highest added value.
6. The forest industry makes nearly full use of its production side streams, which are valuable raw materials for Metsä Group's business partners. Forest industry side streams, for which no purpose in materials production has yet been identified, are used to generate renewable energy. Metsä Group generates around a fifth of Finland's renewable energy.
7. Renewable energy targets should not be based on the direct energy use of convertible wood biomass.
8. In energy generation, non-combustion solutions must be developed without delay to preserve valuable wood raw material for higher value applications.
9. Europe's economic resilience must be strengthened. The forest and bio-based industry should be made an indispensable part of the EU's geopolitical strategy.
10. It is crucial to combine sustainable carbon cycles and the role of the circular bioeconomy with security of supply and geopolitics.
11. A consistent and predictable regulatory framework that enables the development of a European bioeconomy and circular economy, promotes innovation and invests in the forest industry's future benefits both people and the planet.
12. A comprehensive approach is required to laws that influence forestry practices and the availability of wood raw material as part of the joint production of forest-based ecosystem services.
13. EU legislation must consider the wide range of natural ecosystems and vegetation zones across the EU.

Cooperation with trade and industrial organisations

Metsä Group is an active member of the Confederation of European Paper Industries (Cepi), which represents the forest industry producing fibre-based products across Europe. Representatives of Metsä Group actively participated in the work of Cepi's committees and working groups. Metsä Group's business areas are involved in several associations, value chain cooperation arrangements, consortia and advocacy organisations. Metsä Group's founder serves as the second chair of the 4evergreen consortium, and Metsä Board actively participates in the consortium's

expert work. 4evergreen represents the entire value chain of fibre-based packaging and has set as its target the raising of the recycling rate of fibre-based packaging to 90% by 2030. Metsä Board is also involved in the activities of the European Paper Packaging Alliance (EPPA). The alliance promotes the sustainability of wood fibre-based food and food service packaging and the circular economy.

Metsä Tissue participates in the European Tissue Symposium, which represents European tissue paper producers.

Metsä Wood and Metsä Fibre participate in the activities of Finnish and European wood industry associations (Federation of the Finnish Woodworking Industries, CEI-Bois).

Metsä Spring is an active member of the Bio-based Industries Consortium (BIC), a non-profit organisation that represents the private sector in the Circular Bio-based Europe Joint Undertaking (CBE JU) supervised by the European Commission. The CBE JU focuses on supporting research and innovation in the bio-based circular economy in Europe.

Metsä Group is also involved in several national trade and industrial organisations, most importantly, the Finnish Forest Industries Federation, Swedish Forest Industries in Sweden and Die Papierindustrie, a paper organisation in Germany.

In 2025, Metsä Group paid a total of EUR 3,5 (3,5) million in membership fees to trade and industrial organisations. Metsä Group does not make direct political contributions. Metsä Group may participate in seminars that deal with the forest industry or forest policy. In the reporting year, no seminar tickets were purchased (2024: EUR 13,000).

- Key memberships in consortia, organisations and advocacy groups
- 4evergreen association
- Bio-based Industries Consortium (BIC)
- BusinessEurope's guidance and support group for companies
- CEI-Bois
- CO₂ Value Europe
- Die Papierindustrie (DPI)
- Ellen MacArthur Foundation
- EPPA (Metsä Board) European Paper Packaging Alliance
- Confederation of European Paper Industries (Cepi)
- EUROOPEN – The European Organisation for Packaging and the Environment
- European Tissue Symposium (ETS)
- Forest-based Sector Technology Platform (FTP)
- Forest Stewardship Council (FSC) – FSC International and FSC Finland
- International Chamber of Commerce (ICC) – Finland Chamber of Commerce
- Finnish Forest Industries Federation
- Programme for the Endorsement of Forest Certification (PEFC) International
- Federation of the Finnish Woodworking Industries
- Skogsindustrierna

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Key figures by business area

	Metsä Fibre		Metsä Board		Metsä Tissue		Metsä Wood		Metsä Forest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Reports related to unethical behaviour	29	39	29	22	43	57	29	29	29	33
Reports related to unethical behaviour resulting in full-scale investigation	5	12	14	13	13	19	4	8	8	12
Confirmed incidents of corruption or bribery	0	0	0	0	0	1	0	0	0	0
Share of all employees who have completed the Code of Conduct training, %	97	98	96	99.2	97	97	96	98	98	99.6
Share of all employees who have completed DEI training, %	97	97	95	98	94	93	96	97	98	98
Share of all employees who have completed Sustainability training, %	97	97	95	98	92	90	95	96	98	98

Reporting principles for metrics

Ethics index

The calculation of the ethics index is based on the ethics statements included in the annual Personnel survey. All Metsä Group employees can respond to the survey. Responses are collected on a scale of 1–4 (fully disagree/agree), and an external service provider converts the responses to an index on a scale of 0–100 (100 = everyone fully agrees).

Share of certified wood

The share of certified wood indicates the share of purchased certified wood of all the wood purchased by Metsä Group. The chip deliveries from the company's own industries are not included in the calculation to avoid double counting.

Suppliers' commitment to the Supplier Code of Conduct

The metric reflects the share of purchases using suppliers committed to Metsä Group's Supplier Code of Conduct or their own equivalent principles. The figure does not cover the authorities, associations or wood supply.

Supplier assessments and audits of core suppliers

The metric covers the partner, key and preferred suppliers in accordance with the supplier classification, totalling around 650 (600) suppliers. The target does not include wood supply operators.

Joint sustainability targets with partner suppliers

The metric covers the eight partner suppliers agreed in connection with Metsä Group's supplier classification. The figure does not include wood supply, but partner suppliers include other suppliers in Metsä Group's Wood Supply and Forest Services.

Traceability of raw materials

The target covers the raw materials used in product production and product packaging materials. The target's calculation is based on the value of the raw materials in euros. A raw material is considered traceable if it can be traced at least to the level of the country of manufacture.

Completion of e-learning courses

In the completion rate of the Code of Conduct, DEI and Sustainability e-learning courses, the divisor is the number of active employees at the time of reporting. For example, employees absent on family leave are not included in the calculation.

Incidents of non-compliance with good governance or ethical corporate culture

Incidents of non-compliance with legislation, good governance, the company's Code of Conduct or policies have come to the awareness of the company through the Compliance and Ethics Channel, Know Your Business Partner process, or a contact received by a member of the Compliance Committee.

Political influence and lobbying activities

As Metsä Group does not make direct donations to political purposes in cash or in kind, the monetary value of in-kind benefits is not estimated.

The metrics have not been validated by an external party.

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Annexes to the Sustainability statement

■ Annexes

The annexes published at the same time as the Sustainability statement include:

1) Separate annexes:

- Disclosures in accordance with the TCFD and TNFD recommendations*

2) Data on pages 107–115 of the Sustainability statement:

- Sustainability key figures per business area and production units**
- List of data points derived from other EU legislation

* TCFD and TNFD information does not come under the scope of assurance.

** Mill-specific figures have not been separately assured. They are assured at the business area or Group level by a third party as part of the limited assurance for Metsä Group's Sustainability statement.

Key sustainability figures by business area

2030 sustainability targets per business area

Target	2030 target	Metsä Fibre		Metsä Board		Metsä Tissue		Metsä Wood		Metsä Forest	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
E – ENVIRONMENT											
1. Mitigating climate change and adapting to it in own operation and value chains											
Energy efficiency index, base year 2018	90	Pulp: 103 Sawmills: 106	Pulp: 106 Sawmills: 109	107	99	101	101	109	112	-	-
Fossil-based carbon dioxide emissions (Scope 1 + Scope 2 market-based), t	0	77,842	140,390	121,252	251,708	356,737	371,780	1,748	4,027	-	-
Greenhouse gas emissions from logistics purchased by Metsä Group from the 2022 level (Scope 3, category 4), %/tkm	-30	-15	-	-5.8	-	-20	-	-15	-	-14	-
Amount of forest regeneration and young stand management from the 2018 level, %	+30	-	-	-	-	-	-	-	-	+14	+18
Amount of forest fertilization from the 2018 level, %	+50	-	-	-	-	-	-	-	-	+126	-22
Share of continuous cover forestry in peatland forest regeneration, %	30	-	-	-	-	-	-	-	-	18	15
Volume of mechanical wood products from the 2018 level, %	+30	-11	-18	-	-	-	-	-15	-9.0	-	-
2. Continuous improvement in resource-efficiency in production											
Reduction in process water use per produced tonne from the 2018 level, %	-35	-22	-13	-6.4	-11	-4.1	+1.1	-	-	-	-
Process waste delivered to landfills, t	0	8,257	14,338	111	267	37	91	0	0	-	-
3. Enhancing the state of forest nature											
Retention trees on regeneration felling sites, %	100	-	-	-	-	-	-	-	-	96	97
High biodiversity stumps on harvesting sites, %	100	-	-	-	-	-	-	-	-	100	98
Spruce as the only tree species after young stand management, %	0	-	-	-	-	-	-	-	-	25	26
Measures promoting biodiversity, number	10,000	-	-	-	-	-	-	-	-	10,616	6,586
S – SOCIAL											
4. Accident-free work environment											
Total recordable incident frequency, own employees (TRIF)	0	5.3	9.9	4.8	3.4	4.0	3.2	4.1	8.7	3.6	5.8
Total recordable incident frequency, contractor employees (TRIF)	0	4.5	11	5.2	2.0	1.1	3.8	7.3	12	5.4	4.6
5. Continuous improvement in engagement and well-being of employees											
Employee engagement, index (scale 0–100)	AAA	A+	A+	A	A+	A	A+	A	A	A+	AA
The implementation of the measures defined based on the employee survey, %	100	100	-	100	-	89	-	89	-	100	-
6. Promoting diversity, equality and inclusion (DEI)											
Women in leadership roles, %	>35	20	20	25	25	34	28	28	27	2.3	2.3
Employee experience on diversity, equality and inclusion (DEI) implementation, Metsä for all -index (scale 0–100)	100	69	69	72	73	75	74	70	71	73	74
Anonymous recruitment for vacancies open to all, %	100	100	100	100	99.2	100	97	100	100	100	99.0
G – GOVERNANCE											
7. Promoting ethical corporate culture											
Employee experience on ethical corporate culture implementation, ethics index (scale 0–100)	100	77	77	79	79	80	80	78	78	79	80
8. Promoting sustainable and ethical practices in our supply chain											
Share of certified wood/wood fibre, %	100	-	-	92	92	-	-	-	-	92	93
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases, %	100	99.4	99.5	99.5	99.0	99.6	99.0	99.4	99	99.6	99.3
Supplier assessments and audits of core suppliers, %	100	76	77	77	79	71	69	75	74	74	75
Traceability of raw materials, share of total purchases, %	100	96	96	95	97	86	89	100	88	100	100

Not all the comparative data has been provided for the new 2030 targets set in 2025.

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Metsä Fibre

Mill	Joutseno	Kemi	Rauma	Äänekoski	Lappeenranta	Rauma	Renko	Vilppula	Others ¹⁾	Total
Country	Finland	Finland	Finland	Finland	Finland	Finland	Finland	Finland		
EMPLOYEES										
Number of employees	180	281	186	270	68	111	80	106	190	1,472
TRIF	3.9	8.0	3.2	6.2	25	0	0	6.1		5.3
LTA1	3.9	6.0	3.2	4.2	17	0	0	6.1		4.1
PRODUCTION										
Chemical pulp (1,000 t)	256	927	507	1,098						2,789
Sawn timber (1,000 m ³)					178	475	244	474		1,370
MANAGEMENT SYSTEM ²⁾										
ISO 9001	x	x	x	x	x	x	x	x		
ISO 14001	x	x	x	x	x	x	x	x		
ISO 50001	x	x	x	x	x	x	x	x		
ISO 45001	x	x	x	x	x	x	x	x		
ISO 22000	x	x	x	x						
CHAIN OF CUSTODY										
PEFC	x	x	x	x	x	x	x	x		
FSC	x	x	x	x	x	x	x	x		
EMISSIONS TO AIR, t										
Biogenic carbon dioxide (CO ₂), Scope 1	595,830	2,791,158	1,255,536	3,152,852	24,017	0	28,652	60,262		7,908,309
GHG emissions (CO ₂ e), Scope 1	24,268	28,318	57,923	45,435	244	0	401	1,805		158,391
Sulphur (SO ₂)	100	24	29	30	1.0	0	1.8	5.2		192
Nitrogen oxides (NO _x)	447	1,894	695	1,856	28	0	20	37		4,977
Particles	66	63	90	64	1.0	0	4.7	6.0		294
Total reduced sulphur (TRS)	5.7	6.7	2.7	7.9	0	0	0	0		23
EMISSIONS TO WATER, t										
Adsorbable organic halogen (AOX)	38	54	67	95	0	0	0	0		254
Chemical oxygen demand (COD)	3,669	2,058	8,422	7,325	0	0	0	0.7		21,475
Biological oxygen demand (BOD)	137	33	84	138	0	0	0	0		391
Total phosphorus	5.1	1.1	2.1	5.3	0	0	0	0		14
Total nitrogen	49	32	44	71	0	0	0	0		197
Total suspended solids	459	393	175	200	0	0	0	0		1,228
WATER USE, 1,000 m³										
Water withdrawals	16,409	32,819	16,444	132,354	38	0	65	100		198,229
Waste water flow	7,606	13,931	11,212	17,720	3.1	0	5.6	14		50,492
WASTE AND SIDE STREAMS, t										
Utilised by-products and waste	43,532	72,840	14,847	72,142	1,296	8,802	411	2,581	46,486	262,938
Landfill waste	3,664	62	4,606	317	0	0	0	0	818	9,468
Hazardous waste	32	50	75	144	2.4	12	18	38	893	1,266

¹⁾ Includes employees of non-mill sites, and construction and demolition waste from operations outside mills where Metsä Fibre has operative control.

²⁾ 100% of Metsä Fibre's production units have the ISO 9001, ISO 14001, ISO 50001 and ISO 45001 certificates. Pulp mills, meaning 50% of production units, also have the ISO 22000 certificate.

Metsä Board

Mill	Joutseno	Kaskinen	Kemi	Kyro	Simpele	Tako ¹⁾	Äänekoski	Husum	Others ¹⁾	Total
Country	Finland	Finland	Finland	Finland	Finland	Finland	Finland	Sweden		
EMPLOYEES										
Number of employees	56	89	139	162	290	27	199	740	428	2,130
TRIF	0	7.7	8.7	8.6	16	0	0	3.5		4.8
LTA1	0	7.7	4.4	8.6	14	0	0	3.5		4.2
PRODUCTION, 1,000 t										
Paperboard			314	147	191	72	207	401		1,331
Pulp and high-yield pulp	191	206						550		948
MANAGEMENT SYSTEM ²⁾										
ISO 9001	x	x	x	x	x	x	x	x		
ISO 14001	x	x	x	x	x	x	x	x		
ISO 50001	x	x	x	x	x	x	x	x		
ISO 45001	x	x	x	x	x	x	x	x		
ISO 22000	x	x	x	x	x	x	x	x		
FSSC 22000			x	x	x		x	x		
CHAIN OF CUSTODY										
PEFC	x	x	x	x	x	x	x	x		
FSC	x	x	x	x	x	x	x	x		
EMISSIONS TO AIR, t										
Biogenic carbon dioxide (CO ₂), Scope 1	0	102,728	0	108,103	151,412	429	0	1,440,969		1,803,590
GHG emissions (CO ₂ e), Scope 1	17,636	4,783	5,982	15,343	6,577	24,242	0	65,160		139,723
Sulphur (SO ₂)	0	30	0	43	49	0	0	32		155
Nitrogen oxides (NO _x)	8.8	117	2.5	66	63	16	0	794		1,068
Particles	5.2	5.0	0	4.2	1.8	0	0	15		31
Total reduced sulphur (TRS)	0	0	0	0	0	0	0	26		26
EMISSIONS TO WATER, t										
Adsorbable organic halogen (AOX)	0	0	0	0	0	0	0	40		40
Chemical oxygen demand (COD)	378	815	70	105	160	58	764	7,625		9,976
Biological oxygen demand (BOD)	9.5	19	14	9.6	15	13	304	377		762
Total phosphorus	0.2	1.7	0.5	0.5	0.9	0.5	0.5	15		19
Total nitrogen	2.0	10	14	12	7.0	0.05	8.1	80		134
Total suspended solids	23	75	172	29	29	12	113	914		1,366
WATER USE, 1,000 m³										
Water withdrawals	3,494	8,492	3,947	3,679	24,015	1,419	4,067	35,853		84,965
Waste water flow	274	2,122	6,251	2,051	3,459	1,061	3,060	26,182		44,460
WASTE AND SIDE STREAMS, t										
Utilised by-products and waste	6,156	17,168	558	18,355	25,302	4,661	21,271	62,650	1,432	157,553
Landfill waste	0	0	16	0	83	0	0	111	0	210
Hazardous waste	14	62	49	19	54	25	13	299	27	563

¹⁾ The Tako paperboard mill's operations were discontinued in June 2025.

²⁾ Includes the employees of non-mill sites, and the construction and demolition waste from operations outside mills where Metsä Board has operative control.

³⁾ 100% of Metsä Board's production units have the ISO 9001, ISO 14001, ISO 50001, ISO 45001 and ISO 22000 certificates. 71% of production units also have the FSSC 22000 certificate.

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Metsä Tissue

Mill	Mänttä ¹⁾	Düren	Kreuzau	Raubach	Krapkowice	Žilina	Katrinefors	Nyboholm ²⁾	Pauliström	Others ³⁾	Total
Country	Finland	Germany	Germany	Germany	Poland	Slovakia	Sweden	Sweden	Sweden		
EMPLOYEES											
Number of employees	449	160	407	256	288	298	457	0	175	67	2,557
TRIF	5.3	0	0	2.7	0	4.1	7.2	0	14		4.0
LTA1	2.6	0	0	2.7	0	4.1	5.8	0	14		3.3
PRODUCTION, 1,000 t											
Tissue papers	72		100	57	42	66	81	27	28		474
Greaseproof papers	20	32									52
MANAGEMENT SYSTEM ⁴⁾											
ISO 9001	x	x	x	x	x	x	x	x	x	x	
ISO 14001	x	x	x	x	x	x	x	x	x	x	
ISO 50001	x	x	x	x	x	x	x	x	x	x	
ISO 45001	x	x	x	x	x	x	x	x	x	x	
ISO 22000	x										
BRC	x	x	x	x	x	x					
IFS		x	x	x							
CHAIN OF CUSTODY											
PEFC	x	x	x	x	x	x	x	x	x	x	
FSC	x	x	x	x	x	x	x	x	x	x	
EMISSIONS TO AIR, t											
Biogenic carbon dioxide (CO ₂), Scope 1	0	0	41,991	0	0	0	53,147	14,279	10,938		120,354
GHG emissions (CO ₂ e), Scope 1	9,953	17,515	23,159	23,454	16,312	10,699	15,322	7,468	7,811		131,693
Sulphur (SO ₂)	0	0	0	0	0.8	0.05	2.0	0.8	0.7		4.6
Nitrogen oxides (No _x)	5.0	10	44	12	20	9.4	39	18	26		182
Particles	0	0	0.06	0	18	0.4	0.2	1.8	0		20
EMISSIONS TO WATER, t											
Chemical oxygen demand (COD)	124	6.8	25	124	4.8	23	213	15	27		561
Biological oxygen demand (BOD)	24	2.8	10	4.2	2.2	8.7	39	2.9	6.1		100
Total phosphorus	0.7	0.1	0.5	0.2	0.8	0.4	0.1	0.03	0.1		3.1
Total nitrogen	18	0	0	0	5.5	0	7.9	0.3	0.6		32
Total suspended solids	34	2.8	10	4.2	1.8	8.7	22	3.7	3.9		91
WATER USE, 1 000 m³											
Water withdrawals	3,236	515	2,019	553	541	917	1,933	681	274		10,669
Waste water flow	3,596	275	1,044	420	401	874	1,542	535	183		8,871
WASTE AND SIDE STREAMS, t											
Utilised by-products and waste	20,464	600	14,536	39,317	16,591	4,611	31,701	1,487	1,766	0	131,073
Landfill waste	0	0	114	0	5.4	34	0	0	0	0	153
Hazardous waste	57	74	30	182	7.4	54	71	3.8	12	0	492

¹⁾ Includes all employees in Finland.
²⁾ The number of employees at the Nyboholm mill is included in the figures for the Pauliström mill.
³⁾ Includes the employees of non-mill sites outside Finland, and the construction and demolition waste from operations outside mills where Metsä Tissue has operative control.
⁴⁾ 100% of Metsä Tissue's production units have the ISO 9001, ISO 14001, ISO 50001 and ISO 45001 certificates. 11% of production units also have the ISO 22000 certificate, 67% have the BRC certificate, and 33% have the IFS certificate.

Metsä Wood

Mill	Pärnu	Lohja	Punkaharju	Suolahti	Äänekoski	Boston	King's Lynn	Others ¹⁾	Total
Country	Estonia	Finland	Finland	Finland	Finland	United Kingdom	United Kingdom		
EMPLOYEES									
Number of employees	220	151	517	215	43	250	41	227	1,664
TRIF	10	16	0	5.6	0	2.3	0		4.1
LTA1	7.5	12	0	5.6	0	2.3	0		3.4
PRODUCTION 1,000 m³									
Wood products	plywood	Kerto LVL	Kerto LVL and plywood	plywood	veneer	further processing	further processing		
Production	39	79	201	71	61	122	75		649
MANAGEMENT SYSTEM ²⁾									
ISO 9001	x	x	x	x	x	x	x		
ISO 14001	x	x	x	x	x	x	x		
ISO 45001	x	x	x	x	x	x	x		
ISO 50001	x	x	x	x	x				
CHAIN OF CUSTODY									
PEFC	x	x	x	x	x	x	x		
FSC	x	x	x	x	x	x	x		
EMISSIONS TO AIR, t									
Biogenic carbon dioxide (CO ₂), Scope 1	4,087	23,243	82,339	72,160	0	0	0		181,828
GHG emissions (CO ₂ e), Scope 1	41	752	1,069	958	0	408	371		3,599
Sulphur (SO ₂)	0	0.7	1.9	0	0	0	0		2.6
Nitrogen oxides (No _x)	0	10	89	62	0	0	0		161
Particles	0	1.9	2.3	11	0	0	0		15
EMISSIONS TO WATER, t									
Chemical oxygen demand (COD)	0	9.0	59	1.0	0	0	0		69
Biological oxygen demand (BOD)	0	3.0	36	1.1	0	0	0		41
Total suspended solids	0	1.1	0	0	0	0	0		1.8
WATER USE, 1,000 m³									
Water withdrawals	6.6	60	251	1,079	20	0	0		1,416
Waste water flow	14	27	34	36	8.0	0	0		119
WASTE AND SIDE STREAMS, t									
Utilised by-products and waste	24	686	1,888	14,835	66	924	148	246	18,817
Landfill waste	42	0	82	0.8	23	0	0	0	148
Hazardous waste	154	339	332	173	1.7	0	0	56	1,056

¹⁾ Includes employees of non-mill sites, and the construction and demolition waste from operations outside mills where Metsä Wood has operative control.
²⁾ 100% of Metsä Wood's production units have the ISO 9001, ISO 14001 and ISO 45001 certificates. 71% of production units also have the ISO 50001 certificate.

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Metsä Forest

Country	Finland	Sweden	Latvia ¹⁾	Others	Total
EMPLOYEES					
Number of employees	631	3	0	0	634
TRIF	3.7	0	0		3.6
LTAIF	0.9	0	0		0.9
WOOD SUPPLY					
1,000 m ³	25,196	2,902	658	888	29,644
MANAGEMENT SYSTEM ²⁾					
ISO 9001	x	x	x		
ISO 14001	x	x	x		
ISO 45001	x	x	x		
CHAIN OF CUSTODY					
PEFC	x	x	x		
FSC	x	x	x		

¹⁾ The wood supply business in Latvia was divested in 2025.

²⁾ 100% of Metsä Group's wood supply organisations have the ISO 9001, ISO 14001 and ISO 45001 certificates.

List of data points derived from other EU legislation

List of datapoints in cross-cutting and topical ESRS standards that derive from other EU legislation and their locations on the Sustainability Statement.

ESRS Disclosure Requirement and related datapoint	Location and comment	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 – General disclosures					
GOV-1 Board's gender diversity paragraph 21 (d)	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>	x		x	
GOV-1 Percentage of board members who are independent paragraph 21 (e)	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>			x	
GOV-4 Statement on due diligence paragraph 30	<i>Due diligence process -table</i>	x			
SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material	x	x	x	
SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material	x		x	
SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material	x		x	
SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material			x	
ESRS E1 – Climate change					
E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	<i>E1 Transition plan for climate change mitigation and adaptation</i>				x
E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	<i>E1 Reporting principles for metrics</i>		x	x	
E1-4 GHG emission reduction targets paragraph 34	<i>E1 Metsä Group's 2030 sustainability targets; E1 Transition plan for climate change mitigation and adaptation; E1 Reporting principles for metrics</i>	x	x	x	
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	<i>E1 Total energy consumption by energy source and business area -table</i>	x			
E1-5 Energy consumption and mix paragraph 37	<i>E1 Energy consumption and combination of energy sources -table</i>	x			
E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	<i>E1 Energy consumption and combination of energy sources -table</i>	x			
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	<i>E1 GHG emissions -table</i>	x	x	x	
E1-6 Gross GHG emissions intensity paragraphs 53 to 55	<i>E1 GHG intensity -table</i>	x	x	x	
E1-7 GHG removals and carbon credits paragraph 56	Not material				x
E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not material			x	
E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Not material		x		
E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Not material		x		
E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Not material		x		
E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Not material			x	
ESRS E2 – Pollution					
E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	<i>E2 Actions; E2 Emissions to air -table; E2 Emissions to water -table</i>	x			
ESRS E3 – Water and marine resources					
E3-1 Water and marine resources paragraph 9	<i>E3 Policies</i>	x			
E3-1 Dedicated policy paragraph 13	<i>E3 Policies</i>	x			
E3-1 Sustainable oceans and seas paragraph 14	Not material	x			
E3-4 Total water recycled and reused paragraph 28 (c)	<i>E3 Water withdrawals and consumption and wastewater discharges -table</i>	x			
E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	<i>E3 Water withdrawals and consumption and wastewater discharges -table</i>	x			

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ESRS Disclosure Requirement and related datapoint	Location and comment	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E4 – Biodiversity and ecosystems					
IRO 1 - E4 paragraph 16 (a) i	E4 The identification and assessment of material impacts, risks and opportunities	x			
IRO 1 - E4 paragraph 16 (b)	E4 The identification and assessment of material impacts, risks and opportunities	x			
IRO 1 - E4 paragraph 16 (c)	E4 The identification and assessment of material impacts, risks and opportunities	x			
E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material	x			
E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material	x			
E4-2 Policies to address deforestation paragraph 24 (d)	E4 Policies	x			
ESRS E5 – Resource use and circular economy					
E5-5 Non-recycled waste paragraph 37 (d)	E5 Outflows of material and energy -table	x			
E5-5 Hazardous waste and radioactive waste paragraph 39	E5 Outflows of material and energy -table Metsä Group's operations do not produce radioactive waste.	x			
ESRS S1 – Own workforce					
SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	S1 Policies	x			
SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	S1 Policies	x			
S1-1 Human rights policy commitments paragraph 20	S1 Policies	x			
S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 21	S1 Policies			x	
S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	S1 Policies	x			
S1-1 Workplace accident prevention policy or management system paragraph 23	S1 Policies	x			
S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	S1 Processes to remediate negative impacts and channels for own workers to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns	x			
S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	S1 Health and safety -table	x		x	
S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	S1 Health and safety -table; S1 Reporting principles for metrics	x			
S1-16 Unadjusted gender pay gap paragraph 97 (a)	S1 Total remuneration ratio of women and men -table	x		x	
S1-16 Excessive CEO pay ratio paragraph 97 (b)	S1 Total remuneration -table	x			
S1-17 Incidents of discrimination paragraph 103 (a)	S1 Incidents, complaints and severe human rights impacts -table	x			
S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	S1 Incidents, complaints and severe human rights impacts -table	x		x	
ESRS S2 – Workers in the value chain					
SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	The identification and assessment of material impacts, risks and opportunities (S2)	x			
S2-1 Human rights policy commitments paragraph 17	S2 Policies	x			
S2-1 Policies related to value chain workers paragraph 18	S2 Policies	x			
S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	S2 Policies	x		x	
S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19	S2 Policies			x	
S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	S2 Actions	x			
ESRS S3 – Affected communities					
S3-1 Human rights policy commitments paragraph 16	S3 Policies	x			
S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	S3 Policies	x		x	
S3-4 Human rights issues and incidents paragraph 36	S3 Actions	x			

ESRS Disclosure Requirement and related datapoint	Location and comment	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S4 – Consumers and end-users					
S4-1 Policies related to consumers and end-users paragraph 16	S4 Policies	x			
S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	S4 Policies	x		x	
S4-4 Human rights issues and incidents paragraph 35	S4 Actions	x			
ESRS G1 – Business conduct					
G1-1 United Nations Convention against Corruption paragraph 10 (b)	G1 Policies	x			
G1-1 Protection of whistle-blowers paragraph 10 (d)	G1 Mechanisms for identifying, reporting and investigating concerns	x			
G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	G1 Incidents of non-compliance with good governance or ethical corporate culture -table	x		x	
G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	G1 Incidents of non-compliance with good governance or ethical corporate culture -table	x			

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Consolidated income statement

EUR million	Note	2025	2024
Sales	2.1, 2.2	5,832.9	5,747.2
Change in stocks of finished goods and work in progress		-121.5	152.7
Other operating income	2.1, 2.3	162.2	226.3
Material and services	2.1, 2.4	-4,286.9	-4,295.0
Employee costs	2.1, 3.	-765.0	-712.1
Depreciation, amortisation and impairment charges	2.1, 4.1, 4.2	-613.7	-467.7
Other operating expenses	2.1, 2.4	-479.1	-465.0
Operating result		-271.3	186.4
Share of results from associated companies and joint ventures	7.3	-0.7	-0.6
Net exchange gains and losses	5.2	-1.5	-2.5
Financial income	5.2	14.3	27.5
Financial expenses	5.2	-75.7	-79.6
Result before tax		-334.9	131.3
Income taxes	6.	53.6	-22.7
Result for the period		-281.3	108.5
Result for the period attributable to			
Members of parent company		-158.2	94.6
Non-controlling interest		-123.1	14.0
Total		-281.3	108.5

The notes are an integral part of these financial statements.

Consolidated statement of comprehensive income

EUR million	Note	2025	2024
Result for the period		-281.3	108.5
Other comprehensive income			
Items that will not be reclassified to profit or loss	5.1, 6.		
Items relating to adjustments of defined benefit pension plans		3.0	-3.1
Fair value of financial assets through other comprehensive income		-38.6	-39.2
Income tax relating to items that will not be reclassified		8.0	7.8
Total		-27.6	-34.5
Items that may be reclassified to profit and loss	5.1, 6.		
Cash flow hedges		48.5	-103.4
Currency translation differences		60.3	-26.6
Share of results from other comprehensive income of associated company		0.0	0.0
Income tax relating to items that may be reclassified		-9.7	20.7
Total		99.1	-109.3
Other comprehensive income, net of tax		71.5	-143.8
Total comprehensive income for the period		-209.8	-35.3
Total comprehensive income for the period attributable to			
Members of parent company		-116.6	13.2
Non-controlling interest		-93.2	-48.4
Total		-209.8	-35.3

The notes are an integral part of these financial statements.

Consolidated balance sheet

EUR million	Note	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Goodwill	4.1	421.9	415.6
Other intangible assets	4.1	319.3	375.4
Tangible assets	4.2	5,567.3	5,450.0
Biological assets	4.3	3.2	3.1
Investments in associated companies and joint ventures	7.3	4.7	4.1
Other investments	4.4	198.1	237.3
Other non-current assets	5.3	22.1	18.6
Deferred tax receivables	6.	36.8	34.7
Derivative financial instruments	5.7	23.4	29.5
Total		6,596.8	6,568.4
Current assets			
Inventories	4.5	1,260.1	1,513.6
Accounts receivable and other receivables	4.6	743.1	788.5
Tax receivable based on taxable income for the period		8.7	16.3
Derivative financial instruments	5.7	18.5	24.0
Cash and cash equivalent	5.4	779.0	991.6
Total		2,809.3	3,334.2
Total assets		9,406.2	9,902.5
MEMBERS' FUNDS AND LIABILITIES			
Equity attributable to members of parent company			
Members' capital	5.1	1,640.4	1,552.3
Translation differences	5.1	-23.4	-59.6
Fair value and other reserves	5.1	712.4	709.7
Retained earnings		1,847.6	2,095.9
Total shareholders' equity		4,177.0	4,298.2
Non-controlling interests	7.2	1,156.1	1,260.7
Total members' funds		5,333.2	5,559.0
Non-current liabilities			
Deferred tax liabilities	6.	304.8	364.5
Post employment benefit obligations	3.5	55.9	54.7
Provisions	4.9	17.9	16.3
Borrowings	5.5	1,462.1	1,608.0
Other non-current liabilities	4.7	6.3	8.9
Derivative financial instruments	5.7	1.3	
Total		1,848.4	2,052.4
Current liabilities			
Provisions	4.9	4.1	0.4
Current borrowings	5.5	615.4	631.1
Accounts payable and other liabilities	4.8	1,590.6	1,571.5
Tax liabilities based on taxable income for the period		1.6	8.0
Derivative financial instruments	5.7	12.9	80.1
Total		2,224.6	2,291.2
Total liabilities		4,073.0	4,343.5
Total members' funds and liabilities		9,406.2	9,902.5

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Consolidated statement of changes in members' funds

EUR million	Note	Members' funds	Translation differences	Fair value and other reserves	Retained earnings	Equity attributable to members of parent company	Non-controlling interest	Total
Members' funds, 1 Jan 2025		1,552.3	-59.6	709.7	2,095.9	4,298.2	1,260.7	5,559.0
Result for the period					-158.2	-158.2	-123.1	-281.3
Other comprehensive income net of tax	5.1, 6.		36.1	2.4	3.0	41.6	30.0	71.5
Comprehensive income total			36.1	2.4	-155.2	-116.6	-93.2	-209.8
Transaction with owners								
Interest on members' capital and dividends paid	5.1				-65.6	-65.6	-12.0	-77.6
Reimbursement of surplus	5.1	14.1			-16.0	-1.9		-1.9
Change in members' capital	5.1	74.0		0.4	-11.6	62.8		62.8
Other changes in equity	5.1			0.0		0.0		0.0
Share based payments	3.3				0.4	0.4	0.3	0.7
Acquired shares from non-controlling interest, which did not change the controlling right	7.2				0.0	0.0		0.0
Sold shares from non-controlling interest, which did not change the controlling right	7.2			0.0	-0.2	-0.2	0.2	0.0
Members' funds, 31 Dec 2025		1,640.4	-23.4	712.4	1,847.6	4,177.0	1,156.1	5,333.2
Members' funds, 1 Jan 2024								
		1,452.9	-45.9	773.3	2,101.8	4,282.0	1,361.2	5,643.2
Result for the period					94.6	94.6	14.0	108.5
Other comprehensive income net of tax	5.1, 6.		-13.6	-64.0	-3.8	-81.4	-62.4	-143.8
Comprehensive income total			-13.6	-64.0	90.8	13.2	-48.4	-35.3
Transactions with owners								
Interest on members' capital and dividends paid	5.1				-70.7	-70.7	-52.5	-123.2
Reimbursement of surplus	5.1	13.7			-15.7	-2.0		-2.0
Change in members' capital	5.1	85.7		0.4	-10.0	76.2		76.2
Share based payments	3.3				0.1	0.1	0.0	0.1
Sold shares from non-controlling interest, which did not change the controlling right	7.2			0.0	-0.5	-0.5	0.5	0.0
Members' funds, 31 Dec 2024		1,552.3	-59.6	709.7	2,095.9	4,298.2	1,260.7	5,559.0

The notes are an integral part of these financial statements.

Consolidated cash flow statement

EUR million	Note	2025	2024
Cash flow from operating activities			
Result for the period		-281.3	108.5
Adjustments to the result, total ¹⁾		584.7	488.3
Interest received		16.0	30.9
Interest paid		-66.5	-70.9
Dividends received		0.1	0.1
Other financial items, net		-19.7	-0.1
Income tax paid		-10.8	-49.7
Change in working capital ²⁾		314.0	-496.3
Net cash flow from operating activities		536.5	10.9
Cash flow from investing activities			
Acquisition of shares in affiliated companies, net of cash	7.4		-0.7
Acquisition of shares in associated companies and joint ventures		-0.8	-0.5
Acquisition of other shares			-0.5
Investments in tangible and intangible assets	4.1, 4.2	-563.3	-566.0
Proceeds from disposal of shares in affiliated companies, net of cash	7.4	6.7	20.7
Proceeds from disposal of shares in associated companies and joint ventures	7.3	0.2	
Proceeds from disposal of other shares		0.0	0.5
Proceeds from sale of tangible and intangible assets		17.8	56.7
Change in non-current receivables, net		-3.5	-4.2
Cash flow from investing activities		-543.0	-494.0
Cash flow from financing activities			
Change in members' capital		34.1	66.6
Increase in non-current liabilities	5.5	301.6	106.9
Decrease in non-current liabilities	5.5	-435.1	-166.7
Change in current liabilities, net	5.5	-28.4	79.3
Change in current interest-bearing receivables, net	5.5	2.0	-0.3
Interest on members' capital and dividends paid	5.1, 7.2	-89.3	-137.9
Cash flow from financing activities		-215.2	-52.1
Change in cash and cash equivalents			
		-221.7	-535.2
Cash and cash equivalents at beginning of period		991.6	1,511.6
Translation differences		-0.4	0.3
Change in cash and cash equivalents		-221.7	-535.2
Value adjustments of investment funds included in cash and cash equivalents		9.4	15.1
Cash and cash equivalents at end of period	5.4	779.0	991.6

The notes are an integral part of these financial statements.

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EUR million	1-12/2025	1-12/2024
ADDITIONAL INFORMATION TO CONSOLIDATED CASF FLOW STATEMENT		
¹⁾ Adjustments to the result, total		
Taxes	-53.6	22.7
Depreciation, amortisation and impairment charges	613.7	467.7
Biological assets	0.0	-0.5
Share of results from associated companies and joint ventures	0.7	0.6
Gains and losses on sale of non-current financial assets	-47.7	-56.5
Finance costs, net	62.9	54.6
Pension liabilities and provisions	7.6	-1.9
Other adjustments	1.0	1.5
Total	584.7	488.3
²⁾ Change in working capital		
Change in inventories	241.2	-333.4
Change in accounts receivables and other receivables	38.8	18.8
Change in accounts payable and other liabilities	33.9	-181.8
Total	314.0	-496.3

The notes are an integral part of these financial statements.

Notes to consolidated financial statements

1. General accounting principles

Main operations

Metsäliitto Cooperative and its subsidiaries comprise a group ("Metsä Group" or "Group") in which operations are organised into five business segments: Pulp and Sawn Timber Industry; Paperboard Industry; Tissue and Greaseproof Papers; Wood Products Industry; and Wood Supply and Forest Services.

The Group's parent company is Metsäliitto Cooperative. The parent company is domiciled in Helsinki, and its registered address is Revontulenpuisto 2, 02100 Espoo, Finland. A copy of the consolidated financial statements can be obtained from the website www.metsagroup.com or the parent company's head office at Revontulenpuisto 2, 02100 Espoo, Finland.

These financial statements were authorised for issue by Metsäliitto Cooperative's Board of Directors on 5 February 2026. According to the Finnish Co-operatives Act, the Representative Council has the right to accept, reject or decide to amend the financial statements at the Annual General Meeting after their date of publication.

Accounting policies

Metsä Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), applying the standards and interpretations approved by the EU and effective on 31 December 2025. The notes to the consolidated financial statements also comply with the requirements of Finnish accounting and Community legislation supplementing the IFRS rules.

The consolidated financial statements are presented in millions of euros. The consolidated financial statements have been prepared based on original acquisition costs, excluding financial assets and liabilities recognised at fair value, biological assets, assets and obligations related to defined-benefit pension plans, and share-based payments measured at fair value.

Impact of climate-related matters on the financial statements

Transitioning to fully fossil-free energy in production, abandoning fossil-based raw materials, using energy and water more efficiently, and adopting measures in line with the principles of regenerative forestry to safeguard forests' strong growth and carbon storage are at the core of Metsä Group's sustainability targets. The Group aims to reduce fossil-based Scopes 1 and 2 carbon dioxide emissions to zero by the end of 2030. The achievement of the targets requires investment, the development of operations and the product range, and the use of the best available technology. The potential

impact of climate-related targets on items in the consolidated financial statements, including physical climate risks and transition risks affecting asset items, are taken into account in the recognition and valuation of the Group's assets and liabilities.

Climate-related matters have a particular impact on the following items in the financial statements:

- Intangible assets: The determination of future cash flow projections in connection with goodwill impairment testing. (Note 4.1)
- Tangible assets: Climate targets may affect the book values and useful lives of property, plant and equipment. At the end of the reporting period, climate-related matters had no material impact on the estimated useful lives or impairment of property, plant and equipment. (Note 4.2)
- Interest-bearing liabilities: In 2025, Metsä Board issued a new unsecured green bond of EUR 200 million, maturing in 2031. Additionally, Metsä Board agreed on a revolving credit facility of EUR 250 million, with a margin tied to the long-term climate and energy efficiency targets. In 2024, Metsäliitto Cooperative also refinanced a EUR 200 million revolving credit facility linked to sustainability targets. (Note 5.5)
- Remuneration: Short-term incentives include performance criteria linked to climate targets. (Note 3.2)
- Intangible assets and other operating expenses and income: Known or reasonably expected cost increases include the post-2025 phase-out of free emission allowances at mills with fossil-based emissions comprising less than 5% of their total carbon dioxide emissions. The EU Emissions Trading System is being updated, and based on current knowledge, free emission allowances will be phased out entirely after 2030. (Notes 2.3, 2.4 and 4.1)

Further information about climate change issues is available in the Sustainability statement included in the Board of Directors report.

Amendment to a standard applied during the 2025 financial period

The amendment does not have a material impact on the consolidated financial statements.

New and amended standards to be applied in future financial periods

Classification and measurement of financial instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective for financial periods beginning on or after 1 January 2026). The amendments clarify that companies must apply an approach based on the settlement date when recognising or derecognising a financial asset or liability. The amendments also give companies the choice to

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derecognise financial liabilities settled using an electronic payment system before the settlement date, provided that certain conditions are met. The amendments clarify the guidance on the assessment of contractual cash flow characteristics, including financial assets, the contractual terms of which may change the timing or amount of contractual cash flows such as financial assets with ESG-linked features, non-recourse financial assets and contractually linked instruments.

*IFRS 18 Presentation and Disclosure in Financial Statements** (applicable for financial years beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key requirements of IFRS 18 are the following:

- Items of income and expenses must be reported under three new categories – operating, investing and financing – and two new subtotals must be included, namely “Operating profit or loss” and “Profit or loss before financing and income tax”.
- Disclosures on management-defined performance measures must be included in the notes to the financial statements. These performance measures are defined as subtotals of income and expenses that are used to communicate management’s views of financial performance to the public.
- Disclosures in financial statements based on more specific requirements concerning aggregation and disaggregation.

The Group will classify exchange rate differences reported in the income statement under financial items into the categories of business operations, investments, and financing. The Group will classify interest paid and other financial expenses reported in cash flows from operating activities as cash flows from financing activities, and interest received and dividends as cash flows from investing activities. The Group will assess the impact of the changes on the notes in more detail.

Other amendments to standards will have no material impact on the consolidated financial statements.

Transactions in foreign currency

The items included in the financial statements of subsidiaries, joint operations, and associated companies and joint ventures are presented in the currency that is used in each company's primary operating environment. The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency. Business transactions denominated in foreign currencies are recognised in the functional currency using the exchange rate on the transaction date. At the end of the financial period, open receivables and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate on the balance sheet date. Since March 2022, the rate used for the Russian ruble is the closing rate for EUR/RUB

* = The standard had not been adopted by the EU by 31 December 2025.

published by Refinitiv, which management considers to best represent the market rate on the closing date of each reporting period. Any gains or losses resulting from transactions in foreign currencies and from the translation of monetary items are recognised in exchange rate differences in financial items.

Changes in the fair value of the effective portion of derivative instruments that meet the criteria for cash flow hedging are recognised in other items of comprehensive income. The gains and losses recognised in equity are transferred to the income statement when the forecast sale or purchase is realised, and are recognised as an adjustment to the hedged item.

Derivatives not subject to hedge accounting, as well as the ineffective portion of derivatives subject to hedge accounting, are measured at fair value, and changes in the value of interest rate and currency derivatives are recognised in financial items, and changes in the value of commodity derivatives are recognised in other income and expenses.

More information about interest rate and currency hedging is provided in Note 5.6 (Management of financial risks).

The income statements and cash flows of companies whose functional currency is other than the euro are translated into euros using the average exchange rates of the financial period, and their balance sheets are translated using the exchange rates on the balance sheet date. Changes in translation differences arising from the translation of companies' income statements and balance sheets, and from the translation of net investments in foreign entities, are recognised in other comprehensive income. When divesting a foreign entity, either by selling or dissolving it, translation differences accumulated by the time of the divestment are recognised in the income statement as part of the gain or loss from the divestment.

Other accounting principles

Other accounting principles are presented as part of the relevant notes.

Key estimates and judgements

The preparation of financial statements requires the use of the management's estimates, assumptions and judgement-based decisions that affect the amount of assets and liabilities, the presentation of contingent assets and liabilities in the financial statements, and the amount of income and expenses. Even though such estimates and assumptions are based on the management's best knowledge at the time they were made, it is possible that the actual values differ from those used in the financial statements.

Management's judgement-based decisions

Management's judgement-based decisions that were made when applying the accounting principles, and that have the greatest impact on the figures of the consolidated financial statements concern the following areas:

Item	Note	Nature of management's judgement-based decisions
Intangible assets; property, plant and equipment, and leases	4.1 Intangible assets and 4.2 Property, plant and equipment	Valuation model applied in impairment tests
Financial instruments measured at fair value	4.4 Other investments	Accounting principle and valuation model applied to the shares of Pohjolan Voima Oyj

Estimates and assumptions

The Group's key uncertainties related to assumptions and estimates that can carry a significant risk of the book values of assets and liabilities changing during the following financial period include the following:

Item	Note	Nature of estimates and assumptions
Intangible assets; property, plant and equipment, and leases	4.1 Intangible assets and 4.2 Property, plant and equipment	Estimates of key factors affecting cash flows in the valuation and expectations of economic benefits
Property, plant and equipment, and leases	4.2 Property, plant and equipment	Estimates of the useful lives of property, plant and equipment, and of lease extension options
Financial instruments measured at fair value	4.4 Other investments	Estimates of key factors affecting cash flows in the valuation of Pohjolan Voima Oyj
Inventories	4.5 Inventories	Estimates of the sales prices of products measured at net realisable value, the costs of completion and the costs necessary for making the sale.
Income taxes	6 Income taxes	Estimates of the date and amount of tax liabilities arising in tax audits and deferred tax assets recognised for losses
Legal obligations	8.1 Commitments and contingencies	Estimates of the date and amount of costs from obligations related to disputes and legal proceedings

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2. Profitability

2.1 Segment information

Accounting principles

Operating segments

Metsä Group's operating segments are comprised of the Group's business areas. The operating segments are reported consistently, with the internal reports submitted to the President and CEO. The President and CEO is in charge of allocating resources to the operating segments and evaluating their performance. The segments' result and profitability are evaluated based on the operating result, comparable operating result and comparable return on capital employed.

The segments report in line with the same accounting principles as the Group. All intra-segment transactions are based on market prices and are eliminated on consolidation.

Items affecting comparability

Extraordinary and material items not included in ordinary business operations have been eliminated in the comparable operating result. Items affecting comparability include material gains and losses on disposals of assets, impairment and impairment reversals in accordance with IAS 36 Impairment of Assets, corporate divestments and acquisitions, adjustment measures and other restructuring measures and their adjustments, costs arising from extensive and unforeseeable interruptions in production and the compensation received for them as well as items arising from legal proceedings.

Pulp and Sawn Timber Industry

Metsä Fibre is a leading producer of wood-based bioproducts – pulp, sawn timber, biochemicals and bioenergy. The company's bleached softwood and birch pulps have been developed for the production of paperboards and tissue, and printing and specialty papers. Spruce and pine sawn timber are used primarily in the construction industry. Metsä Fibre's products are known for their high quality, which is based on the unique properties of northern wood, strong expertise and the continuous development of operations.

Paperboard Industry

Metsä Board is a leading European producer of high-quality and lightweight fresh fibre paperboards. The company's folding boxboard and food service boards as well as white kraftliners offer sustainable, recyclable and safe solutions for consumer goods, retail-ready and food service packaging. The fresh fibre used in the products is a renewable, safe and recyclable raw material from northern forests. Metsä Board aims for completely fossil-free mills by 2030. The global sales network provides services to brand owners, packaging converters and merchants. With customers, the company develops innovative packaging solutions that create better consumer experiences with less environmental impact.

Tissue and Greaseproof Papers

Metsä Tissue is one of the leading tissue paper suppliers in Europe to households and professionals, and one of the leading greaseproof paper suppliers globally. The company innovates products and services that make everyday life cleaner, easier and more hygienic, in an environmentally sustainable manner. The company's brands are Lambi, Serla, Tenta, Mola, Katrin and SAGA. In addition to its own brands, the company develops and manufactures a range of supplier label products as well as tailored customer label products for leading European retailers.

Wood Products Industry

Metsä Wood is one of Europe's leading producers of engineered wood products. The company converts northern wood into high-quality material-efficient products that store carbon for their entire life-cycle. The company's main products are Kerto LVL, birch and spruce plywood, and processed sawn wood products especially for the construction and transport industries.

Wood Supply and Forest Services

Metsä Forest provides premium wood for Metsä Group's production units and its other industrial customers. It offers owner-members of the parent company, Metsäliitto Cooperative, comprehensive services in wood trade, and forest and nature management. Metsä Group's Wood Supply and Forest Services invests in developing sustainable forest management methods and digital services for forest owners.

Other operations

Other operations include Metsä Group's head office functions, the holding function of Metsäliitto Cooperative, Metsä Group Treasury Oy and Metsä Spring Ltd.

Operating segments 2025

EUR million	Pulp and Sawn Timber Industry	Paperboard Industry	Tissue and Greaseproof Papers	Wood Products Industry	Wood Supply and Forest Services	Other operations	Eliminations	Group total
External sales	2,038.5	1,665.1	1,135.3	445.6	518.8	29.5		5,832.9
Internal sales	539.5	110.5	0.0	23.5	1,946.6	46.1	-2,666.2	
Sales total	2,578.1	1,775.7	1,135.4	469.0	2,465.4	75.6	-2,666.2	5,832.9
Material and services	-2,128.3	-1,353.0	-723.4	-339.7	-2,341.2	-53.2	2,651.8	-4,286.9
Employee costs	-129.0	-214.5	-186.9	-94.9	-44.0	-95.6	-0.2	-765.0
Depreciations	-250.6	-109.9	-49.5	-22.2	-6.2	-10.0	-1.4	-450.0
Impairments	-51.8	-55.7	-37.8	-20.5			2.0	-163.8
Operating result	-143.1	-169.5	18.2	-38.0	33.4	-12.6	40.2	-271.3
Items affecting comparability	22.1	89.4	53.9	25.7	0.6	1.4	-6.4	186.7
Comparable operating result	-121.0	-80.2	72.1	-12.3	34.0	-11.1	33.8	-84.6
Share of results from associated companies and joint ventures								-0.7
Exchange differences and finance income and expenses								-62.9
Income taxes								53.6
Result for the period								-281.3
Assets	3,849.2	2,607.1	1,249.6	630.2	460.6	415.8	-553.0	8,659.6
Unallocated assets								525.8
Total assets								9,185.4
Liabilities	784.8	503.1	356.4	119.7	328.5	121.2	-553.0	1,660.7
Unallocated liabilities								2,368.8
Total liabilities								4,029.5
Total investments	164.9	139.5	216.3	145.2	5.3	44.9	-95.3	620.8
Personnel, average	1,530	2,230	2,495	1,630	664	985		9,533

Segments' assets = intangible and tangible assets (incl. leases), investments in associated companies and joint ventures, inventories, accounts receivables and other non-interest-bearing receivables (excl. interest and tax items). Segments' liabilities = accounts payable, advance payments and other non-interest-bearing liabilities (excl. interest and tax items).

Items affecting comparability in operating result 2025

EUR million	Pulp and Sawn Timber Industry	Paperboard Industry	Tissue and Greaseproof Papers	Wood Products Industry	Wood Supply and Forest Services	Other operations	Eliminations	Group total
Other operating income	39.7		0.3		3.0	8.6	-8.9	42.6
Change in inventories		-5.8	-3.4					-9.2
Employee costs	-4.6	-15.0	-8.8	-2.5	-2.1	-8.9		-41.9
Share of results from associated companies and joint ventures		-4.4					4.4	
Impairments	-52.0	-56.5	-37.8	-20.5			2.0	-164.7
Reverse of impairments	0.2	0.6						0.8
Other operating expenses	-5.4	-8.3	-4.3	-2.7	-1.5	-1.1	8.9	-14.3
Total	-22.1	-89.4	-53.9	-25.7	-0.6	-1.4	6.4	-186.7

Other operating income from the **Pulp and Sawn Timber Industry** segment includes an insurance compensation of EUR 39.7 million for property damage caused by the gas explosion at the Kemi bioproduct mill. Personnel expenses include EUR -4.7 million, and other operating expenses EUR -5.4 million, of costs related to the cost savings and profit improvement programme. Impairment includes an impairment of EUR -22.0 million on assets damaged by the gas explosion at the Kemi bioproduct mill and an impairment of EUR -29.5 million on the enterprise resource planning (ERP) renewal project.

The change in inventories of the **Paperboard Industry** segment includes an impairment of EUR -5.8 million related to the closure of the Tako paperboard mill. Personnel expenses include EUR -14.4 million of costs related to the cost savings and profit improvement programme, and EUR -0.6 million of costs related to the closure of the Tako paperboard mill. The share of results from associated companies and joint ventures includes an insurance compensation of EUR 7.9 million for the property damage caused by the gas explosion at Metsä Fibre's Kemi bioproduct mill, an impairment of EUR -4.4 million for assets damaged by the gas

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explosion at Metsä Fibre's bioproduct mill in Kemi, an impairment of EUR -5.9 million resulting from the renewal of Metsä Fibre's enterprise resource planning (ERP) system, and EUR -2.0 million of costs from Metsä Fibre's cost savings and profit improvement programme. Impairments include an impairment of EUR -35.0 million for the enterprise resource planning (ERP) renewal project and of EUR -18.5 million for the closure of the Tako paperboard mill. Other operating expenses include EUR -6.6 million of costs related to the cost savings and profit improvement programme and EUR -2.4 million of costs related to the closure of the Tako paperboard mill.

The change in inventories in the **Tissue and Greaseproof Papers** segment includes EUR -3.4 million of impairment related to the efficiency improvement of operations in Germany and Finland. Personnel expenses include EUR -2.6 million of costs related to the cost savings and profit improvement programme, and EUR -6.2 million of costs related to the improvement of operational efficiency in Germany. Impairments include an impairment of EUR -16.4 million on the renewal of the enterprise resource planning (ERP) system, EUR -14.1 million in write-downs on pre-engineering projects, and an impairment of EUR -7.2 million related to efficiency improvements in Germany and Finland. Other operating expenses include EUR -3.1 million of costs related to the cost savings and profit improvement programme, and EUR -1.1 million of costs related to the improvement of operational efficiency in Germany.

Personnel expenses in the **Wood Products Industry** segment include EUR -1.0 million of costs related to the cost savings and profit improvement programme, EUR -1.2 million of costs related to the closure of the plywood mills in Suolahti, and EUR -0.3 million of costs related to the closure of Kumpuniemen Voima Oy's operations. Impairments include an impairment

of EUR -17.5 million for the renewal of the enterprise resource planning (ERP) system and EUR -3.0 million for the termination of Kumpuniemen Voima Oy's operations. Other operating expenses include EUR -1.7 million of costs related to the cost savings and profit improvement programme, and EUR -1.0 million of costs related to the termination of Kumpuniemen Voima Oy's operations.

Other operating income of the **Wood Supply and Forest Services** segment includes EUR 1.7 million of capital gains from the sale of the Latvian wood procurement company Metsa Forest Latvia SIA and EUR 1.3 million of capital gains related to the sale of Russian subsidiaries in 2024. Personnel expenses include EUR -2.1 million, and other operating expenses EUR -1.4 million, of costs related to the cost savings and profit improvement programme.

Other operating income in the **Other operations** segment includes EUR 8.6 million of internal income, EUR -8.9 million of personnel expenses, and EUR -1.1 million of other operating expenses related to the cost savings and performance improvement programme.

For **eliminations**, other operating income includes EUR -8.9 million and other operating expenses EUR +8.9 million of eliminations of internal charges related to the cost savings and profit improvement programme, an elimination of EUR 4.4 million of the results of associated companies and joint ventures from the operating result of the Paperboard Industry segment, and an elimination of EUR 2.0 million for internal impairment related to the renewal project of the enterprise resource planning (ERP) system.

Operating segments 2024

EUR million	Pulp and Sawn Timber Industry	Paperboard Industry	Tissue and Greaseproof Papers	Wood Products Industry	Wood Supply and Forest Services	Other operations	Eliminations	Group total
External sales	1,707.7	1,818.9	1,152.1	530.6	509.7	28.2		5,747.2
Internal sales	620.6	119.6	0.8	23.3	1,850.5	49.6	-2,664.4	
Sales total	2,328.3	1,938.6	1,152.9	553.9	2,360.1	77.8	-2,664.4	5,747.2
Material and services	-2,034.0	-1,491.7	-743.9	-384.5	-2,235.2	-58.4	2,652.8	-4,295.0
Employee costs	-126.1	-201.6	-170.0	-90.4	-44.1	-82.6	2.7	-712.1
Depreciations	-246.3	-106.0	-44.9	-22.0	-7.2	-12.5	-7.0	-445.8
Impairments	-0.7	-7.6	-2.1	-14.1	2.6			-21.9
Operating result	5.8	62.3	101.6	7.8	32.5	-17.1	-6.5	186.4
Items affecting comparability	-3.5	6.7	1.6	13.0	-4.1		2.8	16.6
Comparable operating result	2.2	69.0	103.2	20.8	28.4	-17.1	-3.6	203.0
Share of results from associated companies and joint ventures								-0.6
Exchange differences and finance income and expenses								-54.6
Income taxes								-22.7
Result for the period								108.5
Assets	4,063.2	2,796.5	1,103.7	526.9	585.8	463.3	-577.3	8,962.1
Unallocated assets								940.4
Total assets								9,902.5
Liabilities	833.2	431.0	331.9	114.5	340.7	219.1	-577.3	1,693.2
Unallocated liabilities								2,650.4
Total liabilities								4,343.5
Total investments	111.7	175.4	208.5	147.2	3.3	62.0	-104.9	603.3
Personnel, average	1,594	2,339	2,525	1,575	696	977		9,706

Segments' assets = intangible and tangible assets (inc. leases), investments in associated companies and joint ventures, inventories, accounts receivables and other non-interest-bearing receivables (excl. interest and tax items). Segments' liabilities = accounts payable, advance payments and other non-interest-bearing liabilities (excl. interest and tax items).

Items affecting comparability in operating result 2024

EUR million	Pulp and Sawn Timber Industry	Paperboard Industry	Tissue and Greaseproof Papers	Wood Products Industry	Wood Supply and Forest Services	Other operations	Eliminations	Group total
Other operating income	21.5		1.0	8.3	2.1		-1.5	31.4
Change in inventories	-1.0		-0.4	-2.0				-3.5
Employee costs	-1.0			-2.0				-3.0
Share of results from associated companies and joint ventures		1.4						-1.4
Impairments	-3.3	-7.6	-2.1	-14.1				-27.1
Reverse of impairments	2.6				2.6			5.2
Other operating expenses	-15.1	-0.5	-0.1	-3.2	-0.6			-19.5
Total	3.5	-6.7	-1.6	-13.0	4.1		-2.8	-16.6

Other operating income of the **Pulp and Sawn Timber Industry** includes a capital gain of EUR 10.0 million from the sale of the Russian subsidiary, a capital gain of EUR 1.5 million from the sale of a property and insurance compensation of EUR 10.0 million for property damage caused by the gas explosion at the Kemi bioproduct mill. Change in inventories includes a cost of EUR -1.0 million, personnel expenses a cost of EUR -1.0 million and depreciation a cost of EUR -3.3 million related to the winding down of sawing operations at the Merikarvia sawmill. Reversals of impairment include an income of EUR 2.6 million related to the sale of the Russian subsidiary. Other operating expenses include repair costs of EUR -11.8 million for the gas explosion at the Kemi bioproduct mill and losses of EUR -2.9 million from the sale of property, plant and equipment.

Impairment in the **Paperboard Industry** segment includes a write-down of EUR -7.6 million for the pre-engineering of the Kaskinen folding boxboard mill. The share of results from associated companies and joint ventures includes an income of EUR 3.0 million from the sale of Metsä Fibre's Russian subsidiary, insurance compensation of EUR 2.0 million for the property damage caused by the gas explosion at Metsä Fibre's Kemi bioproduct mill, repair costs of EUR -2.4 million related to the gas explosion at Metsä Fibre's Kemi bioproduct mill and an expense of EUR -1.1 million related to the discontinuation of sawing operations at Metsä Fibre's Merikarvia sawmill.

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The operating result of the **Tissue and Greaseproof Papers** segment includes a total of EUR -1.6 million in expenses related to the Future Mill programme.

The operating result of the **Wood Products Industry** segment includes a capital gain of EUR 8.3 million from the sale of a property in Widnes in the UK, and impairment and costs of EUR -21.1 million related to the discontinuation of operations at the Suolahti plywood mills.

Geographical areas

EUR million	External sales by location of customer		Non-Current assets		Capital expenditure	
	2025	2024	2025	2024	2025	2024
Finland	990.2	1,001.6	4,986.1	5,113.9	417.2	360.2
Germany	468.5	477.7	165.7	152.3	17.8	12.2
Italy	186.2	166.0	0.3	0.1	0.3	
Sweden	250.1	256.7	1,211.2	1,055.6	160.2	201.7
France	191.2	186.3	0.3	0.3	0.1	
Poland	167.9	175.5	52.1	52.1	8.1	5.2
Other EU countries	817.2	841.1	86.2	86.0	9.9	8.1
EU total	3,071.3	3,105.0	6,501.8	6,460.2	613.5	587.5
Great Britain	329.0	401.9	25.2	36.1	5.6	14.6
Turkey	152.6	163.3	0.0		0.0	
Norway	117.4	112.6	0.3	0.4	0.2	0.3
Other Europe	53.4	64.7	0.2	0.0	0.3	
Total Europe	3,723.6	3,847.4	6,527.6	6,496.6	619.6	602.3
China	822.3	705.2	1.4	1.0	1.1	0.6
United States	651.3	614.7	1.3	1.7		0.3
Other Countries	635.6	579.9	0.1	0.0	0.1	0.0
Total	5,832.9	5,747.2	6,530.3	6,499.4	620.8	603.3

Non-current assets include all non-current assets with the exception of derivative financial instruments, deferred tax assets and assets related to defined benefit pension plans. Total investments include investments in owned and leased fixed assets and investments in business combinations.

Personnel at year end

	2025	2024
Finland	5,094	5,677
Sweden	1,308	1,328
Germany	783	872
Poland	562	610
Great Britain	330	340
Slovakia	289	290
Baltic countries	217	249
Other Europe	85	91
Europe total	8,668	9,456
Other countries	102	124
Total	8,770	9,581

Information about the most important customers

EUR 912.1 million of sales, or 16% of overall sales, (758.6 and 13) is from a single external customer. This share of sales belongs to the Pulp and Sawm Timber Industry and Paperboard Industry segments.

The operating result of the **Wood Supply and Forest Services** segment includes a capital gain of EUR 2.1 million from the sale of the wood supply business in Estonia and an impairment reversal of EUR 2.6 million related to the sale of the company's Russian subsidiaries.

Eliminations include EUR -1.5 million for the elimination of a capital gain from a property, and EUR -1.4 million for the elimination of the share of results from associated companies and joint ventures included in the operating result of the Paperboard Industry segment.

2.2 Sales

Accounting principles

Metsä Group's sales are primarily generated by the sale of forest industry products.

The bulk of the Group's sales comes from the sale of pulp to manufacturers of paperboard, tissue paper, printing paper and specialty paper, and folding boxboard and fresh fibre liner to brand owners, packaging converters and merchants, as well as from the sale of tissue and greaseproof papers to retailers. Sales also include the sale of sawn timber, engineered wood products, energy, biochemicals, and forest and nature management services.

Performance obligations arising from the Group's sales contracts are mainly order-driven customer deliveries related to the sale of forest industry goods. Services mostly have an ancillary role in the Group's business operations, or they complement deliveries of goods.

The transaction price is the amount that the Group expects to receive in exchange for a fulfilled performance obligation. This amount, less sales-based value added taxes and sales taxes, is presented as the Group's sales. The prices received by the Group are divided into a fixed part and a variable part. The variable part consists of various discounts based on, among other things, payment terms and purchased quantities, and is allocated by the Group as deductions from sales revenue in line with estimates of the extent of the discount the customer is deemed to be entitled to. The Group's sales contracts mostly include obligations solely related to deliveries of goods, to which the allocation of the transaction price is uncomplicated. The terms of payment applied in the Group's sales invoices vary to some extent geographically and in different business areas, but the payment time provided is nonetheless always clearly less than a year, when the financing component does not need to be separated.

The Group recognises revenue from the sale of goods at a single point in the period during which the control of the delivered products passes to the customer, i.e. when the risks and benefits related to the sold products are transferred to the customer. Services are recognised as income over time.

Control to products transfers at the point of time when the products have been delivered in accordance with the agreed term of delivery. The Incoterms 2010 delivery terms most commonly applied by the Group and the corresponding times of sales income recognition are:

D terms: Delivery of goods to the buyer at the agreed destination at the agreed time.

C terms: Handing over the goods to be transported to the agreed destination by a carrier arranged for by the seller.

F terms: Handing over the goods to a carrier arranged for by the buyer.

It is the management's view that groupings pursuant to operating segments' geographical distribution best describe the nature, amount and timing of sales income and its related uncertainty. The sales of operating segments and geographic areas pursuant to the location of customers is presented in Note 2.1, Segment information.

Sales by market areas

EUR million	2025	2024
EMEA		
Finland	990.2	1,001.6
Other EU contries	2,081.1	2,103.4
Other Europe	652.3	742.4
Middle East and Africa	232.6	204.8
EMEA total	3,956.3	4,052.2
APAC	1,127.3	975.0
Americas	749.3	720.0
Total	5,832.9	5,747.2

2.3 Other operating income

EUR million	2025	2024
Gains on disposal	18.8	63.0
Rental income	1.8	1.5
Service revenue	1.9	2.1
Government grants and allowances (Note 4.2)	117.5	135.8
Sale of scrap and waste	10.9	5.1
Other income	11.3	18.6
Total	162.2	226.3

Gains on disposal

EUR million	2025	2024
Shares of Metsa Forest Latvia SIA	1.7	
Shares of Russian subsidiaries	1.3	10.0
Wood supply business in Estonia		2.1
Property located in Widnes Great Britain		8.2
Emission rights (Note 4.1)	14.9	41.1
Other gains on disposal	0.9	1.6
Total	18.8	63.0

Government grants and allowances include a total of EUR 32.7 million (35.1) in energy support. In addition, government grants and allowances include insurance compensations totalling EUR 71 million (92.5) for the production losses and property damage caused by the Kemi bioproduct mill's gas explosion, and compensation of EUR 10.4 million received for the broken recovery boiler at the Kemi bioproduct mill.

Items affecting comparability included in other operating income are presented in Note 2.1 Segment information.

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2.4 Operating expenses

EUR million	2025	2024
Materials and services		
Materials, consumables and goods		
Purchases	-2,870.0	-3,067.6
Change in inventories	-105.5	167.3
External services		
Logistics expenses	-815.8	-848.8
Other external services	-495.6	-545.9
Materials and services, total	-4,286.9	-4,295.0
Employee costs	-765.0	-712.1
Depreciations and impairment charges	-613.7	-467.7
Other operating expenses		
Rents and other property costs	-45.9	-44.8
Purchased services	-276.3	-265.1
Losses on fixed asset disposals	-1.0	-5.4
Other operating expenses	-156.0	-149.6
Other operating expenses, total	-479.1	-465.0

Information about personnel expenses is presented in Note 3.1, and information about depreciation and impairment in Notes 4.1 and 4.2.

The change in inventories includes an impairment of EUR -5.8 million related to the closure of the Tako paperboard mill, and an impairment of EUR -3.4 million related to the improvement of Metsä Tissue's operational efficiency in Germany and Finland. In 2024, the change in inventories includes an impairment of EUR -1.0 million related to the winding down of sawing operations at the Merikarvia sawmill and an impairment of EUR -2.0 million related to the winding down of operations at the Suolahti plywood mills.

In 2024, loss on sale of non-current assets includes EUR -2.9 million in losses on the sale of Metsä Fibre's property, plant and equipment.

Other operating expenses include energy expenses, marketing and advertising expenses, and administrative expenses.

Other operating expenses include EUR -10.4 million in costs of the cost savings and profit improvement programme, EUR -2.4 million of expenses related to the closure of the Tako paperboard mill, EUR -1.1 million of expenses related to the improvement of Metsä Tissue's operational efficiency in Germany, and EUR -1.0 million of costs related to the discontinuation of Kumpuniemen Voima Oy's operations. In 2024, other operating expenses include repair expenses of EUR -11.8 million due to the gas explosion at the Kemi bioproduct mill and EUR -3.0 million of costs related to the winding down of the Suolahti plywood mills.

The Group's R&D costs recognised as expenses were EUR -38.0 million (-37.9). Further information about R&D costs is available in Note 4.1 Intangible assets.

Auditor's fees

The fees of the group's auditor KPMG

EUR million	2025	2024
Audit	-1.8	-1.7
Auditors' statements		
Assurance of sustainability reporting	-0.2	-0.3
Other assignments	-0.1	-0.1
Tax services	0.0	
Other services	-0.2	-0.3
Total	-2.3	-2.5

KPMG is the auditor of Metsä Group. KPMG Oy Ab's non-audit services for Metsä Group companies were EUR -0.2 million (-0.2).

3. Remuneration

3.1 Personnel expenses

Accounting principles

Short-term employee benefits

Liabilities related to wages and salaries, including annual holiday pay, which are expected to be fully paid within 12 months of the end of the period during which the work on which they are based is carried out, are recognised for the work completed by the end of the reporting period and measured at the amount expected to be paid while performing it. Liabilities are presented in the balance sheet as short-term obligations related to employee benefits.

The accounting principles of share-based payments are discussed in Note 3.3, those of other long-term remuneration in Note 3.4, and those of pension obligations in Note 3.5.

EUR million	2025	2024
Short-term employee benefits	-510.6	-472.2
Share-based payments	-1.0	-1.5
Other long-term remuneration	0.7	-0.6
Pension costs		
Defined benefit plans	-1.4	-0.9
Defined contribution plans	-79.6	-81.4
Other social security costs	-173.2	-155.4
Total	-765.0	-712.1

Personnel expenses include costs of EUR -33.7 million related to the cost savings and profit improvement programme, EUR -0.6 million of expenses related to the closure of the Tako paperboard mill, EUR -6.2 million of costs related to the improvement of Metsä Tissue's operational efficiency in Germany, and EUR -1.5 million of costs related to the discontinuation of the operations of the Suolahti plywood mills and Kumpuniemen Voima Oy. In 2024, personnel expenses include costs of EUR -1.0 million related to the winding down of sawing operations at the Merikarvia sawmill and costs of EUR -2.0 million related to the winding down of operations at the Suolahti plywood mills.

3.2 Key management's salaries, remuneration and pension expenses

The Group's key management consists of the members of the Supervisory Board, the parent company's Board of Directors and the Executive Management Team, including the President and CEO. The salaries and remuneration of key management are presented on an accrual basis.

Key management personnel remuneration

EUR Million	2025	2024
Short-term employee benefits	7.4	4.9
Share-based payments	0.4	0.4
Other long-term remuneration	-0.3	0.3
Pension costs		
Defined benefit plans	0.7	1.5
Defined contribution plans	1.3	0.9
Total	9.5	8.1

Remuneration of members of the Supervisory Board and pension benefits

EUR thousand	Fees		Pension benefits, defined contribution plans	
	2025	2024	2025	2024
Paajanen Juha, Chair	88	79	15	13
Laineenoja Jari, Deputy Chair since 1 May 2025	25		4	
Other members total	192	163		
Total	304	242	19	13
Former members				
Siponen Ahti, Deputy Chair until 30 April 2025	19	37	3	6
Total	322	278	22	19

Remuneration of members of Board of Directors and pension benefits

EUR thousand	Fees		Pension benefits, defined contribution plans	
	2025	2024	2025	2024
Linnaranta Jussi, Chair	177	168	28	30
Mäkimattila Mikko, Deputy Chair	98	91	16	16
Hatva Teuvo	93	83	15	13
Heikkilä Taavi	105	98	18	16
Pitkänen Eija	89	85	16	15
Lindqvist Päivi, since 1 January 2025	86		14	
Salonen Ilkka	105	101	17	16
Total	752	626	124	106
Former members of the Board of Directors				
Pärssinen Nina, until 31 December 2025	3	85	0	15
Vanhanen Jussi, until 30 April 2025	34	84	6	15
Parpala, Juha, until 31 December 2023		1		0
Total	789	796	130	135

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Salaries and remunerations of the President and CEO and other members of the Executive Management Team and pension benefits

EUR thousand	Jussi Vanhanen, President and CEO as of 1 July 2025	Ilkka Härmälä, President and CEO until 30 June 2025	2024	Other Executive Management Team ⁵⁾	2024
Salaries and remuneration ^{1) 2)}					
Base salary including fringe benefits	595	854	895	3,544	2,776
Salaries and remuneration paid by other Group companies	119	59	138		
Long-term incentives ³⁾		-95	113	210	645
Other paid compensation ⁴⁾		516		653	
Total	714	1,334	1,146	4,407	3,421
Pension Costs					
Defined benefit plans		112	499	590	1,010
Defined contribution plans	200	162	213	748	543
Total	200	273	712	1,338	1,553
Salaries and remuneration as well as pension costs in total	913	1,607	1,858	5,745	4,974

- 1) Includes salaries and fees starting from May 1, 2025, when Vanhanen began as CEO of Metsäliitto Cooperative. Vanhanen transitioned to President and CEO of Metsä Group on July 1, 2025. Fees for board memberships for the period 1 January - 31 December 2025. The Board fees of Metsä Board do not include the portion of transfer tax paid by the company.
- 2) Includes, for Härmälä, salaries and fees up to the termination of the service relationship on 23 October 2025. Fees for the board membership in Metsä Fibre until 31 December 2025 and fees for the Chair of the Board of Metsä Board until 30 June 2025. The Board fees of Metsä Board do not include the portion of transfer tax paid by the company.
- 3) Includes the cost effect for the accounting period from several different programmes. Further information can be found in note 3.3 Share-based payments and 3.4 Other long-term remuneration.
- 4) Includes a non-compete compensation related to Härmälä and a severance payment to one member of the management team.
- 5) The management team expanded by four members during 2025.

Based on a decision by the Board of Directors, the President and CEO may be paid a short-term reward based on defined financial criteria and strategic targets. The performance period for the reward is 12 months. In 2025 and 2024, the reward available in the short-term remuneration system to the President and CEO was 37.5% of the fixed annual salary at the target level and 93.75% of the fixed annual salary at the maximum level.

Based on a decision by the Board of Directors, members of Metsä Group's Executive Management Team may be paid a short-term reward based on defined financial criteria and strategic targets. The earnings period for the reward is 12 months. In 2025 and 2024, the reward available in the short-term remuneration system for members of Metsä Group's Executive Management Team was 30% of the fixed annual salary at the target level and 75% of the fixed annual salary at the maximum level.

In 2025, no short-term reward for 2024 was paid to the President and CEO or the Executive Management Team, as the threshold for the short-term reward system (Metsä Group's operating profit) was not reached. Similarly, no short-term reward for 2025 will be paid to the President and CEO or the Executive Management Team, as the threshold for the short-term reward system (Metsä Group's operating profit) was not reached.

Jussi Vanhanen was appointed CEO of Metsäliitto Cooperative on 1 May 2025, and President and CEO of Metsä Group on 1 July 2025. The term of notice for President and CEO Jussi Vanhanen is six months. If the contract of the President and CEO is terminated by the Board of Directors, the President and CEO is entitled to a severance pay corresponding to 12 months' salary. No severance pay is paid if the contract is terminated by the President and CEO. The terms of notice of other members of the Group's Executive Management Team is six months. Some members of the Executive Management Team are entitled to compensation corresponding to 6–12 months' salary in the event of severance for reasons not dependent on the member.

The President and CEO's retirement age is determined in accordance with the Employees Pensions Act. The President and CEO is covered by a supplementary defined-contribution pension plan, for which the retirement age is 63 years. The annual supplementary pension contribution is 20% of the President and CEO's total salary, including short-term rewards. If the President and CEO's employment at the Group ends before retirement, they are entitled to a paid-up policy.

Ilkka Härmälä, who was Metsä Group's President and CEO until 30 June 2025, was covered by a supplementary defined-benefit pension plan, and he reached the retirement age of 62 years defined in the supplementary pension plan in 2023. No further insurance contributions were therefore made to the supplementary pension plan. After the retirement age, the supplementary pension arrangement may incur index increase fees.

Metsä Group's Executive Management Team grew on 1 July 2025. Depending on the starting date of their contract, some members of Metsä Group's Executive Management Team have separate supplementary defined-contribution pension insurance with a retirement age of 62. The annual supplementary pension contribution is 20% of their total salary, including short-term rewards. If their employment relationship with Metsä Group ends before retirement age, the members of the Executive Management Team are entitled to a paid-up policy. At the end of 2025, two members of the Executive Management Team had supplementary defined-contribution pension arrangements.

At the end of 2025, one member of Metsäliitto Cooperative's executive management had a separate defined-benefit pension plan related to a previous position. If their employment relationship with Metsä Group ends before retirement age, the member of the Executive Management Team is entitled to a paid-up policy.

No loans have been granted to management, nor have any guarantees or other collateral been pledged on behalf of management.

3.3 Share-based payments

Accounting principles

Share ownership programmes in which the payments are made as equity instruments and cash have been established for the top executives of the Group's subsidiary Metsä Board. The Group's share ownership plans are treated in full as arrangements settled in shares. The incentives granted are measured at fair value on the granting date, and recognised as expenses in the income statement and equity evenly over the vesting period.

The effect of the arrangements on profit is presented under personnel expenses.

During the review period, the company had four active share-based incentive systems: the 2020–2024 retentive and performance-based share incentive systems, which the Board of Directors decided to adopt on 12 December 2019; and the 2023–2027 retentive and performance-based share incentive systems, which the Board of Directors decided to adopt on 15 December 2022 as part of the incentive and commitment system for key personnel. The impact of the share-based incentive systems on the result of the 2025 financial period was EUR -1.0 million (-1.5).

2020–2024 performance-based share incentive system and 2023–2027 performance-based share incentive system

The systems offer the target group the opportunity to be awarded Metsä Board Corporation's series B shares based on performance periods of three calendar years for achieving the targets set for the respective performance criteria. The performance periods are the calendar years 2020–2022, 2021–2023, 2022–2024, 2023–2025, 2024–2026 and

2025–2027. The allocated number of shares includes both a share component and a cash component. Likewise, the reward is paid partly in shares and partly in cash, and the aim is for the cash component to cover taxes and tax-like charges at the time of payment. The reward is not paid if the person's employment ends before the end of the performance period. The systems include a cap, and any portion exceeding it is permanently cut. The reward is paid in March following the performance period. The systems also include a two-year restriction period. If the employment relationship of a key employee ends during the restriction period, the key employee is required, as a rule, to return the transferred shares to the company without consideration.

Based on the achievement of the criteria for the 2021–2024 earnings period, 124,790 Metsä Board Corporation's series B shares were transferred, and a cash component to cover the taxes and tax-like charges incurred from the reward was paid at the time of the share transfer. During the financial period, 8,358 shares were returned to the company, which had previously been issued for the 2021–2023 and 2022–2024 earnings periods.

2020–2024 retentive share-based incentive system and 2023–2027 retentive share-based incentive system

The system offers key employees in the target group the opportunity to be awarded Metsä Board Corporation's series B shares, provided that the participant's employment relationship is in force and remains in force until the end of the restriction period. The system has restriction periods of 12 to 36 months. The allocated number of shares includes both a share component and a cash component. Likewise, the reward is paid partly in shares and partly in cash, and the aim is for the cash component to cover taxes and tax-like charges at the time of payment. As a rule, rewards are not paid if the participant's employment relationship ends during the restriction period.

The basic information and events of the share-based incentive schemes

2025	Share incentive schemes 2020–2024	Share incentive schemes 2023–2027
Basic information		
Shares allocated to the scheme, shares	891,195	1,985,685
Criteria	Equity ratio, ROCE, EBIT	Equity ratio, ROCE, EBIT
Number of key persons (31 Dec. 2025)	21	31
Factors used to determine fair value ¹⁾		
Share fair value at grant date, EUR		3.80
Fair value on balance sheet date, EUR million	1.8	0.1
Effect on result and financial position		
Expense in 2025 share-based payment, recognised as equity, EUR million	-1.0	0.0
Share-based payments settled in cash, unpaid part (estimate), EUR million		0.1
Number of shares ²⁾		
Outstanding at the beginning of the period 1 Jan. 2025	794,321	991,268
Shares granted		1,422,198
Shares forfeited	-14,919	-511,950
Shares exercised	-468,703	
Shares expired	-196,323	
Outstanding at the end of the period 31 Dec. 2025	114,376	1,901,516

- 1) The fair value of the share-based payment at the time of transfer was the market price of Metsä Board Corporation's series B share less the amount of dividend to be distributed before the payment of the reward in accordance with the consensus estimates, taking the other programme criteria such as any reward ceilings into account. The fair value of the share-based payment is recognised as an amount based on the best possible estimate of the amount of the reward to which a right is expected to be established.
- 2) The amounts of share-based rewards shown in the table are gross amounts – that is, they reflect the total number of shares transferred and the cash component paid based on share-based rewards. The remuneration is paid partly in shares and partly in cash. The cash contribution aims to cover taxes and tax-like charges at the time of payment of the fee.

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3.4 Other long-term remuneration

Accounting principles

Other long-term remuneration is treated in the Group in the same manner as the bonuses included in other long-term fringe benefits. Other long-term remuneration is measured at fair value on the balance sheet date and recognised as an expense in the income statement and as a liability on the balance sheet over the vesting period. The effect of the arrangements on profit is presented under personnel expenses.

Metsä Group's 2020–2024 long-term remuneration system is based on three-year performance periods (2020–2022, 2021–2023 and 2022–2024), and the 2023–2027 remuneration system on three-year performance periods (2023–2025, 2024–2026 and 2025–2027). Each performance period is followed by a restriction period of one year. The performance criteria, the targets set for them and the executives covered by the system are decided by the Board of Directors at the beginning of each performance period. The attainment of the targets established for an earnings period determines the proportion of the reward to be paid to the executives. The earnings criterion is Metsä Group's three-year average ROCE. Furthermore, minimum values have been set for the equity ratio and, until the 2024–2026 earnings period, for operating result. The Board is furthermore entitled to cut, partly or in full, the remuneration based on the scheme, provided that certain criteria related to the development of the Group's result and equity ratio are not met, or if the amount of remuneration would exceed the maximum remuneration specified for the executive concerned. In addition to meeting the performance criteria, rewarding is based on a synthetic share with a value that is calculated on the basis of the total value of Metsä Group. The reward limit of the President and CEO

is at the maximum level 250% of their fixed annual salary, while for other members of Metsä Group's Executive Management Team, it is 140% or 210% of their fixed annual salaries. In addition, a maximum level has been defined for remuneration. For the President and CEO, it is 325% of their fixed annual salary, and for other members of Metsä Group's Executive Management Team, 180% or 270% of their fixed annual salaries.

Any remuneration is paid in cash after the restriction period, and it includes all statutory taxes and any other tax-like charges. If an executive's service or employment contract terminates during the performance or restriction period, the executive forfeits, as a rule, their right to the remuneration.

In 2025, Metsäliitto Cooperative's Board of Directors decided on a new long-term performance-based incentive system for 2026–2030. The system is based on three-year earnings periods (2026–2028, 2027–2029 and 2028–2030).

Metsä Group's long-term remuneration scheme covers all the members of Metsä Group's Executive Management Team and other directors in key group positions (excluding Metsä Board's CEO). Metsä Board has its own share-based incentive system. The share-based incentive system is described in Note 3.3.

The impact of another long-term incentive scheme on the result for the 2025 financial period was EUR -0.7 million (-0.6).

Performance period	2021–2023	2022–2024	2023–2025
Number of allocated synthetic shares (goss)	1,078,073	1,043,049	845,031
Number of key persons (31 Dec. 2025)	67	71	76

Performance period	2024–2026	2025–2027
Number of allocated synthetic shares (goss)	1,034,793	1,572,490
Number of key persons (31 Dec. 2025)	79	85

3.5 Pension obligations

Accounting principles

The Group's arrangements concerning post-employment benefits are either defined contribution or defined benefit plans. A defined contribution plan is a pension arrangement in which fixed contributions are made to a separate unit, and the Group does not have legal or constructive obligations to make additional contributions if the fund has insufficient funds to pay all benefits to all employees in accordance with its future obligations.

All arrangements that do not meet these requirements are considered to be defined-benefit plans. A defined-benefit plan defines the pension benefit that the employee will receive on retiring, the amount of which depends on factors such as the employee's age, years of service and salary level.

With defined-benefit plans, the current value of the obligations on the end date of the reporting period, less the fair value of the assets included in the arrangement, is recognised on the balance sheet as a liability. The amount of the obligation arising from the plan is based on annual calculations by independent actuaries using the projected unit credit method. The current value of the obligation is determined using the interest rate equalling the interest rate of high-quality bonds issued by the companies as the discount rate for the estimated future cash flows. The bonds used in determining the interest rate have been issued in the same currency as the benefits to be paid, and their maturity is approximately the same as that of the corresponding pension obligation.

Actuarial gains and losses from experience verifications and changes in actuarial assumptions are recognised through items of other comprehensive income as a reimbursement or charge in equity for the period during which they have been incurred. Past service costs are recognised immediately through profit and loss.

Apart from contributions related to pension insurance, the Group does not have any other payment obligations in defined contribution plans. Obligation-based payments are allocated as expenses on an accrual basis.

Key estimates and judgements

The current value of pension obligations arising from defined-benefit plans and the obligation items recognised as expenses during the financial period are determined based on actuarial assumptions. These assumptions include the discount rate, the expected rise in salary levels, and life expectancy. The actuarial assumptions used may differ significantly from the actual results, due to changes in economic conditions or the employment relationships of the people covered by the arrangements. Significant differences between the assumptions and actual results may affect the amount of the pension liability and the items recognised as expenses.

Pension and other post-employment benefits

EUR million	2025	2024
Liabilities recognised in balance sheet		
Defined benefit pension plans	52.1	53.2
Defined contribution pension plans	3.8	1.6
Total	55.9	54.7
Overfunded defined benefit pension plans in other non-current assets (Note 5.3)	-6.4	-4.7

Defined-benefit pension plans

The Group's most significant defined-benefit pension plans are in Germany, the UK, Finland and Sweden.

The Group has several supplementary defined-benefit pension plans in Germany. The arrangements grant old-age pensions, disability pensions and family pensions exceeding the statutory pension security to eligible employees, officials, senior management and former owners of the local company. The retirement age is usually 65 years, and the amount of pension depends on the length of service. Employees and senior management are required to have a service history of 25 to 30 years to receive a full pension. Regarding employees, all service years after the age of 18 are taken into account. Some of the pension arrangements are closed. The defined-benefit plans in Germany are unfunded.

The defined-benefit plans in Great Britain guarantee a pension for participants of the plan, the amount of which is based on the length of service and the salary in the most recent working years. The arrangement is closed to new members. The pension plan in Great Britain is organised through an independent foundation separate from the Group.

In Finland, the Group's supplementary pension arrangements were changed as of 1 May 2025, when the defined-benefit supplementary pension plan for management was changed to a defined-contribution supplementary pension plan. One member of Metsäliitto Cooperative's executive management had a separate defined-benefit pension plan related to a previous position.

The defined-benefit pension plan in Sweden concerns white collars born in 1978 or earlier. The arrangement grant old-age pensions, family pensions and disability pensions. The amount of pension depends on the salary in which the future salary increases, length of service, promotions and other important factors like changes on the labour market are considered. The defined benefit plans in Sweden are unfunded. The obligation has a guarantee liability.

The Group also has defined-benefit plans in Belgium and Italy.

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Amounts recognised in balance sheet

Milj. euroa	2025	2024
Present value of funded obligations	119.7	130.8
Fair value of plan assets	-112.0	-120.1
Deficit (+) / surplus (-)	7.7	10.7
Present value of unfunded obligations	38.0	37.7
Net liabilities (+) / net assets (-) of defined benefit pension plans, total	45.7	48.5
Defined benefit-based pension liabilities on the balance sheet, net	52.1	53.2
Defined benefit-based pension assets on the balance sheet, net	-6.4	-4.7

Change in net defined benefit pension (asset) liability during 2025

EUR million	Present value of obligation	Fair value of plan assets	Total
1.1. 2025	168.6	-120.1	48.5
Current service cost	1.2		1.2
Administrative costs		0.3	0.3
Interest expense (+) or interest income (-)	6.6	-5.1	1.5
Past service cost	0.0		0.0
Income (-) and losses from settlement	0.4	-3.3	-2.9
Total amount recognised in profit and loss	8.3	-8.1	0.2
Remeasurements in other comprehensive income			
The return on plan assets, excl. amounts included in interest income or expense		4.6	4.6
Gains (-) and losses (+) from change in demographic assumptions	0.4		0.4
Gains (-) and losses (+) from change in financial assumptions	-8.5		-8.5
Experience gains (-) and losses (+)	2.0		2.0
Total remeasurements in other comprehensive income	-6.0	4.6	-1.4
Translation differences	-1.8	3.5	1.6
Contributions			
From employers		-0.6	-0.6
From plan participants	0.0	0.0	0.0
Payments from plans			
Benefit payments	-10.0	7.4	-2.6
Settlements	-1.4	1.3	0.0
31.12. 2025	157.7	-112.0	45.7

Change in defined benefit pension (asset) liability during 2024

EUR million	Present value of obligation	Fair value of plan assets	Total
1.1. 2024	177.3	-123.0	54.3
Current service cost	1.3		1.3
Administrative costs		0.3	0.3
Interest expense (+) or interest income (-)	6.6	-5.2	1.4
Income (-) and losses from settlement	-0.1		-0.1
Total amount recognised in profit and loss	7.8	-4.9	3.0
Remeasurements in other comprehensive income			
The return on plan assets, excl. amounts included in interest income or expense		1.1	1.1
Gains (-) and losses (+) from change in demographic assumptions	-0.3		-0.3
Gains (-) and losses (+) from change in financial assumptions	-2.7		-2.7
Experience gains (-) and losses (+)	3.3		3.3
Total remeasurements in other comprehensive income	0.3	1.1	1.4
Translation differences	1.9	-3.0	-1.1
Contributions			
From employers		-4.2	-4.2
From plan participants	0.0	0.0	0.0
Payments from plans			
Benefit payments	-10.7	8.2	-2.5
Settlements	-8.1	5.6	-2.5
31.12. 2024	168.6	-120.1	48.5

In 2024, the defined-benefit plan in Norway was converted into a defined-contribution plan, reducing the value of the Group's defined-benefit obligation by EUR 7.7 million and the value of assets by EUR 5.6 million.

Defined benefit pension obligation and plan assets by country in 2025

EUR million	Germany	Great Britain	Finland	Sweden	Other Countries	Total
Present value of obligation	22.0	54.6	54.5	22.7	3.8	157.7
Fair value of plan assets	-2.1	-61.0	-45.9		-2.9	-112.0
Total	19.9	-6.4	8.6	22.7	0.9	45.7

Defined benefit pension obligation and plan assets by country in 2024

EUR million	Germany	Great Britain	Finland	Sweden	Other Countries	Total
Present value of obligation	22.4	62.5	57.7	22.5	3.4	168.6
Fair value of plan assets	-2.4	-67.2	-47.8		-2.7	-120.1
Total	20.0	-4.7	9.9	22.5	0.7	48.5

Significant actuarial assumptions 2025

	Germany	Great Britain	Finland	Sweden	Other countries
Discount rate, %	3.5–4.0	5.4–5.6	3.3–3.9	3.8	3.2
Salary growth rate, %	2.0–3.0	0.0	2.5	2.5	4.0
Pension growth rate, %	2.0	2.8–3.0	2.2–2.3	1.7	2.0

Significant actuarial assumptions 2024

	Germany	Great Britain	Finland	Sweden	Other countries
Discount rate, %	3.1–3.5	5.2	2.7–3.5	3.5	3.0
Salary growth rate, %	2.2–3.0	0.0	2.0	2.6	3.1
Pension growth rate, %	2.0–2.2	3.1–3.3	2.1–2.3	1.8	2.1

Sensitivity of benefit obligation to changes in essential weighted assumptions

Change in assumption	Impact on benefit obligation, %			
	Increase 2025	Decrease 2025	Increase 2024	Decrease 2024
Discount rate, 0.5%-points	-3.9	4.2	-4.0	4.3
Salary growth rate, 0.5%-points	0.4	-0.4	0.4	-0.4
Pension growth rate, 0.5%-points	4.9	-4.6	4.8	-4.6
Life expectancy, 1 year	2.9	-2.9	2.9	-3.0

The sensitivity analyses described above are based on a situation in which all other assumptions remain unchanged when one assumption changes. The sensitivity of a defined-benefit obligation to changes in significant actuarial assumptions has been calculated using the same method as used in calculating the pension obligation entered in the balance sheet.

Plan assets

	2025 EUR million	%	2024 EUR million	%
Qualifying insurance policies	107.4	96	118.2	98
Cash and cash equivalents	4.3	4	1.7	1
Investment funds	0.2	0	0.3	0
Total	112.0	100	120.1	100

The most significant risks related to defined-benefit plans are described below.

Changes in the return on bonds

Liabilities arising from the arrangements have been calculated using a discount rate based on the return on high-quality bonds issued by the companies. A decline in the discount rate increases the arrangements' liabilities.

Inflation risk

The majority of the plans' benefit obligations are linked to inflation, and higher inflation leads to higher liabilities.

Life expectancy

The majority of the arrangement obligations is related to producing lifetime benefits for members, so the expected increase in life expectancy will increase the arrangement obligations.

In the 2026 financial period, the contributions made to post-employment defined-benefit plans is expected to be EUR -3.4 million.

The weighted average duration of defined-benefit obligations is 11.3 years (11.8).

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4. Capital employed

4.1 Intangible assets

Accounting principles

Goodwill

Goodwill arising from the merging of business operations is recognised as the amount by which the sum of the consideration paid, the non-controlling interests' share in the object of the acquisition and the previous holding exceed the fair value of the acquired net assets.

Goodwill is not depreciated. Instead, it is tested for impairment annually, and whenever there is an indication of a loss of value. For this purpose, goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition. Goodwill is recognised at original acquisition cost less accumulated impairment losses.

Other intangible assets

Intangible assets are initially recognised at their original acquisition cost on the balance sheet if the item meets the definition of an intangible asset, the acquisition cost can be reliably determined, and if it is probable that the expected financial benefit from the asset will accrue to the Group.

Intangible assets with limited useful lives are recognised as expenses over their known or estimated useful lives, using the straight-line depreciation method. Intangible assets for which a useful life cannot be determined, such as brands and trademarks acquired in business acquisitions, or that are not ready to be used yet are not subject to depreciation but are tested annually for impairment.

The useful life of assets is checked at least at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset. According to management's estimates, intangible assets have no residual value.

Research and development costs

Research costs are recognised as expenses at the time they are incurred. Development costs are capitalised and amortised over their useful lives if the research project is likely to generate financial benefits, and the costs can be reliably measured.

Computer software

Costs related to developing and building significant new computer software are recognised as intangible assets on the balance sheet and depreciated on a straight-line basis over the estimated useful life, which is not to exceed seven years. Maintenance and operating costs related to computer software are recorded as expenses in the reporting period during which they have been incurred.

Configuration and customisation costs in the deployment of cloud services are recognised as expenses if they do not result in intangible assets. If the services received by the Group are separable, the costs are recognised as expenses when the supplier modifies the application. If the services received by the Group are not separable, the costs are recognised as expenses when the supplier provides access to the application during the term of the agreement.

Patents, licences and trademarks

The acquisition cost of patents, licences and trademarks with finite useful lives is capitalised on the balance sheet under intangible assets and depreciated on a straight-line basis over a useful life of 5–20 years.

Emission allowances

The Group has received emission allowances in accordance with the European Union Emissions Trading System. Allowances are treated as intangible assets and are measured at the lower of the acquisition cost or fair value at the end of the financial period. The acquisition cost of emission allowances received without consideration is zero. Emission allowances are used simultaneously with the carbon dioxide emissions generated during their validity period. Earnings from emission allowances sold are recognised in other operating income. If the emission allowances received without consideration are not sufficient to cover the amount of the actual emissions, the Group purchases additional allowances from the market. The allowances purchased are recognised in intangible rights at the fair value on the acquisition date. The provision to fulfil the obligation to return the emission allowances is recognised at fair value on the closing date of the reporting period if the emission allowances received without consideration and purchased are not sufficient to cover the amount of the actual emissions.

Key estimates and judgements

Impairment testing determining fair value using valuation models requires the exercise of judgment in selecting the applicable method and the valuation inputs required by the chosen method.

Intangible assets 2025

EUR million	Goodwill	Other intangible assets	Construction in progress	Total
Acquisition cost, 1 Jan. 2025	613.1	491.8	160.2	1,265.1
Translation differences	6.3	0.2	0.0	6.5
Additions		9.1	47.9	57.0
Decrease		-22.8	-96.4	-119.2
Transfers between items		12.0	-3.3	8.7
Acquisition cost, 31 Dec. 2025	619.4	490.4	108.4	1,218.1
Accumulated depreciation and impairment charges 1 Jan. 2025	-197.5	-276.7		-474.2
Translation differences		-0.1		-0.1
Accumulated depreciation on deductions and transfers		24.8	96.4	121.2
Depreciations for the period		-13.3		-13.3
Impairments		-14.2	-96.4	-110.6
Accumulated depreciation and impairment charges 31 Dec. 2025	-197.5	-279.5	0.0	-477.0
Book value, 1 Jan. 2025	415.6	215.1	160.2	791.0
Book value, 31 Dec. 2025	421.9	210.9	108.4	741.2

Based on impairment testing, an impairment of EUR -96.4 million was recognised in the project to renew the enterprise resource planning (ERP) system. Further information about impairment recognised based on impairment testing is provided in Note 4.1 Intangible assets, impairment testing.

Impairments also include a write-down of EUR -14.1 million on Metsä Tissue's pre-engineering projects.

Intangible assets 2024

EUR million	Goodwill	Other intangible assets	Construction in progress	Total
Acquisition cost, 1 Jan. 2024	616.6	536.7	95.7	1,249.0
Translation differences	-3.5	0.1	0.0	-3.4
Additions		2.8	71.8	74.7
Decrease		-55.3		-55.3
Transfers between items		7.6	-7.4	0.2
Acquisition cost, 31 Dec. 2024	613.1	491.8	160.2	1,265.1
Accumulated depreciation and impairment charges 1 Jan. 2024	-197.5	-307.6		-505.0
Translation differences		-0.1		-0.1
Accumulated depreciation on deductions and transfers		55.8		55.8
Depreciations for the period		-16.9		-16.9
Impairments		-7.8		-7.8
Accumulated depreciation and impairment charges 31 Dec. 2024	-197.5	-276.7		-474.2
Book value, 1 Jan. 2024	419.1	229.1	95.7	743.9
Book value, 31 Dec. 2024	415.6	215.1	160.2	791.0

Impairment includes a write-down of EUR -7.6 million for the pre-engineering of the Kaskinen folding boxboard mill.

In 2025, the Group received 828 thousand tonnes (651) of emission allowances free of charge. In addition, the Group purchased 0 thousand tonnes (0) of emission allowances on the market and sold 203 thousand tonnes (630) of emission allowances to the market. On the balance sheet date, the Group had 771 thousand tonnes (591) of emission allowances. At the end of the year, the Group also had an estimated 270 thousand tonnes (245) of free allowances which had yet to be entered in the emissions trading register due to a delay in the allocation. Estimated emissions during the financial period totalled 344 thousand tonnes (459).

Capital gains from the sale of emission allowances recognised in other operating income totalled EUR 14.9 million (41.1), and the costs of emission allowances recognised in materials and services were EUR -0.0 million (-0.0). At the end of the financial periods 2025 and 2024, the balance sheet had no provisions related to emission allowances. At the end of the period, the market value of the emission allowances was EUR 85.12 per tonne (69.96), and the market value of emission allowances possessed, including the delayed allowances, was EUR 88.6 million (58.5).

Other intangible assets included EUR 140.7 million (140.7) in brands and trademarks, the useful life of which is estimated to be indefinite. This estimate is based on there being no anticipated limit to the period over which brands and trademarks generate a cash flow to the Group. The most significant of these is the pulp brand Metsä, allocated to the Pulp and Sawm Timber Industry, whose balance sheet value is EUR 134.8 million (134.8). In addition, Tissue and Greaseproof Papers include EUR 5.9 million (5.9) in brands and trademarks with an indefinite useful life.

Work in progress is mainly related to the renewal of the Group's ERP system.

Goodwill allocated to segments

EUR million	2025	2024
Pulp and Sawm Timber Industry	3.8	3.8
Paperboard Industry	12.2	12.2
Tissue and Greaseproof Papers	25.2	18.9
Other Operations	390.4	390.4
Eliminations	-9.7	-9.7
Total	421.9	415.6

Other operations include goodwill of EUR 389.8 million related to Metsä Fibre acquisition and EUR 0.6 million related to acquisition of Metsä Tissue.

Goodwill allocated in impairment testing

EUR million	2025	2024
Pulp and Sawm Timber Industry, total		
Pulp and Sawm Timber Industry	3.8	3.8
Other Operations	389.8	389.8
Eliminations	-3.8	-3.8
Pulp and Sawm Timber Industry, total	389.9	389.9
Paperboard Industry	12.2	12.2
Tissue and Greaseproof Papers, total		
Tissue and Greaseproof Papers	25.2	18.9
Other Operations	0.6	0.6
Eliminations	-5.9	-5.9
Tissue and Greaseproof Papers, total	19.8	13.5
Total	421.9	415.6

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Impairment of assets

Accounting principles

Impairment testing

Depreciation is not recognised for assets with indefinite useful lives. Instead, such assets are tested for impairment annually. Assets that are subject to depreciation are always tested for impairment when events or changes in conditions indicate that it is possible that the monetary amount corresponding to the book value of the assets might not be recoverable.

Cash-generating units are reporting segments or smaller units for which a utility value can be defined.

The recoverable amount is the higher of the fair value of an asset less costs of disposal, and its value in use. Value in use is the estimated future net cash flows, discounted to their present value, expected to be derived from the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of the asset is higher than its recoverable amount. If the impairment loss concerns a cash-generating unit, it is first allocated to decrease the goodwill of the cash-generating unit, and thereafter to decrease the other assets of the unit symmetrically. In connection with the recognition of the impairment loss, the useful life of the depreciated asset is re-evaluated. An impairment loss recognised for an asset other than goodwill is reversed if a change has taken place in the estimates used to determine the recoverable amount of the asset. However, the maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognised. An impairment loss recognised on goodwill is not reversed under any circumstances.

Metsä Group carries out impairment testing once a year, during the fourth quarter, based on the situation on 30 September, or more frequently if signs of a possible impairment are detected.

The group's impairment testing and key assumptions in the situation on 30 September 2025

Cash-generating unit	Goodwill (EUR million)	Brand (EUR million)	Discount rate after taxes 30 Sep. 2025	Discount rate after taxes 30 Sep. 2024	Long-term growth rate 30 Sep. 2025	Long-term growth rate 30 Sep. 2024
Pulp and Sawn Timber Industry	389.9	134.8	8.4	6.8	2.0	2.0
Paperboard Industry						
Folding boxboard	8.6		8.4	6.8	2.0	2.0
Liner	3.7		8.4	6.8	2.0	2.0
Market pulp			8.4	6.8	2.0	2.0
Tissue and Greaseproof Papers						
Tissue papers	15.0	5.9	8.4	6.8	2.0	2.0
Greaseproof papers	2.5		8.4	6.8	2.0	2.0

The renewal project for Metsä Group's enterprise resource planning (ERP) system has been suspended for the time being. In connection with the project, the Group recorded an impairment of EUR -96.4 million in the income statement based on impairment testing of intangible assets in progress. The continuation, scope and implementation of the project will be reassessed at a later date.

In 2024, the Group did not recognise impairment based on impairment testing.

The recoverable amounts of cash-generating units are based on calculations of value in use. The management's key estimates in the calculations concern the development of delivery volumes and sales prices, the development of costs related to key raw material costs and other costs, as well as the discount rate and the long-term growth rate. The recoverable amounts are based on five-year projections and the resulting, steadily growing cash flows. The initial value used for the key assumptions of cash flows after the forecast period is the value of the fifth year of the forecast period. The key testing assumptions are management estimates and forecasts obtained from external sources.

The discount rate used is the weighted average cost of capital (WACC). When calculating the WACC, the cost of debt takes the market-based view of the credit risk premium into account. The discount rate has risen since 2024 due to an increase in the return on equity requirement and a rise in general interest rates.

Impairment on intangible assets and property, plant and equipment is presented in Notes 4.1 and 4.2.

Sensitivity analysis

Calculations of value in use are highly sensitive to changes in discount rates, sales prices and delivery volumes. Sensitivity analysis has been used to calculate the amounts by which key assumptions would need to change for the recoverable amount of the unit to correspond to its book value in those cash-generating units where a possible change in a key assumption could lead to the recognition of impairment. Cash flow forecasts for the Pulp and Sawn Timber Industry and the Paperboard Industry have weakened from previous estimates due to the deteriorating market situation and outlook.

Changes in assumptions	Pulp and Sawn Timber Industry	Paperboard Industry		
		Folding boxboard	Liner-board	Market pulp
Book value	3,659.5	1,092.9	437.7	204.9
Excess over book value	369.3	442.4	179.4	37.1
Discount rate (percentage points)	0.6%	1.9%	1.7%	1.0%
Delivery volumes	-3.3%	-7.8%	-8.6%	-3.9%
Sales prices	-1.3%	-3.0%	-2.5%	-1.2%

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4.2 Property, plant and equipment

Accounting principles

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and impairment losses.

The acquisition cost includes costs that are directly incurred in the acquisition of an item of property, plant or equipment. External capital expenses resulting directly from the acquisition, construction or manufacture of an item of property, plant or equipment that meet the conditions are activated as part of the acquisition cost of property, plant and equipment.

If a piece of property, plant or equipment consists of several parts with differing useful lives, each part is handled as a separate item. In that case, the expenses related to replacing the part are capitalised, and any book value remaining at the time of replacement is derecognised on the balance sheet.

Spare parts, spare equipment and maintenance supplies are recognised in property, plant and equipment if their useful life is expected to exceed 12 months. Otherwise, such commodities are classified as inventories.

Significant investments in renovations and improvements are capitalised on the balance sheet and depreciated over the remaining useful life of the main commodity related to such investments. Repair and maintenance costs are recognised as expenses when they are realised.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life. Owned land and water areas are not subject to depreciations.

Estimated useful lives

Buildings and constructions	20–40 years
Machinery and equipment	
Heavy power plant machinery	20–40 years
Other heavy machinery	15–20 years
Lightweight machinery and equipment	5–15 years
Other tangible assets	3–10 years

The useful life of assets is checked at least at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset. According to management's estimates, property, plant and equipment have no residual value.

Gains and losses arising from the sale and decommissioning of items of property, plant and equipment are recognised in other operating income and expenses. Sales gains or losses

are calculated as the difference between the sales price and the remaining acquisition cost.

Government grants and allowances related to the acquisition of commodities are presented as acquisition cost adjustments on the balance sheet and recognised as income in the form of lower depreciation during the useful life of the asset. Other government grants and allowances are systematically recognised as income under other operating income for the period in which the corresponding cost was incurred.

Leases

The Group has leased various land areas, properties, equipment and vehicles. When the leased asset is available for the Group's use, the right-of-use item and the corresponding liability of the lease is recognised. The rent paid is divided into a decrease in liabilities and a financial expense. The financial expense is recognised through profit or loss over the lease term so that the interest rate of the remaining debt balance is the same during each period. The leased asset is depreciated on a straight-line basis over the asset's useful life or the lease term, depending on which is shorter.

Assets and liabilities arising from leases are initially measured at the present value. Lease liabilities include fixed payments, less any lease incentives receivable; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate. Right-of-use assets are measured at cost, which includes the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred; and any costs incurred by restoring the site on which it is located.

Some of the leases include options to extend or terminate, which are largely available only for the Group, not the lessor.

Payments related to short-term leases or leases where the value of the underlying asset is low are recognised as costs on a straight-line basis. A lease with a lease term of 12 months or less is considered a short-term lease. Assets of a low value include mainly ICT and office equipment.

Key estimates and judgements

Property, plant and equipment

Determining the useful life of property, plant and equipment requires the management's judgement. For example, allocating the value of a large mill investment across various asset groups has a significant impact on annual depreciation due to the differences in straight-line depreciation periods used for different assets. Impairment testing determining fair value using valuation models requires the exercise of judgement in selecting the applicable method and the valuation inputs required by the chosen method.

Leases

When determining the lease term, the management accounts for all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Options to extend the lease (or the time subsequent to an option to terminate) are accounted for in the lease term only if the extension of the lease (or the decision not to terminate the lease) is reasonably certain.

Possible future cash flows of EUR -56.5 million have not been included in the lease liability because the extension of the lease (or the decision not to terminate it) is not reasonably certain. The Group will conduct a reassessment on the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and affects the assessment.

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Tangible assets 2025

EUR million	Land and water areas		Buildings and constructions		Machinery and equipment	
	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan. 2025	55.0	16.0	2,294.1	77.6	8,115.3	114.8
Translation differences	0.2	0.0	13.7	-0.5	91.3	0.8
Additions	0.5	1.1	55.4	5.6	234.1	18.2
Decrease	-1.5	-3.0	-90.7	-10.2	-967.4	-11.9
Transfers between items	0.1		159.3		117.3	
Acquisition cost, 31 Dec. 2025	54.3	14.1	2,431.8	72.6	7,590.6	121.8
Accumulated depreciation and impairment charges 1 Jan. 2025	-0.8	-4.3	-950.7	-43.6	-4,773.0	-46.2
Translation differences	0.0	0.0	-4.6	0.3	-48.2	-0.3
Accumulated depreciation on deductions and transfers	0.0	2.7	84.2	9.7	971.9	11.1
Depreciations for the period		-1.3	-78.4	-12.0	-319.4	-19.6
Impairments	0.2	-0.1	-0.8	-0.1	-52.1	
Accumulated depreciation and impairment charges 31 Dec. 2025	-0.6	-2.9	-950.4	-45.7	-4,220.7	-55.0
Book value, 1 Jan. 2025	54.2	11.8	1,343.4	34.1	3,342.4	68.6
Book value, 31 Dec. 2025	53.7	11.2	1,481.4	26.9	3,369.8	66.8

EUR million	Other tangible assets	Construction in progress	Total	Total	Total
	Owned	Owned	Owned	Leased	Total
Acquisition cost, 1 Jan.	155.0	520.1	11 139.5	208.5	11 348.0
Translation differences	1.0	9.6	115.8	0.3	116.0
Additions	15.4	228.0	533.4	24.9	558.3
Decrease	-6.1		-1 065.7	-25.1	-1 090.8
Transfers between items	10.1	-295.6	-8.8		-8.8
Acquisition cost, 31 Dec.	175.4	462.1	10 714.2	208.5	10 922.8
Accumulated depreciation and impairment charges 1 Jan.	-79.5		-5 804.0	-94.0	-5 898.0
Translation differences	-0.4		-53.2	0.0	-53.2
Accumulated depreciation on deductions and transfers	6.0		1 062.1	23.4	1 085.5
Depreciations for the period	-6.0		-403.9	-32.8	-436.7
Impairments	-0.2		-53.0	-0.2	-53.1
Accumulated depreciation and impairment charges 31 Dec.	-80.2		-5 251.9	-103.6	-5 355.5
Book value, 1 Jan.	75.4	520.1	5 335.6	114.4	5 450.0
Book value, 31 Dec.	95.3	462.1	5 462.3	105.0	5 567.3

Additions are mainly related to the renewal of the Simpele board mill, the renewal and expansion of the Mariestad mill, and the construction of the Äänekoski Kerto LVL mill.

Depreciations, amortisations and impairments include an impairment of EUR -22.2 million of the assets damaged in the gas explosion at the

Kemi bioproduct mill, an impairment of EUR -7.2 million related to the closure of the Tako paperboard mill, an impairment of EUR -3.0 million related to the efficiency improvements of Metsä Tissue's operations in Germany and Finland, and an impairment of EUR -3.0 million related to the discontinuation of Kumpuniemen Voima Oy's operations.

Tangible assets 2024

EUR million	Land and water areas		Buildings and constructions		Machinery and equipment	
	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan. 2024	57.2	12.2	2,280.0	73.6	8,009.4	105.0
Translation differences	0.0	0.0	-5.6	0.8	-54.8	-0.2
Additions	0.8	4.1	27.3	8.1	120.1	24.0
Acquisitions					0.6	0.1
Decrease	-3.0	-0.3	-29.2	-4.8	-61.5	-14.2
Transfers between items	0.1		21.6		101.5	
Acquisition cost, 31 Dec. 2024	55.0	16.0	2,294.1	77.6	8,115.3	114.8
Accumulated depreciation and impairment charges 1 Jan. 2024	-0.7	-2.9	-902.8	-34.5	-4,533.2	-41.0
Translation differences	0.0	0.0	2.9	-0.4	33.7	0.1
Accumulated depreciation on deductions and transfers	0.1	0.3	25.6	4.3	54.0	12.8
Depreciations for the period		-1.7	-76.0	-13.0	-314.5	-18.1
Impairments	-0.2		-0.3		-12.9	
Accumulated depreciation and impairment charges 31 Dec. 2024	-0.8	-4.3	-950.7	-43.6	-4,773.0	-46.2
Book value, 1 Jan. 2024	56.5	9.3	1,377.2	39.1	3,476.2	63.9
Book value, 31 Dec. 2024	54.2	11.8	1,343.4	34.1	3,342.4	68.6

EUR million	Other tangible assets	Construction in progress	Total	Total	Total
	Owned	Owned	Owned	Leased	Total
Acquisition cost, 1 Jan. 2024	152.6	312.5	10,811.7	190.8	11,002.4
Translation differences	-0.4	-4.0	-64.8	0.6	-64.1
Additions	4.7	338.4	491.3	36.3	527.6
Acquisitions			0.6	0.1	0.7
Decrease	-3.2	-2.2	-99.0	-19.4	-118.4
Transfers between items	1.2	-124.5	-0.2		-0.2
Acquisition cost, 31 Dec. 2024	155.0	520.1	11,139.5	208.5	11,348.0
Accumulated depreciation and impairment charges 1 Jan. 2024	-77.4		-5,514.1	-78.4	-5,592.4
Translation differences	0.2		36.7	-0.4	36.4
Accumulated depreciation on deductions and transfers	3.9		83.6	17.4	101.0
Depreciations for the period	-5.6		-396.1	-32.7	-428.9
Impairments	-0.7		-14.1		-14.1
Accumulated depreciation and impairment charges 31 Dec. 2024	-79.5		-5,804.0	-94.0	-5,898.0
Book value, 1 Jan. 2024	75.3	312.5	5,297.6	112.4	5,410.0
Book value, 31 Dec. 2024	75.4	520.1	5,335.6	114.4	5,450.0

Additions are mainly related to the renewal of the Simpele board mill, the renewal of the Husum port concept, the renewal and expansion of tissue paper production at the Mariestad mill, and the construction of the Äänekoski Kerto LVL mill.

Impairment includes an impairment of EUR -3.3 million for the closure of the Merikarvia sawmill, an impairment of EUR -2.1 million related to the Future Tissue Paper Mill programme and an impairment of EUR -13.9 million for the closure of the Suolahti plywood mills. Impairment also includes EUR 5.2 million in impairment reversals related to the sale of the Group's Russian subsidiaries.

Capitalised borrowing costs

In 2025, a total of EUR 12.6 million (8.0) in borrowing costs was capitalised. Capitalised borrowing costs were related to the renewal and expansion of tissue paper production at the Mariestad mill and the construction of the

Äänekoski Kerto LVL mill. The average interest rate applied to capitalisation was 3.07% (3.44).

Leases

EUR million	2025	2024
Costs related to short-term leases	-6.4	-7.1
Costs of leases in which the underlying asset is of low value	-18.8	-17.5
Interest expenses	-4.3	-4.4
Cash outflow for leases	-38.3	-37.8

Disclosures on lease liabilities are presented in Note 5.5 Financial liabilities and interest-bearing net liabilities and 5.6 Management of financial risks and disclosures on lease obligations in Note 8.1 Commitments and contingencies.

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4.3 Biological assets

Accounting principles

Metsä Group's biological assets (growing trees) are measured at fair value less the estimated expenses from a sale. The fair value of a stand of trees is based on the current value of expected cash flows (income and expenses), and changes in fair value are recognised in the operating result. Young trees are measured at acquisition cost. The fair value of biological assets is categorised at Level 3. The levels of the fair value hierarchy are depicted in Note 5.7.

EUR million	2025	2024
At 1 Jan.	3.1	2.7
Harvested during the period	-0.1	0.0
Gains / losses arising from changes in fair value	0.2	0.4
At 31. Dec.	3.2	3.1

4.4 Other investments

Accounting principles

Other investments consist of unlisted equity investments. The most significant of these is the Group's holding in Pohjolan Voima. This investment is unlisted and strategic in nature, serving the Group's long-term energy sourcing needs. The Group classifies the shares in Pohjolan Voima Oyj as financial assets recognised at fair value in other comprehensive income. The changes in the fair value of these financial assets are presented in the fair value reserve, taking into account the tax impact. When the investment is divested, the changes in fair value accumulated in equity will be transferred from the fair value reserve to retained earnings. The Group classifies other equity financial assets as financial assets recognised at fair value through profit and loss.

The fair values of unlisted shares are determined using various valuation models such as the price levels or recent transactions and valuation methods based on the current value of discounted cash flows. As far as possible, the valuation methods are founded on market-based valuation factors. The fair value of unlisted assets is categorised at Level 3. The levels of the fair value hierarchy are depicted in Note 5.7.

Key estimates and judgements

Fair value measurement

Management has exercised judgement in determining that other investments are to be treated as financial assets recognised at fair value through other comprehensive income. The most significant of these investments is the Group's investment in the shares of Pohjolan Voima Oyj. The application of valuation models to measuring fair value requires judgement concerning the selection of the method to be applied, as well as valuation factors required by the chosen method that are based on the price and interest levels prevailing in the market on the end date of each reporting period.

The value of these shares is measured as the current value of discounted cash flows. Key factors affecting cash flows include the price of electricity, inflation expectations and the discount rate. The energy prices for the first eight years are rolling 12-month averages of electricity futures prices. The prices for subsequent years are based on a long-term market price forecast.

The carrying amount of the Group's shares in Pohjolan Voima was EUR 194.0 million (232.5) on the balance sheet on 31 December 2025. The carrying amount of these shares is expected to change by EUR -7.2 million (-9.3), and EUR 7.5 million (9.8) if the rate used for discounting the cash flows changes by 0.5% points from the rate estimated by management. The carrying amount of the shares is estimated to change by EUR 56.3 million (64.7) should the energy prices applied in the fair value calculation differ by 10% from the rate estimated by management.

EUR million	2025	2024
Pohjolan Voima Oyj	194.0	232.5
Other non-quoted shares	4.1	4.8
Total	198.1	237.3

The most significant item in other investments is the 3.3% stake in Pohjolan Voima Oyj, which produces electricity and heat for its shareholders in Finland and engages in trade with them. The price of electricity and heat is based on production costs, and the price paid is usually below the market price.

Through the B shares of Pohjolan Voima, the Group is entitled to a share of approximately 5.2% of the energy generated by the Olkiluoto 1 and Olkiluoto 2 nuclear power plants and, through the B2 shares of Pohjolan Voima, to a share of 2.0% of the energy generated by the Olkiluoto 3 nuclear power plant.

The holding of Pohjolan Voima Oyj shares is recognised quarterly at fair value for each series of shares using the discounted cash flow method. The weighted average cost of capital applied in the calculation was 6.48% (5.51). The acquisition cost of the Pohjolan Voima Oyj shares is EUR 33.4 million (33.4), and their fair value is EUR 194.0 million (232.5). The fair value of nuclear power shares totalled EUR 186.6 million (222.3), and that of hydroelectric power shares (series A) EUR 7.3 million (10.2).

The shareholder agreement of Pohjolan Voima prevents the free selling of shares to non-shareholders.

4.5 Inventories

Accounting principles

Inventories are measured at the lower of acquisition cost or net realisable value. In measuring inventories, the FIFO principle is observed or, alternatively, the weighted average price method, depending on the nature of the inventories. The acquisition cost of finished products acquired comprises all purchase costs, including direct transport, handling and other expenses. The acquisition cost of finished and semi-finished products of own manufacture includes raw materials, direct production costs, and the systematically allocated portion of variable manufacturing overheads and fixed overheads at the normal level of operation. The cost of debt is not included in the acquisition cost.

Net realisable value is the estimated sales price in ordinary business operations less the estimated cost of production and the necessary sales costs.

Key estimates and judgements

The Group regularly reviews its inventories for situations where the inventories contain downgraded items or their market value falls below the acquisition cost. When necessary, the Group reduces the book value of the inventories accordingly. This review requires the management's estimates of the sales prices of products, the cost of completion and the costs necessary to make the sale. Any changes in these estimates might lead to an adjustment in the book value of the inventories in future periods.

Milj. euroa	2025	2024
Aineet ja tarvikkeet	666.0	792.0
Keskeneräiset tuotteet	31.9	29.8
Valmiit tuotteet	530.6	643.1
Ennakkomaksut	31.6	48.7
Yhteensä	1,260.1	1,513.6

In 2025, EUR -47,4 million (-6.3) was recognised as a cost when the carrying amount of inventories was reduced to match their net realisation value. Of the costs, EUR -5.8 million is related to the closure of the Tako paperboard mill, and EUR -3.4 million to the improvement of Metsä Tissue's operations in Germany and Finland. Of the costs of 2024, EUR -1.0 million is related to the winding down of the Merikarvia sawmill, and EUR -2.0 million to the winding down of sawing operations at the Suolahti plywood mills. In the income statement, the expenses are entered under materials and services.

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4.6 Trade receivables and other receivables

Accounting principles

Non-UCITS funds are measured at fair value, and income and losses from changes in fair value are recognised in financial items in the income statement. Trade and other receivables are initially measured at fair value and later at amortised cost, taking impairment into account.

Expected credit losses on trade receivables are calculated using a provision matrix. The expected credit loss expense is recognised by applying expected credit loss percentages based on five-year historic losses – net of credit insurance – on trade receivables from external debtors outstanding at the end of the period. The expected credit loss percentages are business-area-specific and vary between 0.0–0.0 (2024:0.0-0.1). A credit loss is recognised when a customer enters legal bankruptcy or becomes past due for more than 180 days without a valid payment plan or other valid reasons.

EUR million	2025	2024
Special investment funds		
At 1. Jan.	4.1	4.0
Change in fair value	0.1	0.1
At 31. Dec.	4.2	4.1
Accounts receivable from associated companies and joint ventures	1.5	1.8
Accounts receivable from others		
Accounts receivables	616.0	653.5
Loss allowance	-0.4	-0.6
Accounts receivable from others, total	615.7	652.9
Loan receivables	2.4	2.6
VAT receivables	95.9	89.6
Other receivables	2.6	9.7
Prepayments and accrued income	20.9	27.8
Accounts receivables and other receivables, total	743.1	788.5

Loss allowances of accounts receivable

EUR million	2025	2024
At 1 Jan.	-0.6	-0.9
Increase	-0.2	-0.1
Decrease	0.4	0.4
At 31 Dec.	-0.4	-0.6

The credit losses recorded in the income statement were EUR 0.2 million (0.1).

Age distribution of accounts receivable

EUR million	2025	2024
Not overdue	536.8	580.0
Overdue		
Less than 30 days	62.3	55.7
Between 31 and 60 days	12.2	10.5
Between 61 and 90 days	3.6	3.7
Between 91 and 180 days	-0.8	0.7
More than 180 days	1.6	2.3
Total	615.7	652.9

4.7 Other non-current liabilities

EUR million	2025	2024
Advance payments received	3.3	6.1
Accounts payables	2.7	2.3
Accruals and deferred income	0.3	0.5
Total	6.3	8.9

4.8 Trade payables and other liabilities

Accounting principles

Supplier Finance Arrangements

Metsä Group has a Supplier Finance Arrangement (SFA) with a few key suppliers related to the procurement of pulp and wood raw material. Under the SFA, the supplier sells their receivable to the bank providing the SFA, and Metsä Group settles the trade payable later. SFAs partly replace the earlier advance payment arrangements, and their aim is not to cause a significant deviation from Metsä Group's normal payment terms.

EUR million	2025	2024
Advance payments received	5.4	10.1
Accounts payable	519.7	556.8
Accounts payable, Supply Chain Finance schemes	469.7	399.4
Other liabilities	72.3	57.9
Accruals and deferred income		
Customer discounts	57.8	61.9
Purchase-related items	209.8	206.5
Employee costs	105.3	122.7
Other accrued expenses	150.6	156.3
Total	1,590.6	1,571.5

EUR million	2025	2024
Supplier finance arrangements, carrying amount of trade payables		
Purchase of pulp	63.5	84.1
Purchase of wood raw material	406.2	315.3
Total	469.7	399.4
Of which suppliers have received payment	469.7	399.4
Payment period, days from the invoice date		
Liabilities that are part of the arrangement		
Purchase of pulp	63	63
Purchase of wood raw material	93	93
Comparable trade payables that are not part of the arrangement		
Purchase of pulp	30	30
Purchase of wood raw material	30	30

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4.9 Provisions

Accounting principles

A provision is recognised when, as a result of an earlier event, the Group has a legal or actual obligation, the realisation of a payment obligation is likely, and the amount of the obligation can be reliably estimated. Any reimbursement from a third party is presented as an asset separate from the provision if it is practically certain that reimbursement will be received.

Restructuring

A restructuring provision is recorded when the Group has incurred a legal or constructive obligation to make a payment. Termination payments are recorded when a detailed plan has been made for the restructuring and the Group has raised valid expectations in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. If the Group makes an offer to employees concerning voluntary resignation against the benefits determined in the offer, the liability arising from this is recorded when the Group can no longer withdraw its offer. The obligation arising from such an offer is based on the number of employees that the Group expects to accept the offer. Benefits falling due in twelve months' time or later are measured at their current value.

Environmental obligations

An environmental obligation is recognised if, based on the current interpretation of environmental legislation, it is likely that an obligation has arisen, the payment obligation is likely to be realised, and its amount can be reliably estimated. The obligation is recorded at the current value of estimated future expenses. A sum corresponding to the obligation is also recognised in property, plant and equipment.

Other provisions

Other provisions include mainly warranty provisions, liabilities resulting from disputes and employment affairs as well as other contractual obligations.

Key estimates and judgements

Determining the criteria for the recognition of provisions involves the management's judgement. The amounts recognised as provisions are based on the management's best assessment of the expenses required to handle the obligation. As the timing and amount of these expenses are not fully certain, the actual expenses may differ significantly from the original estimate. The book value of provisions is regularly reviewed and adjusted as required, taking into account changes in cost assessments, regulation, technology and conditions.

EUR million	Re-structuring	Environ-mental obligations	Other provision	Total
1 Jan. 2025	5.1	9.3	2.3	16.7
Translation differences		0.0	0.0	0.0
Increases	14.1	0.0	3.8	17.9
Utilised during the year	-8.0	0.0	-0.9	-9.0
Unused amounts reversed	-2.2	-1.0	-0.4	-3.7
31 Dec. 2025	9.0	8.3	4.7	22.0
Non-current	7.5	8.3	2.1	17.9
Current	1.6		2.6	4.1
Total	9.0	8.3	4.7	22.0

Of the increases in restructuring provisions, EUR 1.5 million is related to the closure of the Tako board mill, EUR 9.6 million to the efficiency improvements of Metsä Tissue's operations in Germany, EUR 1.2 million to the discontinuation of operations at the Suolahti plywood mills, and EUR 1.3 million to the discontinuation of Kumpuniemen Voima Oy's operations. Of the additions to other provisions, EUR 2.5 million is related to energy tax-related items in Sweden.

EUR million	Re-structuring	Environ-mental obligations	Other provisions	Total
1 Jan. 2024	1.2	9.6	3.5	14.3
Translation differences		0.0	0.0	0.0
Increases	5.0	0.0	0.5	5.5
Utilised during the year	-1.1	-0.3	-0.7	-2.2
Unused amounts reversed		0.0	-0.9	-0.9
31 Dec. 2024	5.1	9.3	2.3	16.7
Non-current	5.1	9.3	1.9	16.3
Current			0.4	0.4
Total	5.1	9.3	2.3	16.7

The increases in restructuring provisions are related to the closure of the Suolahti plywood mills.

The Group companies have environmental responsibilities related to former industrial activities on sites that have since been closed, sold or leased, and to decommissioned landfill sites. Provisions for the costs of land rehabilitation work have been made in cases where it has been possible to measure the Group's liability for land contamination and any post-treatment obligations.

The environmental provisions and other provisions are expected to be released for the most part by 2030.

5. Capital structure and financial risks

5.1 Equity

Accounting principles

Members' capital consists of participation shares and additional shares.

Under IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments, shares for which the co-operative does not have an unconditional right to refuse redemption in accordance with the cooperative's rules are classified as financial liabilities. The rules of

Metsäliitto Cooperative specify the maximum amount of members' capital that may be redeemed annually. One third of the distributable surplus shown on the most recently adopted balance sheet may be used for refunds of participation and additional shares. This share of members' capital is recognised as a financial liability in the financial statements. The part regarded as a financial liability of the interest paid on members' capital has been recognised in financial expenses in the income statement.

Changes in members' capital 2025

EUR million	Participation shares	Metsä1 additional shares	A additional shares	B additional shares	Total
Members' capital at 1 Jan.	237.2	993.0	251.0	71.1	1,552.3
Paid-in members' capital	3.6	72.1	0.0		75.7
Entry of interest on shares	1.6	40.3			42.0
Surplus reimbursement as Metsä1 additional shares		14.1			14.1
Fund increase related to an equity bonus		5.2	0.0		5.2
Conversion from A additional shares		40.1	-40.1		0.0
Refund of share payments	-6.1	-39.4	-17.6	-20.4	-83.5
Accelerated refund of participation shares	6.1				6.1
Transfers to current interest-bearing liabilities	5.0	4.0	14.8	4.8	28.7
Members' capital at 31 Dec.	247.3	1,129.4	208.2	55.5	1,640.4

Changes in members' capital 2024

EUR million	Participation shares	Metsä1 additional shares	A additional shares	B additional shares	Total
Members' capital at 1 Jan.	227.6	828.0	318.1	79.2	1,452.9
Paid-in members' capital	4.8	89.0			93.8
Entry of interest on shares	2.0	44.2			46.2
Surplus reimbursement as Metsä1 additional shares		13.7			13.7
Fund increase related to an equity bonus		5.4	0.0		5.4
Conversion from A additional shares		67.3	-67.3		0.0
Refund of share payments	-4.2	-37.6	-20.2	-11.4	-73.5
Accelerated refund of participation shares	4.2				4.2
Transfers to current interest-bearing liabilities	2.8	-17.0	20.5	3.3	9.6
Members' capital at 31 Dec.	237.2	993.0	251.0	71.1	1,552.3

Transfers to current interest-bearing liabilities

EUR million	Participation shares	Metsä1 additional shares	A additional shares	B additional shares	Total
31.12. 2025	44.2	201.9	37.2	9.9	293.3
Change	5.0	4.0	14.8	4.8	28.7
31.12. 2024	49.2	205.9	52.1	14.7	321.9
Change	2.8	-17.0	20.5	3.3	9.6
31.12. 2023	51.9	189.0	72.6	18.1	331.6

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Members' capital

The par value of a participation share is EUR 1.00. The subscription price of a participation share is equivalent to its par value unless otherwise decided by the Representative Council or the Board of Directors, authorised by the Representative Council. A member's obligation to acquire participation shares is determined as specified in the rules of the Cooperative based on the surface area and location of their forestland. No member is obligated to acquire more than 30,000 participation shares.

According to the by-laws of Metsäliitto, a member of Metsäliitto whose participation shares have been paid for in full is entitled to subscribe for additional shares as per the conditions defined in the by-laws and specified by Metsäliitto's Board of Directors. According to the by-laws of Metsäliitto, there are four types of additional shares: A additional shares, B additional shares, Metsä1 additional shares, and Metsä2 additional shares. The par value of an additional share is EUR 1.00 (one euro). There are a minimum of one and a maximum of 1,500 million A additional shares. There are minimum of one and a maximum of 300 million B additional shares. There is no limit on the maximum number of Metsä1 additional shares and Metsä2 additional shares.

Until 31 December 2021, the quantity of A additional shares that a member has been able to subscribe for has been equal to the net amount of the wood trade income they have received from Metsäliitto Cooperative or equal to the amount of the interest on the member's participation shares or additional shares distributed by Metsäliitto Cooperative.

Until 31 December 2021, a member has been able to subscribe for the number of B additional shares they want. However, the maximum number of paid B additional shares that a member is able to have at any one time is 1.5 million.

As of 1 January 2022, the quantity of Metsä1 additional shares that a member can subscribe for is equal to the net amount of the wood trade income they receive from Metsäliitto or equal to the amount of the interest on the member's participation shares or additional shares distributed by Metsäliitto.

Metsä1 additional shares will automatically convert to Metsä2 additional shares 10 years as of the end of the calendar year during which a Metsä1 additional share to be converted was subscribed for, or if it was transferred without consideration, received, unless their validity has been extended with a wood trade as specified in the Cooperative's rules.

Upon application, an A additional share can be converted into a Metsä1 additional share so that the applicant is given several Metsä1 additional shares equal to the number of the A additional shares subject to the conversion in exchange for the A additional shares.

Based on a decision of the Board of Directors, Metsäliitto is entitled to redeem all Metsä1 and/or Metsä2 additional shares or part of them. In the event of a possible redemption, the redemption price of an additional share is the share's par value, i.e. EUR 1.00 (one euro).

The amount paid for A additional shares, as well as for Metsä1 and Metsä2 additional shares, is returned to a member six (6) months, and the amount paid for B additional shares, eighteen (18) months, from the end of the financial period during which the membership ended or the Cooperative received the member's request in writing to reduce the number of additional shares, nevertheless accounting for what is specified in the Cooperative's by-laws with regard to the maximum amount of returns. At its discretion, Metsäliitto's Board of Directors is entitled to

delay the return of the amounts or par value paid for Metsä1 and Metsä2 additional shares during the Cooperative's operations, provided that the Board of Directors, based on an extensive review, considers the payment of the return to jeopardise the Cooperative's solvency or its retention at an adequate level.

By investing income from wood trade received from Metsäliitto Cooperative in Metsä1 additional shares, a member can earn equity bonuses so that each additional share subscribed for includes one equity bonus. An equity bonus means the right to subscribe for one new additional share for the wood trade receivable to be settled during the period of use equal to the two calendar years following the calendar year of the additional share subscription. The subscriber of the share themselves pays at least 75% of the subscription price of the new additional share, or a portion larger than this confirmed by the Board of Directors. The remaining portion of the subscription price of the additional share is paid to the member in the form of a fund increase by Metsäliitto Cooperative. According to the authorisation that the Cooperative's Representative Council approved on 22 November 2011 and amended on 28 April 2021, a maximum of EUR 100 million of the Cooperative's surplus may be transferred to the additional cooperative capital through a capital increase based on additional share subscriptions made with equity bonuses.

As of 1 January 2022, Metsäliitto has not issued new A and B additional shares, excluding A additional shares which a member has chosen to subscribe for with equity bonuses earned prior to 2022 during their period of use.

Use of surplus and distribution of other funds

Surplus may be distributed to the members. Interest or other returns on Metsäliitto Cooperative's surplus may be distributed to the members. Funds may also be distributed to the members in other ways in accordance with Chapter 16, section 1 of the Cooperatives Act. The distribution of funds and the grounds for such distribution is decided on by the Cooperative's Representative Council. Based on a decision of the Representative Council, funds may also be distributed as additional shares of Metsäliitto Cooperative.

If surplus is returned to a member because of how the member has used Metsäliitto Cooperative's services during their membership, the distribution is divided in proportion to the volume of industrial roundwood Metsäliitto Cooperative has received from its members during a minimum of two (2) and a maximum of six (6) of the most recently ended financial periods.

Interest on members' capital and reimbursement of surplus

After the balance sheet date, the Board of Directors proposed that EUR 72.9 million (77.4) be distributed as interest on members' capital, and EUR 15.3 million (16.0) as a reimbursement of surplus, determined based on the volume of industrial roundwood received in the last four full financial periods. The reimbursement of surplus will be primarily paid as Metsä1 additional shares, but in cash for the part corresponding to the tax withheld for each member. In 2025, EUR -11.7 million (-14.7) of the interest on members' capital was treated as financial expenses.

Interest paid on members' capital and dividends

EUR million	2025	2024
Interest paid on members' capital	-77.4	-85.4
Dividends paid to non-controlling interests (Note 7.2)	-12.0	-52.5
Total	-89.3	-137.9

Translation differences

Translation differences include the differences arising from the translation of subsidiaries' financial statements in currencies other than the euro. The gains and losses from the hedging of net investments in such subsidiaries, excluding deferred taxes, are also included in translation differences, provided that the conditions for hedge accounting are met. The Group ended its equity hedging in 2016.

EUR million	Cumulative translation differences		Translation differences in other comprehensive income	
	2025	2024	2025	2024
SEK	-34.8	-79.4	74.1	-38.3
GBP	-6.1	-2.4	-4.2	3.9
PLN	1.9	0.9	1.0	1.1
SKK	11.2	11.2		
USD	2.4	8.0	-10.7	6.6
Others	2.1	2.1	0.1	0.0
Total	-23.4	-59.6	60.3	-26.6

Since March 2022, the rate used for the Russian ruble has been the closing rate for EUR/RUB published by Refinitiv. The Russian ruble-denominated translation differences accumulated since June 2022 as a consequence of the discontinuation of Russian business operations have been reported in financial items in the income statement. On 13 May 2024, Metsä Group completed a business transaction by which the ownership of the Group's Russian subsidiaries was transferred to a party outside the Group.

Fair value and other reserves

EUR million	2025	2024
Fair value reserve	43.7	41.3
Revaluation surplus	94.9	94.9
General reserve	71.5	71.5
Legal reserve and reserves stipulated by the rules	0.0	0.1
Reserve for invested unrestricted equity	502.4	502.0
Total	712.4	709.7

Fair value reserve

The change in the value of other investments and the changes in the fair values of derivatives used in cash flow hedging less deferred tax are recognised in the fair value reserve.

Revaluation surplus

The revaluation surplus includes the fair value of the previous holdings in Metsä Fibre Oy which arose from the allocation of fair value of the Metsä Fibre Oy shares acquired in 2009.

Legal reserve and reserves stipulated by the Articles of Association / Rules

Legal reserve and reserves stipulated by the Articles of Association have been created and accumulated as a result of resolutions by the Annual General Meeting of shareholders or the Representative Council.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other investments in equity and the share subscription price when it is not recognised in the share capital based on a specific decision to such effect.

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Other comprehensive income, net of tax 2025

EUR million	Equity attributable to members of parent company					
	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Items that will not be reclassified to profit or loss						
Items relating to adjustments of defined benefit pension plans			3.2	3.2	-0.2	3.0
Fair value of financial assets through other comprehensive income		-22.5		-22.5	-16.1	-38.6
Income tax relating to items that will not be reclassified		4.5	-0.2	4.3	3.6	8.0
Total		-18.0	3.0	-15.0	-12.6	-27.6
Items that may be reclassified to profit or loss						
Cash flow hedges						
Currency flow hedges						
Gains and losses recorded in equity		82.0		82.0	65.5	147.5
Transferred to adjust sales		-52.7		-52.7	-37.4	-90.1
Transferred to adjust purchases		3.1		3.1		3.1
Interest flow hedges						
Gains and losses recorded in equity		-4.0		-4.0	-2.4	-6.3
Transferred to adjust financial items		-0.2		-0.2	-0.1	-0.3
Commodity hedges						
Gains and losses recorded in equity		-2.7		-2.7	-2.5	-5.1
Transferred to adjust purchases		-0.2		-0.2	-0.1	-0.3
Cash flow hedges total		25.5		25.5	23.0	48.5
Translation differences	36.1			36.1	24.2	60.3
Income tax relating to items that may be reclassified		-5.1		-5.1	-4.6	-9.7
Total	36.1	20.4		56.5	42.6	99.1
Other comprehensive income, net of tax	36.1	2.4	3.0	41.6	30.0	71.5

Other comprehensive income, net of tax 2024

EUR million	Equity attributable to members of parent company					
	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Items that will not be reclassified to profit or loss						
Items relating to adjustments of defined benefit pension plans			-2.6	-2.6	-0.4	-3.1
Fair value of financial assets through other comprehensive income		-21.2	-1.0	-22.2	-17.0	-39.2
Income tax relating to items that will not be reclassified		4.4	-0.2	4.2	3.6	7.8
Total		-16.8	-3.8	-20.6	-13.9	-34.5
Items that may be reclassified to profit or loss						
Cash flow hedges						
Currency flow hedges						
Gains and losses recorded in equity		-60.8		-60.8	-47.4	-108.2
Transferred to adjust sales		10.2		10.2	4.9	15.2
Transferred to adjust purchases		-3.1		-3.1		-3.1
Interest flow hedges						
Gains and losses recorded in equity		-9.2		-9.2	-5.6	-14.8
Transferred to adjust financial items		0.0		0.0	0.0	-0.1
Commodity hedges						
Gains and losses recorded in equity		2.9		2.9	2.7	5.6
Transferred to adjust purchases		1.1		1.1	0.9	2.0
Cash flow hedges total		-58.9		-58.9	-44.5	-103.4
Translation differences	-13.6			-13.6	-13.0	-26.6
Income tax relating to items that may be reclassified		11.8		11.8	8.9	20.7
Total	-13.6	-47.2		-60.8	-48.5	-109.3
Other comprehensive income, net of tax	-13.6	-64.0	-3.8	-81.4	-62.4	-143.8

5.2 Exchange rate differences and financial income and expenses

Accounting principles

The principles for calculating exchange rate differences are presented in Note 1. General accounting principles

Interest income and costs are recognised in amortised cost with the effective interest rate method.

Dividend yield is recognised when the right to a dividend has arisen.

Borrowing costs are generally recognised as an expense in the period in which they are incurred. When an intangible item or an item of property, plant or equipment is involved in a major and long-term investment project, the borrowing costs directly due to the acquisition, construction or production of the asset are included in the asset's acquisition cost.

The Group presents net interest income and expenses related to defined-benefit pension plans as financial income and expenses.

EUR million	2025	2024
Exchange differences		
Commercial items	-29.4	11.8
Hedging, hedge accounting not applied	34.7	-17.4
Other exchange differences	-6.8	3.1
Exchange differences total	-1.5	-2.5
Financial income		
Interest income from financial assets measured at fair value through profit or loss	4.1	6.1
Interest income from financial assets recorded at amortised costs and other receivables	10.1	21.3
Dividend income	0.1	0.1
Financial income total	14.3	27.5
Financial expenses		
Valuation of financial assets and liabilities		
Gains / losses on financial assets or liabilities at fair value through profit or loss	9.7	18.9
Impairment gains / losses from financial assets	-1.5	
Gains and losses on hedging instrument in fair value hedges	0.0	
Gains and losses, total	8.1	18.9
Interest expenses on financial liabilities carried at amortised cost using the effective interest method		
Interest expenses on lease liabilities	-4.3	-4.4
Other items of financial expenses	-9.8	-11.4
Financial expenses total	-75.7	-79.6
Exchange differences and financial income and expenses total	-62.9	-54.6

The Russian ruble-denominated translation differences accumulated since June 2022 as a consequence of the discontinuation of Russian business operations have been reported in other exchange rate differences in financial items. On 13 May 2024, Metsä Group completed a business transaction with which control of the Group's Russian subsidiaries was transferred to a party outside the Group. In 2024, EUR 0.2 million was reported as income from accumulated translation differences in other exchange rate differences.

5.3 Other non-current liabilities

EUR million	2025	2024
Loan receivables	3.0	5.0
Defined benefit pension plans (Note 3.5)	6.4	4.7
Other receivables and accrued income	12.8	8.9
Total	22.1	18.6

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5.4 Cash and cash equivalents

Accounting principles

Cash and cash equivalents consist of cash and bank accounts, as well as liquid financial assets recognised at amortised cost with a maturity of less than 6 months from the time of acquisition. Cash and cash equivalents also include investments recognised at fair value in money market funds, commercial bills and certificates of deposit, the liquidity of which is considered very good. The impairment of cash and cash equivalents measured at amortised cost is determined using a model based on expected credit losses. The expected credit losses are reviewed for the following 12 months.

EUR million	2025	2024
Short-term fixed income funds, commercial papers and certificate of deposits	276.9	350.0
Term deposits	315.4	227.7
Cash at hand and in bank	186.8	414.0
Total	779.0	991.6

5.5 Financial liabilities and net liabilities

Accounting principles

Interest-bearing financial liabilities are initially recognised at fair value. The Group has classified all interest-bearing financial liabilities under "Amortised cost". Transaction costs are included in the original book value of financial liabilities measured at amortised cost. Subsequently, all interest-bearing financial liabilities are measured at amortised cost using the effective interest method.

Interest-bearing financial liabilities

EUR million	2025	2024
Non-current interest-bearing financial liabilities		
Bonds	446.9	249.4
Loans from financial institutions	924.0	1,159.1
Lease liabilities	91.2	99.5
Other liabilities		100.0
Total	1,462.1	1,608.0
Current interest-bearing financial liabilities		
Current portion of non-current debt	270.2	229.0
Current loans	51.9	50.5
Other liabilities	293.3	351.7
Total	615.4	631.1
Interest-bearing financial liabilities total	2,077.4	2,239.1

Interest-bearing financial assets

EUR million	2025	2024
Non-current interest-bearing financial assets		
Loan receivables	3.0	5.0
Other receivables	0.5	0.1
Total	3.4	5.1
Current interest-bearing financial assets		
Short-term fixed income funds, commercial papers and certificates of deposits	276.9	350.0
Loan receivables	2.4	2.6
Other receivables	4.2	4.1
Term deposits	315.4	227.7
Cash at hand and in bank	186.8	414.0
Total	785.6	998.3
Interest-bearing financial assets total	789.0	1,003.4
Interest-bearing net liabilities	1,288.4	1,235.7

Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2025

EUR million	1 Jan 2025	Cash flows	Non-cash changes				31 Dec 2025
			Acquired / sold businesses	Changes in exchange rates	Changes in leases	Other changes	
Non-current interest-bearing financial liabilities including the current portion							
Bonds	249.4	197.1				0.3	446.9
Loans from financial institutions	1,307.4	-243.9		0.5		2.1	1,066.1
Lease liabilities	129.9	-34.1	-0.2	0.3	23.3	0.0	119.3
Other liabilities	150.2	-50.2		0.0		0.0	100.0
Total	1,836.9	-131.0	-0.2	0.8	23.3	2.4	1,732.3
Non-current non-interest bearing liabilities	8.9	-2.6	0.0	0.0		1.3	7.6
Current interest-bearing liabilities							
Current liabilities	50.5	1.4		0.0			51.9
Other liabilities	351.7	-29.7		0.0		-28.7	293.3
Total	402.2	-28.4		0.0		-28.7	345.2
Current interest-bearing loan receivables	-6.7	2.0		0.0		-1.9	-6.6
Total	2,241.3	-160.0	-0.2	0.8	23.3	-26.8	2,078.5

Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2024

EUR million	1 Jan 2024	Cash flows	Non-cash changes				31 Dec 2024
			Acquired / sold businesses	Changes in exchange rates	Changes in leases	Other changes	
Non-current interest-bearing financial liabilities including the current portion							
Bonds	249.2					0.2	249.4
Loans from financial institutions	1,328.9	-24.5		-0.3		3.3	1,307.4
Lease liabilities	128.6	-33.4	-0.1	0.3	34.5		129.9
Other liabilities	150.4	0.3		-0.5		0.0	150.2
Total	1,857.1	-57.6	-0.1	-0.4	34.5	3.5	1,836.9
Non-current non-interest bearing liabilities	11.9	-2.2	-0.9	0.0		0.0	8.9
Current interest-bearing liabilities							
Current liabilities	1.0	49.6		0.0			50.5
Other liabilities	331.6	29.7		0.0		-9.6	351.7
Total	332.6	79.3		0.0		-9.6	402.2
Current interest-bearing loan receivables	-7.2	-0.3	0.8	0.0		0.0	-6.7
Total	2,194.4	19.3	-0.2	-0.5	34.5	-6.1	2,241.3

Bonds

EUR million	Interest %	2025	2024
2017–2027	2.75	249.6	249.4
2025–2031	3.875	197.2	
Total		446.9	249.4

In 2027, Metsä Board issued an unsecured bond of EUR 250 million. The bond will mature on 29 September 2027 and has an annual coupon rate of 2.75%. In May 2025, Metsä Board issued a Green Bond of EUR 200 million. It will mature on 28 May 2031 and has an annual coupon rate of 3.875%. These loans have senior status and are unsecured.

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5.6 Management of financial risks

The financial risks associated with business operations are managed in accordance with the Treasury Policy approved by the parent company's Board of Directors. The objective of financial risk management is to contribute to securing the Group's financial profitability and stability, ensuring cost-effective financing, and effectively hedging against financial and commodity risks, thereby reducing uncertainty and improving predictability.

Metsä Group Treasury Oy, a company wholly owned by Metsäliitto Cooperative, is responsible for financial services and financial risk management within the Group.

Foreign currency risk

The foreign currency exposure of Metsä Group consists of the risks associated with foreign currency flows, translation risk of net investments in foreign entities and economic currency exposure. Most of the Group's expenses are incurred in the euro zone and to some extent in Sweden, but a significant part of sales income is received or priced in other currencies. The foreign currency transaction exposure is consisting of foreign currency denominated sales revenue and costs. The exposure is including foreign currency denominated balance sheet exposure consisting of trade receivables and trade payables and 50% share of the annual contracted or estimated net currency cash flow.

The main currencies of the Group's foreign currency transaction exposure are the US dollar, the Swedish krona and the British pound. The US dollar accounts for 60% (2024: 67), the Swedish krona for 18% (18), and the pound for 10% (7) of Metsä Group's transaction exposure. A strengthening of the dollar and the pound has a positive impact on the financial result, and weakening a negative impact. A weakening of the Swedish krona has a positive impact on the result of the Group. Other key currencies in which Metsä Group is exposed to currency risk are the Canadian dollar (CAD), the Norwegian krone (NOK) and the Danish krone (DKK). The hedging policy is to keep the balance sheet exposure and 50% of annual cash flow of contracted or estimated currency flows consistently hedged. The transaction exposure is mainly hedged by forward transactions, but also by foreign currency loans and currency options.

At the end of the reporting period, the foreign exchange transaction exposure had been hedged for 5.9 months on average (2024: 7.4), 99% of the hedging norm (123). During the reporting period, the degree of hedging varied between 6 and 7 months (7–8), or between 98% and 123% of the norm (110–123). The degree of hedging of the US dollar was 6.3 months (7.7), or 104% of the hedging norm (128). The degree of hedging of the Swedish krona was 7.2 months (8.3), or 120% of the hedging norm (139), while the degree of hedging of the pound was 4.8 months (7.1), or 80% of the hedging norm (118). Hedge accounting has been applied to the hedging of foreign currency transaction exposure, and forwards and options allocated to hedge accounting have been used to hedge the portion of highly probable forecast sales of the currency transaction exposure. The translation risk of a net investment in a foreign entity is generated from the consolidation of the equity of subsidiaries and associated companies outside the euro area into euros in the consolidated financial statements. Metsä Group does not hedge its equity exposure.

Interest rate risk

The interest rate risk is related to interest bearing receivables and loans on the balance sheet, working capital financing, and currency hedging. The most significant currencies in risk management are the euro, the US dollar, the Swedish krona and the British pound. The objective of the interest rate risk policy is to minimise the negative impact of interest rate changes on the Group's and group companies' result and the financial position, and to optimise financing costs within the framework of risk limits. The effect of interest rate changes on financial costs depends on the average interest fixing time of interest bearing assets and liabilities, which is measured in the Group by duration. As duration is lengthening the rise of interest rates affects more slowly the interest expenses of financial liabilities. The maturity of the loan portfolio can be influenced by adjusting between floating-rate and fixed-rate loans and by using interest rate swaps.

According to the Group's Treasury Policy, the norm for the duration is the 24-month average loan portfolio duration. However, the duration can deviate by 6–36 months from the norm, subject to the relevant authorisation, and decisions on larger deviations are made by the parent company's Board of Directors. At the end of the year, the average duration of loans was 18.7 months (2024: 27.0). During the reporting period, duration varied between 19 and 28 months (26–37). Of interest-bearing financial liabilities, 45% (42) are variable rate, and the rest are fixed rate, and the average interest rate at the end of 2025 was 2.7% (2.9). At the end of 2025, an increase of one percentage point in interest rates would increase interest rate expenses over the next 12 months by EUR 4.3 million (2.5).

The Group applies cash flow hedge accounting to interest rate swaps by which floating-rate financing has been converted to fixed-rate financing. Fair value hedging is applied to interest rate swaps where a fixed interest rate has been converted to a floating interest rate. The gross nominal volume of interest rate swaps at the time of financial statements is EUR 476.5 million (514.8), and the maturity of interest rate swap contracts varies between 1 and 7 years (1–8).

Commodity risk

In the hedging of commodity risks the Group applies risk management policies defined separately for each selected commodity. According to the policy, the management of commodity risks with regard to financial hedges is accomplished centralized by Metsä Group Treasury based on the strategy and risk management policy approved by Board of Directors of Metsä Group companies. The commodity hedging policy is applied to the management of the price risks of natural gas and light and heavy fuel oil. Transactions related to emission allowances are also managed by Metsä Group Treasury. Hedge accounting is applied to all commodity hedging.

Metsä Group is hedging the price risk of natural gas purchases as financial hedges and through physical fixed-price contracts. Metsä Group is hedging also the gas oil, heavy fuel oil and 0.5% fuel oil price risk related to logistics costs (sea freights) based on commodity risk policy by using financial hedges. Metsä Group is not hedging its pulp price risk.

Liquidity risk

Liquidity risk is defined as the risk that funds and available funding become insufficient to meet business needs, or costs that are incurred in arranging the necessary financing are unreasonably high. Liquidity risk is monitored

by estimating the 12–24-month liquidity need and ensuring that the total liquidity available covers the main part of this need.

Liquidity risk is managed by using capital and money markets to decrease dependency on any single financing source, and by optimising the maturity structure of loans. The Group is using short-term working capital financing related to trade receivables and trade payables. Metsä Group has Supplier Finance Arrangements related to the purchasing of pulp and wood raw material. The arrangements do not seek to deviate significantly from Metsä Group's normal payment terms. The Supplier Finance Arrangements and their amounts are described in Note 4.8.

Metsä Group's liquidity has remained strong. At the end of the financial period, the available liquidity was EUR 1,479.0 million (1,641.6). This consisted of EUR 779.0 million (991.6) in liquid assets and investments, and EUR 700 million (650) in off-balance sheet committed long-term credit facility agreements. The Group also had short-term uncommitted commercial paper programmes and credit lines at its disposal amounting to EUR 360.0 million (330.0) and undrawn pension premium (TyEL) funds of EUR 54.0 million (435.3). The significant difference in TyEL funds compared with the previous year is due to a change that entered into force on 1 January 2026, limiting the maximum amount of premium loans to EUR 10 million for each employer. At the end of 2025, the liquidity reserve is expected to fully cover the financing needs for 2026–2027. Of long-term loans and credit facilities, 11% (9) fall due in a 12-month period, and 26% (31) have a maturity in excess of four years. The average maturity of long-term loans is 3.2 years (3.2). The share of short-term financing of the Group's interest-bearing liabilities is 22% (18).

Counterparty risk

Financial instruments carry the risk that the Group may incur losses should the counterparty be unable to meet its commitments. The Group is managing this risk by entering into financial transactions only with the most creditworthy counterparties and within pre-determined limits. Cash and cash equivalents, and other investments have been spread across several banks, commercial papers and money market funds. Counterparty limits are reviewed regularly. During the reporting period, credit risks related to financing did not result in any losses. The impairment of financial assets measured at amortised cost is determined using a model based on expected credit losses.

The management of credit risks related to commercial activities is the responsibility of Metsä Group's senior management and centralised credit control. In cooperation with centralised credit control, management determines the credit limits and payment terms granted to customers, and these vary by business area. Trade receivables performance is monitored by the credit control function and reported monthly to the Customer Credit & Compliance Committee and the management. Customers' creditworthiness is assessed regularly based on their financial statements, payment behaviour and credit ratings issued by credit rating agencies. Individual credit limits are reviewed at least annually. Credit insurance generally covers almost all credit risks, and customer credit risk was at a normal level in 2025. The main principles of credit control are defined in the guidelines of Metsä Group's centralised credit control function.

Trade receivables are spread across a wide geographical area, reflecting the sales structure presented in Segment information. The largest sources of credit risk are Finland, the United States, Italy, the United Kingdom, Sweden, Hong Kong, Germany, Poland, Turkey and France. The top ten

countries represent around 71% (72) of external trade receivables. At the end of 2025, the credit risk exposure for Metsä Group's largest individual customer (an individual company or groups of companies under common ownership) was 6% (5) of total trade receivables. The ten largest customer groups (individual companies or groups of companies under common ownership) accounted for 29% (27) of all trade receivables. At the end of 2025, Metsä Group's trade receivables were covered to a very large extent by insurance or another security such as letters of credit.

The expected credit losses from trade receivables and the age distribution of trade receivables are presented in Note 4.6.

Management of capital

In managing its capital structure, the Group aims to maintain an efficient capital structure that ensures the Group's operational conditions in financial and capital markets in all circumstances. The Group monitors the development of its capital structure using key figures that describe its equity ratio and indebtedness. The Group's long-term objective is to maintain its equity ratio at a minimum level of 40% (temporary deviation allowed).

The key ratios describing the capital structure and the capital amounts used for calculations of the key ratio were on 31.12.2025 and 31.12.2024 the following:

EUR million	2025	2024
Equity attributable to members of parent company	4,177.0	4,298.2
Non-controlling interest	1,156.1	1,260.7
Total	5,333.2	5,559.0
Total assets	9,406.2	9,902.5
- Advance payments received	8.7	16.2
Total	9,397.4	9,886.3
Equity ratio, % ¹⁾	56.8	56.2
Interest-bearing liabilities	2,077.4	2,239.1
- Interest-bearing financial assets	789.0	1,003.4
Interest-bearing net liabilities	1,288.4	1,235.7
Equity attributable to members of parent company	4,177.0	4,298.2
Non-controlling interest	1,156.1	1,260.7
Total	5,333.2	5,559.0
Net gearing ratio, % ²⁾	24.2	22.2

1) Equity ratio, % = Members' funds total / (Total assets - advance payments received)

2) Net gearing ratio, % = Interest bearing net liabilities / Members' funds total

Metsä Group's debt financing is arranged so that Metsä Board Corporation and Metsä Fibre Oy obtain financing for their own groups. The companies' loans are independent of each other. Metsäliitto Cooperative has arranged financing separately to cover the financial needs of the parent company, the Metsä Forest and Metsä Wood business areas, and the Metsä Tissue Group.

Financial covenants of external loans

The terms and conditions of loan agreements and committed credit facilities of Metsä Group companies contain a financial covenant related to the capital structure, which is linked to the net gearing ratio. All Group companies have complied with the covenant during the 2025 and 2024 financial periods.

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Hedging of foreign exchange transaction exposure

31 Dec 2025	Annual transaction exposure								
	USD	GBP	SEK	NOK	DKK	CAD	Other long	Other short	Total
Transaction exposure, net (mill. currency units)	1,772	221	-4,731	1,362	587	60			
Transaction exposure, net (EUR million)	1,508	254	-437	115	79	37	43	-22	2,495
Transaction exposure hedging (EUR million)	-786	-101	263	-34	-32	-19			-1,234
Hedging at the end of the year (months)	6.3	4.8	7.2	3.5	4.8	6.0			5.9
Average hedging in 2025 (months)	6.6	5.9	7.2	3.5	4.8	6.0			6.3
Average rate of hedging at the end of the year	1.1820	0.8760	11.0271						

31 Dec 2024	Annual transaction exposure								
	USD	GBP	SEK	NOK	DKK	CAD	Other long	Other short	Total
Transaction exposure, net (mill. currency units)	2,261	202	-6,587	1,261	544	45			
Transaction exposure, net (EUR million)	2,177	244	-575	107	73	30	41	-11	3,257
Transaction exposure hedging (EUR million)	-1,393	-144	399	-33	-30	-15			-2,014
Hedging at the end of the year (months)	7.7	7.1	8.3	3.7	4.9	6.0			7.4
Average hedging in 2024 (months)	6.9	6.3	8.4	4.4	4.9				6.8
Average rate of hedging at the end of the year	1.0893	0.8504	11.4789						

Net investments in a foreign entity

31 Dec 2025	Equity exposure				
	USD	GBP	SEK	Others	Total
Equity exposure (mill. currency units)	124	59	12,497		
Equity exposure (EUR million)	105	68	1,155	86	1,414

31 Dec 2024	Equity exposure				
	USD	GBP	SEK	Others	Total
Equity exposure (mill. currency units)	101	64	12,577		
Equity exposure (EUR million)	97	77	1,098	90	1,362

Interest rate risk / duration and re-pricing structure of loans (incl. interest rate derivatives) 31 Dec 2025

Loan amount (EUR million)	Duration (months)	Average interest rate (%)	Interest rate sensitivity (EUR million)	Re-pricing structure of interest rates of loans						
				1-4/2026	5-8/2026	9-12/2026	2027	2028	2029	>2029
1,784	18.7	2.7	-4.3	287	499	15	375	104	135	369

Interest rate risk / duration and re-pricing structure of loans (incl. interest rate derivatives) 31 Dec 2024

Loan amount (EUR million)	Duration (months)	Average interest rate (%)	Interest rate sensitivity (EUR million)	Re-pricing structure of interest rates of loans						
				1-4/2025	5-8/2025	9-12/2025	2026	2027	2028	>2028
1,917	27.0	2.9	-2.5	402	333	70	213	409	104	388

Interest rate sensitivity is an estimate of the effect of an interest rate change of 1% on net interest cost based on year-end exposure. The duration includes attached interest rate swaps related to loans. These are also included in the re-pricing distribution of loans. Interest rate risk exposure does not include the part of Metsäliitto Cooperation subscribed capital that is recognized as short-term interest-bearing liability.

Hedging of natural gas price risk exposure

GWh	2025	2024
Natural Gas exposure, net	732	971
Natural Gas hedging	493	707
Hedging at the end of the year (%)	67	73
Average price of hedging at the end of the year (€/MWh)	30.72	36.32

Natural Gas price risk is hedged based on defined risk management policy by physical contracts or by financial contracts. Natural gas net position includes Metsä Board and Metsä Tissue forecasted natural gas consumption. Only Metsä Board position is hedged using financial contracts and Metsä Tissue Central Europe's consumption with physical contracts.

Hedging of logistics oil price risk exposure

Tons	2025	2024
Oil exposure, net	166,017	167,452
Oil hedging	30,960	36,123
Hedging at the end of the year (%)	19	22
Average price of hedging at the end of the year (€/t)	411.43	467.13

Logistic oil price risk is hedged based on defined risk management policy by financial contracts. Metsä Group logistic oil exposure includes positions with bunker clause. Metsä Board hedges the price risks of marine fuel.

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Market risk sensitivity 2025

EUR million	Impact on equity exposure and annual transaction exposure			
	Impact on financial assets and liabilities	Impact on net equity of foreign entities	Impact on annual transaction exposure (cash flow)	Impact on annual transaction exposure (cash flow) incl. hedging
Interest rate risk (100 bp rise in interest rates)				
Effect on profit	-2.3		-9.2	-3.0
Effect on other change in equity	8.5			
Commodity risk (commodity prices + 20%)				
Effect on profit			-14.0	-11.2
Effect on other change in equity	2.8			
FX risk (USD - 10%)				
Effect on profit	-2.7		-150.8	-72.2
Effect on other change in equity	72.7	-10.5		
FX risk (GBP - 10%)				
Effect on profit	1.9		-25.4	-15.2
Effect on other change in equity	5.0	-6.8		
FX risk (SEK - 10%)				
Effect on profit	-2.0		43.7	17.4
Effect on other change in equity	-19.6	-115.5		

Market risk sensitivity 2024

EUR million	Impact on equity exposure and annual transaction exposure			
	Impact on financial assets and liabilities	Impact on net equity of foreign entities	Impact on annual transaction exposure (cash flow)	Impact on annual transaction exposure (cash flow) incl. hedging
Interest rate risk (100 bp rise in interest rates)				
Effect on profit	-3.0		-6.6	9.0
Effect on other change in equity	18.6			
Commodity risk (commodity price + 20%)				
Effect on profit			-21.6	-15.3
Effect on other change in equity	6.3			
FX risk (USD - 10%)				
Effect on profit	0.6		-217.7	-78.4
Effect on other change in equity	120.9	-9.7		
FX risk (GBP - 10%)				
Effect on profit	0.2		-24.4	-10.0
Effect on other change in equity	12.6	-3.3		
FX risk (SEK - 10%)				
Effect on profit	-2.2		57.5	17.5
Effect on other change in equity	-36.0	-109.8		

Items with + sign = positive effect = increase of assets / decrease of liabilities / increase of cash flow
Items with - sign = negative effect = decrease of assets / increase of liabilities / decrease of cash flow

The Group must disclose a sensitivity analysis for each type of market risk to which the entity is exposed on the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variables that were reasonably possible on that date. The Group has recognised interest rates, commodity prices and foreign exchange rates as its key market risks and has set a 1% point interest rate rise, a 20% rise in commodity prices, and a 10% weakening of USD, GBP and SEK as reasonably possible risk variables. These currencies represent almost 90% of Group's annual transaction exposure. The nature of the market price risk is relatively linear, so the size of the effects of opposite market price changes do not differ essentially from the presented figures. The scenarios have been calculated by using regular principles for calculating the market

values of financial instruments described in the Group Accounting policies. Figures at the reporting date reflect quite well the average market risk conditions throughout the reporting period.

Additionally, the Group presents figures describing the impact of risk variables on its equity and annual transaction exposure (cash flow) to present a broader picture of the market risks of interest rates, commodity prices and foreign exchange rates. Annual cash flows are based on estimates, not on existing commercial contracts. The weakening of USD and GBP has a negative impact on annual cash flow, whereas the weakening of SEK has a positive impact. Hedges reduce this impact depending on hedging strategy. The impact on equity arises from the consolidation of subsidiaries in the consolidated financial statements.

Maturities of financial liabilities and related finance costs 2025

EUR million	2026	2027	2028	2029	2030	2031-	Total
Bonds and debentures		250.0				200.0	450.0
Loans from financial institutions	142.1	247.8	140.4	140.4	136.9	258.5	1,066.1
Lease liabilities	31.6	25.4	19.2	12.9	10.3	35.7	135.2
Other non-current interest-bearing liabilities	100.0						100.0
Non-current interest-bearing liabilities, total	273.8	523.2	159.6	153.3	147.2	494.2	1,751.3
Current interest-bearing liabilities	345.2						345.2
Trade payables and other loans	1,287.8						1,287.8
Financial liabilities total	1,906.7	523.2	159.6	153.3	147.2	494.2	3,384.3
Financial costs total	53.0	37.0	25.6	21.9	18.2	26.1	181.9
Financial liabilities and financial costs total	1,959.8	560.2	185.3	175.2	165.4	520.4	3,566.1
Guarantees agreements	5.6	0.4			0.4	0.3	6.7
Derivative financial instruments							
Currency derivatives, liabilities	2,195.8						2,195.8
Currency derivatives, assets	-2,203.1						-2,203.1
Interest derivatives	-6.3	-5.7	-4.6	-3.0	-1.8	-0.8	-22.1
Commodity derivatives	1.9						1.9
Derivatives, net	-11.8	-5.7	-4.6	-3.0	-1.8	-0.8	-27.6

The table describes contractual maturities of financial liabilities and related finance costs. The amounts are undiscounted.

Maturities of financial liabilities and related finance costs 2024

EUR million	2025	2026	2027	2028	2029	2030-	Total
Bonds and debentures			250.0				250.0
Loans from financial institutions	148.4	344.1	146.7	139.5	144.3	386.3	1,309.1
Lease liabilities	33.1	24.5	20.0	15.4	10.7	44.6	148.3
Other non-current interest-bearing liabilities	50.2	100.0					150.2
Non-current interest-bearing liabilities, total	231.7	468.7	416.7	154.8	154.9	430.9	1,857.7
Current interest-bearing liabilities	402.2						402.2
Trade payables and other loans	1,257.4						1,257.4
Financial liabilities total	1,891.3	468.7	416.7	154.8	154.9	430.9	3,517.3
Financial costs total	71.9	53.9	34.8	23.0	18.1	34.1	235.7
Financial liabilities and financial costs total	1,963.2	522.5	451.5	177.8	173.0	465.0	3,753.0
Guarantees agreements	0.1		0.4			0.7	1.2
Derivative financial instruments							
Currency derivatives, liabilities	3,424.5						3,424.5
Currency derivatives, assets	-3,364.5						-3,364.5
Interest derivatives	-10.2	-6.4	-4.7	-3.7	-2.4	-2.4	-29.9
Commodity derivatives	-3.6						-3.6
Derivatives, net	46.1	-6.4	-4.7	-3.7	-2.4	-2.4	26.5

The table describes contractual maturities of financial liabilities and related finance costs. The amounts are undiscounted.

The balance sheet value of lease liabilities on December 31, 2025 was EUR 119.3 million (129.9). The balance sheet value of currency derivative liabilities on 31 December 2025 was EUR 14.3 million (80.1) and the value of currency derivative receivables was EUR 41.9 million (53.5).

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5.7 Fair values of financial assets and liabilities

Classification and fair values of financial assets and liabilities 2025

EUR million	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Financial assets					
Other non-current investments	4.4	4.1	194.0		198.1
Other non-current financial assets	5.3			13.2	13.2
Trade receivables and other receivables	4.6	4.2		622.2	626.3
Cash and cash equivalents	5.4	421.4		357.6	779.0
Derivative financial instruments	5.7	6.2	35.7		41.9
Total		435.9	229.6	993.1	1,658.6
Fair value total		435.9	229.6	993.1	1,658.6
Financial liabilities					
Non-current interest-bearing financial liabilities	5.5			1,462.1	1,462.1
Other non-current financial liabilities	4.7			2.7	2.7
Current interest-bearing financial liabilities	5.5			615.4	615.4
Trade payables and other liabilities	4.8			1,285.1	1,285.1
Derivative financial instruments	5.7	2.3	12.0		14.3
Total		2.3	12.0	3,365.2	3,379.5
Fair value total		2.3	12.0	3,372.5	3,386.8

Classification and fair values of financial assets and liabilities 2024

EUR million	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Financial assets					
Other non-current investments	4.4	4.8	232.5		237.3
Other non-current financial assets	5.3			11.9	11.9
Trade receivables and other receivables	4.6	4.1		667.0	671.1
Cash and cash equivalents	5.4	477.7		514.0	991.6
Derivative financial instruments	5.7	3.2	50.3		53.5
Total		489.7	282.9	1,192.9	1,965.5
Fair value total		489.7	282.9	1,192.9	1,965.5
Financial liabilities					
Non-current interest-bearing financial liabilities	5.5			1,608.0	1,608.0
Other non-current financial liabilities	4.7			2.3	2.3
Current interest-bearing financial liabilities	5.5			631.1	631.1
Trade payables and other liabilities	4.8			1,255.1	1,255.1
Derivative financial instruments	5.7	6.6	73.6		80.1
Total		6.6	73.6	3,496.6	3,576.7
Fair value total		6.6	73.6	3,518.0	3,598.2

Trade receivables and other receivables do not include VAT receivables, and prepayments and accrued income (Note 4.6). Trade payables and other liabilities do not include advance payments, VAT liabilities and accrued expenses (Note 4.8).

All interest-bearing financial liabilities are measured at amortised cost on the balance sheet based on the effective interest method. Fair values

are based on the present value of each liability or asset calculated at the market rate. The discount rates applied are between 1.0% and 6.0% (1.0–6.0). The fair values of trade receivables and other receivables and trade payables and other liabilities do not materially deviate from their carrying amounts on the balance sheet.

Fair value hierarchy of financial assets and liabilities

Accounting principles

Financial assets and financial liabilities measured at fair value are classified as follows:

- Level 1 Fair value is based on quoted prices in active markets.
- Level 2 Fair value is based on valuation methods supported by market data.
- Level 3 Fair value is based on company estimates, not on market data.

Fair value hierarchy of financial assets and liabilities

2025 EUR million	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Other non-current financial assets	4.4			198.1	198.1
Current financial assets through profit and loss at fair value	4.6, 5.4	276.9	144.5	4.2	425.5
Derivative financial assets	5.7		41.9		41.9
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7	1.9	12.4		14.3
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		357.6		357.6
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		1,467.3		1,467.3
Current interest-bearing financial liabilities	5.5		617.4		617.4

2024 EUR million	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Other non-current financial assets	4.4			237.3	237.3
Current financial assets through profit and loss at fair value	4.6, 5.4	350.0	127.7	4.1	481.8
Derivative financial assets	5.7	3.8	49.8		53.5
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7	0.2	79.9		80.1
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		514.0		514.0
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		1,627.2		1,627.2
Current interest-bearing financial liabilities	5.5		633.4		633.4

Non-current financial assets measured at fair value based on level 3 valuation

EUR million	2025	2024
Value 1 Jan	241.4	275.3
Total gains and losses in profit and loss	0.1	0.0
Total gains and losses in other comprehensive income	-38.6	-38.4
Purchases		0.5
Sales	0.0	-0.1
Transfers to level 3		4.1
Transfers to associated and joint venture shares	-0.7	
Value 31 Dec	202.3	241.4

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Derivatives and hedge accounting

Accounting principles

Derivative contracts are initially recognised on the balance sheet at fair value at cost, and thereafter during their term-to-maturity revalued at their fair value at each reporting date. The fair value of derivatives is presented in non-interest-bearing receivables or liabilities. Gains and losses resulting from recognition at fair value are treated in accounting as required with regard to the intended use of the derivative contract in question. Derivatives are initially classified as either 1) Hedges of the exposure to changes in the fair value of receivables, liabilities or firm commitments; 2) Hedges of the cash flow from a highly probable forecast transaction; 3) Hedges of a net investment in a foreign entity; or 4) Derivatives to which it has been decided not to apply hedge accounting.

Metsä Group currently applies hedge accounting to both cash flows and fair values. When applying hedge accounting at the inception of a hedging relationship, the Group has documented the relationship between the hedged item and the hedging instruments, as well as the hedging strategy observed. To meet the requirements of hedge accounting, the Group has also continuously carried out effectiveness testing to verify that changes in the fair value of the hedging instrument for each hedging relationship cover any changes in the fair value of the hedged item effectively enough, with respect to the hedged risk.

Changes in the fair value of the effective portion of derivative instruments that meet the criteria for cash flow hedging are recognised in other items of comprehensive income. The gains and losses recognised in equity are transferred to the income statement when the forecast sale or purchase is realised, and are recognised as an adjustment to the hedged item. If the forecast transaction is no longer expected to occur, the gain or loss accrued in equity is recognised immediately in the income statement. Derivatives not subject to hedge accounting, as well as the ineffective portion of derivatives subject to hedge accounting, are measured at fair value, and changes in the value of interest rate and currency derivatives are recognised in financial items, and changes in the value of commodity derivatives are recognised in other income and expenses.

Hedge accounting is applied as cash flow hedging to highly probable cash flows from sales denominated in foreign currencies and contractual cash flows with floating interest rates from loans. In the management of price risks related to commodities, hedge accounting is applied to cash flows from highly probable purchases of natural gas, light fuel oil, heavy fuel oil and 0.5% fuel oil.

In the hedging of fair value, the change in the effective portion of derivative instruments that meet the criteria is recognised in the income statement under financial items with the change in the fair value of the loan or part thereof that is the subject of the hedge. Hedge accounting is applied as fair value hedging to contractual fixed interest cash flows on fixed interest loans.

The fair values of forward foreign exchange contracts are based on the current value of cash flows calculated from market data on the

balance sheet data, and currency options are measured at fair value in accordance with the Black–Scholes model (Level 2). Interest rate swaps are measured at the current value of cash flows, with the calculation being based on the market interest rate yield curve (Level 2). The fair values of commodity derivatives are determined based on publicly quoted market prices (Level 1).

Management of financial risks and effectiveness of hedging

The management of the Group's currency, interest rate and commodity risks is described in more detail in Note 5.6, Management of financial risks. Note 5.7., Fair values of financial assets and liabilities, includes the fair values and grouping of derivatives. Note 5.1, Equity, includes itemisations of hedge accounting entries in the fair value reserve.

The hedging of the currency flow position is effective, given that there is a direct financial relationship between the hedged sale and the hedging derivative. The spot rate component of a forward contract or the reference value component of a currency option has been determined as the hedged item, and the forward points or the option's time value are treated as hedging costs subject to amortisation based on the period. Currency flow forecasts are fairly stable, invoicing steady within quarters and months, and forward deals are allocated to each month, due to which the ineffectiveness of hedging usually remains very low. Changes in production or the structure of sales may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

The hedge accounting of the cash flow from interest rates is primarily effective, given that there is a direct financial relationship between the long-term loans subject to hedging and the hedging interest rate swaps. Ineffectiveness in the hedge relationship derives from any possible differences between the loans and the swaps' interest rate periods as well as from differences in the reference rates of contract terms. The ineffective portion of interest rate hedging is recognised through profit and loss. Early repayments of loans may cause an inefficiency situation where the hedging interest rate swaps are reversed or taken out from hedge accounting, and the change in fair value is recognised in financial items through profit and loss.

The hedging of commodity purchases is effective, given that, in lieu of the total purchase price, the hedged item is the same, identical risk component of pricing applied in the hedging derivative. In the hedging of natural gas and fuel oil, the price components of the purchases and the hedging derivative are identical or nearly identical, so a correlation analysis is used. Commodity purchases are fairly steady, and hedges are allocated to each month, due to which the ineffectiveness of the hedging usually remains low. Changes in the use of various commodities may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

Derivatives 2025

EUR million	Nominal value	Fair value				
		Derivative assets	Derivative liabilities	Fair value total	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	476.5	23.4	1.3	22.1	-1.3	23.4
Interest rate derivatives total	476.5	23.4	1.3	22.1	-1.3	23.4
Currency forward contracts	2,184.7	18.1	11.0	7.1	3.6	3.5
Currency option contracts	103.1	0.3	0.1	0.2		0.2
Currency derivatives total	2,287.8	18.4	11.1	7.3	3.6	3.7
Oil derivatives	12.8		1.6	-1.6		-1.6
Natural gas derivatives	3.0		0.3	-0.3		-0.3
Commodity derivatives total	15.8		1.9	-1.9		-1.9
Derivatives total	2,780.1	41.9	14.3	27.6	2.3	25.3

Derivatives 2024

EUR million	Nominal value	Fair value				
		Derivative assets	Derivative liabilities	Fair value total	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	514.8	29.8		29.8		29.8
Interest rate derivatives total	514.8	29.8		29.8		29.8
Currency forward contracts	3,344.5	19.9	71.8	-51.9	-3.4	-48.5
Currency option contracts	993.2	0.0	8.1	-8.1		-8.1
Currency derivatives total	4,337.8	20.0	79.9	-60.0	-3.4	-56.6
Oil derivatives	16.8	0.8	0.2	0.7		0.7
Natural gas and propane derivatives	11.1	2.9		2.9		2.9
Commodity derivatives total	28.0	3.8	0.2	3.6		3.6
Derivatives total	4,880.6	53.5	80.1	-26.6	-3.4	-23.2

Changes in fair values and profit and loss impacts will be presented in note 5.1 Equity

Financial impact of netting for instruments subject to an enforceable master netting agreements

EUR million	2025			2024		
	Financial derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk	Financial derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk
Derivative assets	41.9	12.8	29.1	53.5	38.2	15.3
Derivative liabilities	-14.3	-12.8	-1.5	-80.1	-38.2	-41.9

Master netting agreements are used for derivative contracts entered into by the Group and its counterparties. In the event of unlikely credit events, all valid transactions based on the agreement will be cancelled, and only one net sum will be payable by each counterparty for all the transactions. The items are not netted on the balance sheet.

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Maturities of derivatives 2025

EUR million	1–6 months	6–12 months	1–5 years	Over 5 years	Hedged cash flow total
Interest rate derivatives subject to hedge accounting, cash flow hedge	44.1	29.8	236.3	66.2	376.5
Interest rate derivatives not subject to hedge accounting, fair value hedge				100.0	100.0
Currency derivatives not subject to hedge accounting	1,200.4	290.5			1,490.9
Commodity derivatives subject to hedge accounting, cash flow hedge	219.1				219.1
Commodity derivatives not subject to hedge accounting	7.9	7.9			15.8

Maturities of derivatives 2024

EUR million	1–6 months	6–12 months	1–5 years	Over 5 years	Hedged cash flow total
Interest rate derivatives subject to hedge accounting, cash flow hedge	94.1	44.1	253.0	123.5	514.8
Currency derivatives subject to hedge accounting, cash flow hedge	1,602.1	658.2			2,260.4
Currency derivatives not subject to hedge accounting	309.0				309.0
Commodity derivatives subject to hedge accounting, cash flow hedge	14.0	14.0			28.0

6. Income taxes

Accounting principles

Tax expenses in the income statement consist of taxes based on the taxable income for the period, taxes for previous periods, and deferred tax assets and liabilities. Taxes are recognised in the income statement unless they are related to other comprehensive income items, in which case taxes are recognised in the said items. Taxes based on the taxable income for the period are calculated based on taxable income in accordance with the tax rate and tax legislation in force in each country at that time. Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount and the tax base in accordance with the tax rates issued as at the balance sheet date.

No deferred taxes are recognised for non-deductible goodwill, and no deferred taxes are recognised for subsidiaries' undistributed profits to the extent that the difference will not likely realise in the predictable future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and tax liabilities based on the taxable income for the period, and when the deferred taxes are related to the same tax recipient.

The most significant temporary differences arise from depreciation of property, plant and equipment; the measurement of other investments and derivatives contracts at fair value; defined-benefit pension plans; unused tax losses; and measurement at fair value in conjunction with acquisitions of business operations.

Key estimates and judgements

The management's judgement is required to determine the taxes based on the result for the period and the extent to which deferred tax assets are recognised. The management assesses the conditions for recognising deferred tax assets, taking the factors underlying the losses and their recurrence into account, and by evaluating earnings forecasts and historical results. The recognition of deferred tax assets is also supported by the future realisation of taxable temporary differences. The assumptions used in the valuation are consistent with those used elsewhere in the financial statements. Tax audits are conducted annually in various group companies. If required, tax liabilities are recognised in connection with the audits. Their measurement often involves considerable uncertainty concerning the estimated taxes to be paid. If the associated final tax differs from the originally recorded amounts, the difference has an effect on both the taxes based on the taxable income for the period, and on deferred tax receivables and liabilities.

EUR million	2025	2024
Income taxes for the financial period	-11.7	-25.9
Income taxes from previous periods	-0.5	0.0
Deferred taxes	65.8	3.2
Total	53.6	-22.7

The OECD Pillar II provisions on a global minimum tax rate on the income of international corporations have applied to Metsä Group since 1 January 2024. According to the provisions, if in any of a group's operating countries, the aggregate effective tax rate, calculated in accordance with the provisions concerning minimum taxation, remains below 15%, a top-up tax is imposed to raise the effective tax rate in the country in question to 15%. Metsä Group has not recognised a top-up tax based on the minimum tax provisions for any operating country in the 2024 or 2025 financial statements.

Income tax reconciliation

EUR million	2025	2024
Result before taxes	-334.9	131.3
Computed tax at Finnish statutory rate 20.0 %	67.0	-26.3
Tax rate differences of Finnish and foreign subsidiaries'	-1.2	-2.2
Tax exempt income	2.7	5.5
Non-deductible expenses	-6.6	-4.7
Change in valuation of deferred tax assets	-8.6	6.2
Utilization of previously unrecognized deferred tax assets during the financial year	1.1	0.6
Share of profit from associated companies and joint ventures	-0.1	-0.1
Income taxes for previous periods	-0.1	0.0
Other items	-0.5	-1.7
Income tax expense	53.6	-22.7
Effective tax rate, %	16.0	17.3

In 2025, the Group's tax expenses increased due to the write-down of a deferred tax asset of EUR 6.8 million related to Metsä Board Sverige AB's non-deductible interest expenses. In 2024, the effective tax rate decreased due to the recognition of EUR 5.6 million in deferred tax assets from the unused tax depreciation base of MI Demo Oy.

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Taxes included in other comprehensive income 2025

EUR million	Before tax	Tax effect	After tax
Items that will not be reclassified to profit and loss			
Items relating to adjustments of defined benefit pension plans	3.0	0.2	3.3
Fair value of financial assets through other comprehensive income	-38.6	7.7	-30.9
Total	-35.5	8.0	-27.6
Items that may be reclassified subsequently to profit and loss			
Cash flow hedges	48.5	-9.7	38.8
Translation differences	60.3		60.3
Total	108.8	-9.7	99.1

Taxes included in other comprehensive income 2024

EUR million	Before tax	Tax effect	After tax
Items that will not be reclassified to profit and loss			
Items relating to adjustments of defined benefit pension plans	-3.1	0.1	-3.0
Fair value of financial assets through other comprehensive income	-39.2	7.7	-31.5
Total	-42.2	7.8	-34.5
Items that may be reclassified subsequently to profit and loss			
Cash flow hedges	-103.4	20.7	-82.7
Translation differences	-26.6		-26.6
Total	-130.0	20.7	-109.3

Deferred tax assets and liabilities 2025

EUR million	1 Jan 2025	Charged to income statement	Charged to other comprehensive income	Translation differences and others	31 Dec 2025
Deferred tax assets					
Intangible assets and property, plant and equipment	11.1	-2.1		0.0	8.9
Inventories	8.8	-3.5		0.0	5.3
Other investments	3.4		1.0		4.4
Pension obligations and provisions	10.1	0.4	-0.1	0.3	10.7
Lease liabilities	22.9	-1.6		0.0	21.4
Financial instruments	7.8	-7.2	0.1	0.2	0.9
Unused tax loss carry-forwards	241.5	85.1		1.9	328.5
Other temporary differences	4.5	0.9		-0.2	5.2
Total	310.2	72.0	1.0	2.1	385.2
Netting against liabilities	-275.4	-72.0	0.7	-1.7	-348.4
Deferred tax assets in balance sheet	34.7	-0.1	1.7	0.4	36.8
Deferred tax liabilities					
Intangible assets and property, plant and equipment (exc. leases)	569.8	15.2		5.0	590.0
Leases	20.1	-1.3		-0.1	18.7
Other investments	37.8		-6.7		31.1
Tax-free assets	7.4	-7.1		0.2	0.6
Pension obligations	0.8	1.9	-1.4	0.2	1.4
Financial instruments	0.2	-1.7	9.8	1.1	9.4
Other temporary differences	3.9	-0.9	0.1	-1.0	2.1
Total	639.9	6.2	1.8	5.4	653.3
Netting against receivables	-275.4	-72.0	0.7	-1.7	-348.4
Deferred tax liabilities in balance sheet	364.5	-65.9	2.6	3.6	304.8

Deferred tax assets and liabilities 2024

EUR million	1 Jan 2024	Charged to income statement	Charged to other comprehensive income	Translation differences and others	31 Dec 2024
Deferred tax assets					
Intangible assets and property, plant and equipment	4.7	6.4		0.0	11.1
Inventories	11.0	-2.3		0.1	8.8
Other investments	2.6		0.8		3.4
Pension obligations and provisions	10.1	-1.1	0.5	0.6	10.1
Lease liabilities	26.1	-3.1		0.0	22.9
Financial instruments	0.7	5.6	1.4	0.0	7.8
Unused tax loss carry-forwards	180.1	62.3		-0.9	241.5
Other temporary differences	5.7	-0.8		-0.3	4.5
Total	241.0	66.9	2.7	-0.4	310.2
Netting against liabilities	-208.7	-64.8	-1.2	-0.7	-275.4
Deferred tax assets in balance sheet	32.3	2.1	1.5	-1.1	34.7
Deferred tax liabilities					
Intangible assets and property, plant and equipment (exc. leases)	510.1	62.4		-2.7	569.8
Leases	22.2	-2.1		0.0	20.1
Other investments	44.7		-6.9		37.8
Tax-free assets	7.0	0.7		-0.2	7.4
Pension obligations	0.8	0.0	-0.4	0.4	0.8
Financial instruments	19.0	0.9	-19.2	-0.5	0.2
Other temporary differences	4.1	1.9		-2.2	3.9
Total	608.0	63.7	-26.6	-5.2	639.9
Netting against receivables	-208.7	-64.8	-1.2	-0.7	-275.4
Deferred tax liabilities in balance sheet	399.3	-1.1	-27.8	-5.9	364.5

Tax losses

On 31 December 2025, Metsä Group had EUR 1,605.7 million (1,177.5) of net tax losses, EUR 328.5 million (241.8) of which was recorded as deferred tax receivables. Of these tax losses, EUR 1,288.0 million was incurred in Finland (1,022.6). Of the tax losses, EUR 317.1 million was incurred in Sweden, Germany and the UK (154.9). Of the tax losses, EUR 317.1 million (154.9) will not expire, EUR 0.6 million (0.0) will expire within five years, and the remaining EUR 1,288.0 million (1,022.6) will expire later.

Most of the Group's tax losses resulted from the increased tax deductions made by Metsä Fibre Oy for its Kemi bioproduct mill in 2023–2024. The Group estimates that Metsä Fibre Oy will generate sufficient taxable income in the future to utilise the losses after the increased tax deductions have ended, and the related temporary tax

difference has been realised in the coming years. The measures to improve profitability currently underway within the Group also support this assessment.

Tax losses whose use involves uncertainty, and which have therefore not been recognised as deferred tax receivables, totalled EUR 156.0 million (123.3) on 31 December 2025. Tax losses on 31 December 2025 were incurred mainly in Germany and Sweden. Of the tax losses, EUR 122.2 million (122.9) will not expire, EUR 33.8 million (0.3) will expire within five years, and the remaining EUR 0.0 million (0.0) will expire later. Unrecognised deferred tax assets from losses totalled EUR 46.2 million (38.6).

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7. Group structure

7.1 Subsidiaries and joint operations

Accounting principles

Subsidiaries

In addition to the parent company Metsäliitto Cooperative, the consolidated financial statements include all companies controlled by the Group. Metsä Group has control in a company when it, through its association with the company, is exposed to the company's changing income or has a right to its changing income and can influence this income by exercising the power it has in the company. Intra-Group shareholding is eliminated using the acquisition method. Intra-Group business transactions, receivables, liabilities and unrealised gains, as well as internal distribution of profits, are eliminated on consolidation. Unrealised gains arising from impairment are not eliminated. When necessary, the accounting principles applied by subsidiaries have been adjusted to comply with the Group's principles.

The parent company's owners' and non-controlling interests' shares of the result for the period are presented in the income statement, and their shares of comprehensive income are presented in the comprehensive income statement. The non-controlling interests' share of members' funds is presented as a separate item under equity on the balance sheet.

Joint operations

A joint operation is a joint arrangement in which parties who have joint control in the arrangement have rights concerning the assets related to the arrangement and obligations concerning liabilities. The Group consolidates the proportion corresponding to its ownership of the assets, liabilities, income and expenses of the joint operation in its financial statements.

METSÄLIITTO COOPERATIVE	Country	Holding, %
Subsidiaries		
Kumpuniemen Voima Oy	Finland	53.97
Metsä Group Asia Co. Ltd	China	100.00
Metsä Board Oyj ¹⁾	Finland	51.93
Metsä Fibre Oy	Finland	63.03
Metsä Forest Sverige AB	Sweden	100.00
Metsä Group Services Sp. z.o.o.	Poland	100.00
Metsä Group Treasury Oy	Finland	100.00
Metsä Spring Oy	Finland	100.00
Metsä Tissue Oyj	Finland	100.00
Metsä Wood Deutschland GmbH	Germany	100.00
Metsä Wood Eesti AS	Estonia	100.00
Metsä Wood Holland B.V.	Netherlands	100.00
Metsä Wood International Oy	Finland	100.00
Metsä Wood Schweiz AG	Switzerland	100.00
Metsä Wood UK Ltd	Great Britain	100.00
Metsä Wood USA Inc.	USA	100.00
MI Demo Oy	Finland	100.00
Joint operations		
Lohjan Biolämpö Oy ²⁾	Finland	51.00

1) Holding 68.89% by number of votes.

2) The primary goal for the arrangement is to produce energy to the parties and the liabilities of the arrangement are actually paid from the cash flow arising from the produced energy bought.

METSÄ FIBRE GROUP	Country	Holding, %
Subsidiaries		
Metsä Fibre GmbH	Germany	100.00
Metsä Fibre International Oy	Finland	100.00
Metsä Fibre S.r.l.	Italy	100.00
Metsä Fibre Sähköverkko Oy	Finland	100.00
Oy Silva Shipping Ab	Finland	100.00
Ääneverkko Oy	Finland	100.00

METSÄ BOARD GROUP	Country	Holding, %
Subsidiaries		
Husum Pulp AB	Sweden	70.00
Metsä Board Americas Corporation	USA	100.00
Metsä Board Australia and New Zealand Pty Ltd	Australia	100.00
Metsä Board Ibérica S.A.	Spain	100.00
Metsä Board Italia S.r.l.	Italy	100.00
Metsä Board Singapore Pte Ltd	Singapore	100.00
Metsä Board UK Ltd	Great Britain	100.00
Metsä Board Benelux n.v./s.a	Belgium	100.00
Metsä Board Deutschland GmbH	Germany	100.00
Metsä Board France S.A.S.	France	100.00
Metsä Board International Oy	Finland	100.00
Metsä Board Polska Sp. Z o.o.	Poland	100.00
Metsä Board Sverige AB	Sweden	100.00
Metsä Board Turkey LLC	Turkey	100.00

METSÄ TISSUE GROUP	Country	Holding, %
Subsidiaries		
Metsä Tissue Czech s.r.o.	Czech Republic	100.00
Metsä Tissue Krapkowice Sp. z.o.o.	Poland	100.00
Metsä Tissue Poland Sp. z.o.o.	Poland	100.00
Metsä Tissue Slovakia s.r.o.	Slovakia	100.00
Metsä Tissue Ukraine LCC	Ukraine	100.00
Metsä Greaseproof Papers GmbH	Germany	100.00
Metsä Greaseproof Papers Oy	Finland	100.00
Metsä Tissue A/S	Denmark	100.00
Metsä Tissue AB	Sweden	100.00
Metsä Tissue AS	Norway	100.00
Metsä Tissue GmbH	Germany	100.00
Metsä Tissue Hungary Kft.	Hungary	100.00
Metsä Tissue Immobilienverwaltungs GmbH	Germany	100.00
Metsä Tissue Ltd	Great Britain	100.00

Joint operations

Katrinefors Kraftvärme AB ²⁾	Sweden	50.00
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1) Holding 68.89% by number of votes.

2) The primary goal for the arrangement is to produce energy to the parties and the liabilities of the arrangement are actually paid from the cash flow arising from the produced energy bought.

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7.2 Non-controlling interest's shares

Accounting principles

Changes in the parent company's holdings in subsidiaries that do not cause the parent company to lose its control over the subsidiary are processed as business transactions concerning equity.

Principal non-controlling interest's shares

EUR million	Country	Holding, %		Share of result		Share of equity	
		2025	2024	2025	2024	2025	2024
Metsä Fibre Group	Finland	36.97	36.96	-56.1	-16.5	655.4	701.4
Metsä Board Group ¹⁾	Finland	48.07	48.04	-149.5	30.5	416.5	558.7
Other subsidiaries	Finland			-1.8	0.0	-1.1	0.7
				-207.5	14.0	1,070.8	1,260.7

1) Non-controlling interest's holding by votes 31.11% (31.08).

Business transactions with non-controlling interest

In 2025 and 2024, there were no significant acquisitions or sales of non-controlling interests.

Impact on parent company's equity from transactions with non-controlling interests:

EUR million	2025	2024
From other businesses	-0.2	-0.5
Net impact on equity	-0.2	-0.5

Summary of financial information of subsidiaries with a substantial non-controlling interest

EUR million	Metsä Fibre Group		Metsä Board Group	
	2025	2024	2025	2024
Sales	2,578.1	2,328.3	1,775.7	1,938.6
Result for the period	-157.2	-42.9	-156.6	25.3
Non-controlling interest's share of the result	-56.1	-16.5	-149.5	30.5
Total comprehensive income for the period	-126.1	-90.7	-126.8	-56.2
Non-controlling interest's share of the total comprehensive result	-46.0	-37.0	-129.7	-11.5
Dividends paid to non-controlling interest		-9.8	-12.0	-42.7
Non-current assets	3,281.2	3,430.9	1,993.1	2,042.4
Current assets	763.3	982.2	932.7	951.7
Non-current liabilities	1,056.7	1,310.2	602.2	550.6
Current liabilities	1,103.7	1,089.2	566.9	535.8
Net assets	1,884.0	2,013.7	1,756.7	1,907.7
Net cash flow from operating activities	141.1	-40.1	239.6	37.8
Net cash flow arising from investing activities	-130.9	-49.6	-121.7	-129.9
Net cash flow arising from financing activities	-10.4	84.5	-119.2	82.2
Change in cash and cash equivalents	-0.2	-5.1	-1.3	-9.9

The numbers are presented before Metsä Group eliminations. The subgroup's internal items are eliminated.

7.3 Associated companies and joint ventures

Accounting principles

Associated companies include all companies over which the Group has considerable influence but no control. Significant influence is usually based on a shareholding conferring 20–50% of the voting rights. A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to its net assets.

Investments in associated companies and joint ventures are processed using the equity method, and they are initially recognised at cost. The Group's shares in associated companies and joint ventures also include the goodwill measured at the time of acquisition, less any impairment. The Group's share of the profits or losses of associated companies and joint ventures is recognised in the income statement after the operating result, which reflects the operative nature of these companies. Correspondingly, the Group's share of changes in other comprehensive income items of associated companies and joint ventures is recognised in its items of other comprehensive income. A proportion corresponding to the Group's shareholding is eliminated from unrealised profits between the Group and its associated companies and joint ventures. Unrealised gains arising from impairment are not eliminated. When necessary, the accounting principles applied by associated companies and joint ventures have been adjusted to comply with the Group's principles.

EUR million	2025	2024
Investments in associate companies and joint ventures		
Value 1 Jan	4.1	4.1
Share of results	-0.7	-0.6
Increases	0.8	0.5
Decreases	-0.2	0.0
Transfers from other shares and holdings	0.7	
Translation differences	0.0	0.0
Value 31 Dec	4.7	4.1
Amounts recognised in income statement		
Associate companies	-1.1	-0.8
Joint ventures	0.3	0.3
Total	-0.7	-0.6
Amounts recognised in balance sheet		
Associate companies	1.2	0.9
Joint ventures	3.5	3.2
Total	4.7	4.1

The Group's associated companies and joint ventures are not material in terms of the notes.

7.4. Acquired businesses and divested operations

Accounting principles

Acquired business operations are consolidated from the time when control is transferred to the Group, and divested operations are consolidated until the time when control is transferred from the Group.

The consideration paid, including the contingent sales price and the identifiable assets and liabilities of the acquired business operations, are measured at fair value at the time of acquisition. Expenses related to acquisitions are recognised as costs. Depending on the acquisition, the non-controlling interests' share in the object of the acquisition is recognised at fair value or the amount that corresponds to the non-controlling interests' proportion of the net assets of the object of the acquisition.

The amount by which the sum of the consideration paid, the fair value of the non-controlling interests' share and the fair value of the assets previously owned in the object of the acquisition exceed the fair value of the identifiable net assets is recognised as goodwill.

Acquisitions

On 24 April 2024, Metsä Group and Quant Finland and Quant Estonia concluded an agreement on the divestment of maintenance operations to Metsä Group. Quant's employees who worked at Metsä Group's plywood and Kerto LVL mill were transferred to Metsä Group through a business transfer on 1 October 2024.

There were no other business acquisitions in 2025 or 2024.

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Acquired businesses total

EUR million	Note	Posted values 2025	Posted values 2024
Tangible assets	4.2		0.7
Total assets			0.7
Borrowings			0.1
Total liabilities			0.1
Net assets		0.0	0.6
Acquisitions cost		0.0	0.6
Expert fees paid		0.0	0.1
Total		0.0	0.7
Other operating income / (expenses)			-0.1
Acquisition price		0.0	-0.6
Expert fees paid		0.0	-0.1
Net cash flow arising on acquisitions			-0.7

The book values of acquired assets and liabilities are equivalent to fair values.

Divested operations

On 30 May 2025, Metsä Group's parent company Metsäliitto Cooperative sold the Latvian wood procurement company Metsa Forest Latvia SIA to the Latvian ACA Timber. At the same time, the parties concluded long-term agreements on pulpwood and chip supplies to Metsä Group. Income of EUR 1.6 million was recognised in the result from the transaction, which had a positive cash flow impact of EUR 6.7 million.

In 2022, Metsä Group discontinued its business operations in Russia, including the Svir sawmill, wood supply and paperboard sales. On 13 May 2024, Metsä Group completed a transaction with which the ownership of the Group's Russian subsidiaries – Metsä Svir LLC, Metsä Forest St Petersburg LLC, Metsä Forest Podporozhye LLC and Metsä Board Rus LLC – was transferred to the VLP Group. Since the completion of the transaction, the Group no longer owns anything in Russia. Income of EUR 13.8 million (an impairment reversal of EUR 5.2 million and a capital gain of EUR 8.6 million after expenses) was recognised in the result from the transaction, which had a positive cash flow effect of EUR 13.7 million.

On 31 May 2024, Metsä Group's parent company Metsäliitto Cooperative divested its wood supply business in Estonia to Combi Forest OÜ, a subsidiary of Combiwood Grupp OÜ, an Estonian company. The selling party was Metsä Forest Eesti AS, a subsidiary fully owned by Metsäliitto Cooperative. At the same time, the parties concluded long-term agreements on pulpwood and chip supplies to Metsä Group. Income of EUR 1.6 million after tax was recognised in the result from the transaction, which had a positive cash flow impact of EUR 7.0 million.

There were no other divested operations in 2025 or 2024.

Divested operations, total

EUR million	Note	2025	2024
Intangible assets and property, plant and equipment	4.1, 4.2	0.4	5.4
Inventories		7.1	4.2
Accounts receivables and other receivables		1.7	9.6
Cash and cash equivalent		2.3	5.5
Total assets		11.6	24.7
Deferred tax liabilities	6	0.9	0.1
Provisions	4.9		0.5
Borrowings		0.2	1.0
Accounts payable and other liabilities		2.8	0.1
Total liabilities		3.9	1.7
Net assets		7.7	23.1
Expert fees paid		0.1	1.0
Total		7.7	24.1
Capital gain after tax		1.6	10.2
Transaction price paid in cash		9.1	34.7
Expert fees paid		-0.1	-1.0
Cash and cash equivalents of divested subsidiary		-2.3	-5.5
Increase of current liabilities			1.3
Repayment of non-current liabilities			-8.8
Cash flow impact		6.7	20.7

7.5 Related party transactions

The Group's related parties include subsidiaries, joint operations, associated companies and joint ventures, and Metsä Conservation Foundation. In addition, the members of the Board of Directors, the members of the Group Executive Management Team, and the President and CEO, as well as their close family members and companies under their sole or joint control, are considered related parties.

Key management's salaries, remuneration and pension expenses are presented in Note 3.2. Further details about the Group structure are presented in Notes 7.1–7.3.

Transactions and open items with associated companies and joint ventures

EUR million	2025	2024
Sales	11.1	12.2
Purchases	-28.3	-30.4
Non-current receivables	9.5	6.3
Accounts receivables and other receivables	1.4	3.7
Accounts payable and liabilities	4.1	3.0

The Metsä Conservation Foundation is a separate legal entity that was established on 16 June 2025. The Metsä Conservation Foundation complements Metsä Group's services that enable forest owners to increase biodiversity in their forests. In 2025, Metsäliitto Cooperative paid core capital of EUR 1 million to the Metsä Conservation Foundation.

8. Other notes

8.1 Commitments and contingencies

Key estimates and judgements

Disputes and legal proceedings

Some Metsä Group companies are party to legal proceedings concerning disputes about the responsibilities and liabilities arising from the supply agreements of the Group's most significant investment projects. These investment projects also involve unresolved disputes that may lead to the commencement of new arbitration or legal proceedings.

Contingent liabilities

EUR million	2025	2024
Own liabilities for which collateral has been provided	6.0	6.7
Corporate mortgages	0.5	0.4
Chattel mortgages	0.0	0.2
Total collateral provided for own liabilities	0.5	0.7
Leases not yet commenced to which the Group is committed	32.1	32.1
Other commitments given on own behalf	8.1	2.6
Commitments given on behalf of associated companies and joint ventures		0.0
Total	40.7	35.4

Commitments related to intangible assets and property, plant and equipment

EUR million	2025	2024
Payments due in following 12 months	61.3	198.8
Payments due later	8.4	38.0
Total	69.8	236.8

Most of the commitments regarding the acquisition of intangible assets, and property, plant and equipment, are related to the renewal and expansion of tissue paper production at the Mariestad mill and the construction of the Kerto LVL mill in Äänekoski. In 2024, most of the commitments were related to the construction of the Kemi bioproduct mill, the development programmes of the Husum and Kemi paperboard mills, the renewal and expansion of tissue paper production at the Mariestad mill, and the construction of the Kerto LVL mill in Äänekoski.

8.2 Events after the financial period

On 26 January 2026, Metsä Board made an agreement regarding the purchase of the Winschoten Sheeting and Distribution Hub in the Netherlands, owned by Konvertia Group. It is planned that the sale will be closed in February 2026. The parties have agreed not to publish the sale price.

In January, Jussi Noponen was appointed EVP, Metsä Wood, part of Metsä Group, and a member of the Metsä Group Executive Management Team from 1 March 2026 onwards.

Metsäliitto Cooperative and Itochu Corporation completed a transaction on 4 February 2026, in which Metsäliitto acquired a 5.1% stake in Metsä Fibre Oy. As a result of the transaction, Metsäliitto's ownership in Metsä Fibre is 55.2%, and Itochu holds 19.9% of the share capital. The share of Metsä Board Corporation remained at 24.9%.

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Parent company income statement

EUR	Note	1.1.–31.12.2025	1.1.–31.12.2024
Sales	2	2,511,477,621.40	2,399,467,330.71
Change in stocks of finished and unfinished products	3	-1,013,243.56	3,733,132.70
Production for own use			80,848.76
Other operating income	3, 4	161,562,266.77	148,322,035.70
Materials and services			
Materials, consumables and goods			
Purchases during the financial period		-1,731,234,640.06	-1,701,703,952.82
Changes in inventories		-63,183,211.23	95,808,011.22
External services	5	-491,619,765.58	-570,296,491.51
Employee costs	3, 5	-182,313,997.92	-166,505,121.18
Depreciations and impairment charges	3, 6	-38,008,339.79	-35,214,997.18
Other operating expenses	3, 5	-164,924,236.35	-164,284,953.18
		-2,671,284,190.93	-2,542,197,504.65
Operating result		742,453.69	9,405,843.23
Financial income and expenses	7		
Income from group companies		16,368,242.10	69,077,457.70
Income from other financial assets		56,867.38	129.00
Other interest and financial income		13,336,567.65	28,547,528.55
Exchange rate differences		489,217.55	405,714.48
Interest expenses and other financial expenses		-13,831,120.12	-19,847,143.95
		16,419,774.56	78,183,685.78
Result before appropriations and taxes		17,162,228.25	87,589,529.01
Appropriations			
Change in depreciation differences	6	35,015.57	11,904,193.72
Group contribution		716,136.93	-14,420,000.00
		751,152.50	-2,515,806.28
Income taxes	3, 8	1,008,602.43	-2,916,476.28
Result for the financial period		18,921,983.18	82,157,246.45

Parent company balance sheet

EUR	Note	31.12.2025	31.12.2024
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9		
Intangible assets		14,525,865.90	15,389,290.50
Other intangible assets		5,771,099.03	7,029,447.29
Advance payment and construction in progress		33,547,144.42	90,386,081.00
		53,844,109.35	112,804,818.79
Tangible assets	9		
Land and water areas		8,690,283.34	8,445,766.82
Buildings and constructions		43,798,561.82	46,277,879.92
Machinery and equipment		97,515,150.32	100,188,584.86
Other tangible assets		4,110,797.34	4,224,614.32
Advance payment and construction in progress		257,507,419.80	148,462,281.48
		411,622,212.62	307,599,127.40
Investments	10, 11, 20		
Shares in group companies		2,193,313,217.66	2,176,661,054.38
Shares in associated companies		941,409.81	941,409.81
Receivables from associated companies		11,159,528.22	16,246,102.84
		2,205,414,155.69	2,193,848,567.03
Total non-current assets		2,670,880,477.66	2,614,252,513.22
CURRENT ASSETS			
Inventories			
Materials and consumables		195,261,117.75	259,515,826.37
Semifinished products		2,699,667.54	2,628,434.42
Finished products		7,748,543.76	11,084,714.84
Advance payments		28,399,858.24	43,341,661.79
		234,109,187.30	316,570,637.42
Non-current receivables	12		
Receivables from group companies		3,078,191.49	33,125,169.65
Deferred tax	15	6,371,774.94	4,751,289.61
Prepayments and accrued income		2,332,021.91	1,724,984.96
		11,781,988.34	39,601,444.22
Current receivables	12		
Accounts receivables		43,053,586.61	69,247,012.43
Receivables from group companies		813,125,527.05	821,837,588.00
Receivables from associated companies		1,087,472.18	1,447,909.14
Other receivable		6,335,748.05	5,360,411.28
Prepayments and accrued income		13,416,513.07	12,641,849.06
		877,018,846.96	910,534,769.91
Total receivables		888,800,835.30	950,136,214.13
Cash and cash equivalents		6,071,041.00	5,645,675.21
Total current assets		1,128,981,063.60	1,272,352,526.76
TOTAL ASSETS		3,799,861,541.26	3,886,605,039.98
EQUITY AND LIABILITIES			
Members' funds			
Members' capital	13		
Participation shares		291,570,725.35	286,397,613.87
Additional shares Metsä1		1,331,268,764.00	1,198,895,133.20
Additional shares A		245,452,857.79	303,109,346.95
Additional shares B		65,373,549.18	85,810,796.30
Transfer of refundable members' capital to liabilities for the waiting period		-145,797,072.76	-94,874,987.29
Other reserves			
Reserve for invested unrestricted equity		501,520,860.90	501,163,036.33
General reserve I		3,939,904.28	3,939,904.28
General reserve II		67,401,740.00	67,401,740.00
Value adjustment reserve		-17,673,625.84	-14,822,646.08
Retained earnings		860,911,749.36	883,687,031.52
Result for the financial period		18,921,983.18	82,157,246.45
		3,222,891,435.44	3,302,864,215.52
Appropriations	6		
Accumulated depreciation difference		58,933,449.24	58,968,464.81
Provisions	14	7,135,391.76	5,228,154.02
LIABILITIES			
Non-current liabilities			
Advance payments		1,270,524.97	530,273.00
Accounts payable		2,682,830.51	2,303,286.18
Liabilities to group companies		12,000,000.00	
Other liabilities		7,628,495.87	16,902,126.66
		23,581,851.35	19,735,685.84
Current liabilities			
Loans from financial institutions		0.02	0.02
Advance payments		1,716,482.48	2,602,379.23
Accounts payable		145,050,349.71	198,302,863.59
Liabilities to group companies		26,590,501.13	29,108,316.32
Liabilities to participating companies			4,396.21
Other liabilities		175,093,773.21	103,457,770.22
Accruals and deferred income		138,868,306.92	166,332,794.20
		487,319,413.47	499,808,519.79
Total liabilities		510,901,264.82	519,544,205.63
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,799,861,541.26	3,886,605,039.98

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Parent company cash flow statement

EUR	31.12.2025	31.12.2024
Cash flow from operating activities		
Operating result	742,453.69	9,405,843.23
Adjustments to result ^{a)}	25,201,160.74	35,177,184.53
Interest received	13,336,567.65	28,547,528.55
Interest paid	-13,255,290.76	-18,651,617.50
Dividends received	16,425,109.48	69,077,586.70
Other financial items, net	-342,198.30	-1,043,148.12
Income taxes paid	-291,635.07	-7,698,879.13
Change in working capital ^{b)}	4,650,203.10	-183,998,763.48
	46,466,370.53	-69,184,265.22
Cash flow from investing activities		
Acquisition of shares and businesses	-19,911,050.00	-746,867.19
Investments in tangible and intangible assets	-161,079,915.20	-183,849,482.95
Proceeds from disposal of shares	12,397,674.79	2,503,125.75
Capital distribution		17,786,791.32
Proceeds from sale of tangible and intangible assets	85,325,555.84	58,483,196.56
Increase and decrease of non-current receivables, net	29,439,941.21	16,213,716.85
	-53,827,793.36	-89,609,519.66
Cash flow before financial activities	-7,361,422.83	-158,793,784.88
Cash flow from financing activities		
Interest paid on members' capital	-77,354,416.26	-85,376,962.57
Decrease in non-current liabilities	-189,528.12	-189,528.12
Change in other non-current liabilities	13,119,796.30	528,199.11
Increase or decrease in interest bearing current liabilities, net	-0.02	-376.90
Increase or decrease in interest bearing current receivables, net	38,066,093.99	172,886,082.37
Change in members' capital	34,144,842.73	66,560,147.19
	7,786,788.62	154,407,561.08
Change in cash and cash equivalents	425,365.79	-4,386,223.80
Cash and cash equivalents at beginning of period	5,645,675.21	10,031,899.01
Change in cash and cash equivalents	425,365.79	-4,386,223.80
Cash and cash equivalents at end of period	6,071,041.00	5,645,675.21
^{a)} Adjustments to operating result		
Depreciations and impairment charges	38,008,339.79	35,214,997.18
Gains or losses on sale of fixed assets	-14,714,416.79	-4,994,396.27
Change in provisions	1,907,237.74	4,956,583.62
Total	25,201,160.74	35,177,184.53
^{b)} Change in working capital		
Inventories	79,138,258.33	-115,002,922.58
Current receivables, non-interest bearing	-3,613,599.52	-78,326,571.71
Current liabilities, non-interest bearing	-70,874,455.71	9,330,730.81
Total	4,650,203.10	-183,998,763.48

Notes to the parent company financial statements

1. Accounting principles

Main operations

Metsäliitto Cooperative's financial statements have been prepared in accordance with Finnish Accounting Standards (FAS).

Transaction in foreign currency

Transactions in foreign currency have been recognised at the exchange rate on the day of the transaction. Receivables and liabilities denominated in foreign currency on the balance sheet date have been translated into euros at the exchange rate quoted on the balance sheet date. Net exchange gains/losses have been recognised as financial income and expenses in the income statement.

Derivative financial instruments

Metsäliitto Cooperative is using derivative financial instruments only for hedging from currency, interest and commodity risks. Derivatives are valued at fair value in accordance with the alternative procedure permitted under chapter 5, section 2a of the Accounting Act. Management of financial risks and principles applied to derivatives are described in Notes 5.6 and 5.7 to the consolidated financial statements.

Metsäliitto Cooperative also applies the fair value option in accordance with chapter 5, section 2a of the Accounting Act to its other shares and holdings. Accordingly, the company has classified its shares in Pohjolan Voima Oyj in accordance with IFRS 9 as financial assets at fair value through equity, and its other equity-linked financial assets as financial assets at fair value through profit or loss. The principles applied in determining the fair value of shares and holdings and the sensitivities of fair value to various valuation factors are described in Note 4.4 to the consolidated financial statements.

Sales

Sales are calculated after deduction of indirect sales taxes, trade discounts and other items adjusting sales.

Long-term compensations

Other long-term compensation is recorded in the period in which the right arises.

Pensions and pension funding

Statutory pension security is handled by pension insurance companies outside the Metsä Group. In addition to statutory pension security, some salaried employees have supplementary pension arrangements which are insured. Pension insurance premiums are periodised to correspond to the accrual based wages and salaries recorded in the financial statements.

Leasing

Lease payments are treated as rental expenses.

Income taxes

Income tax in the income statement include the income tax of the taxable result for the period, adjustments to taxes of previous period and deferred taxes. Deferred taxes are calculated from temporary differences due to

differences in assets and liabilities bookkeeping value compared to taxable value. Deferred tax has been calculated by using tax base confirmed by Finnish tax authorities.

Property, plant and equipment and depreciation

The balance sheet values of property, plant and equipment are based on original acquisition costs less depreciation according to plan and impairment losses.

Depreciation according to plan is based on the estimated useful life of the asset as follows:

Buildings and constructions	20–40 years
Heavy machinery	10–40 years
Medium heavy machinery	10–20 years
Light machinery and equipment	3–15 years
Other items	3–10 years

Depreciation is not recorded on the purchase cost of land and water areas.

Inventories

Inventories are measured at acquisition cost or a lower net realisable value. In measuring inventories, the FIFO principle is observed or, alternatively, the weighted average price method. The acquisition cost of finished goods and work in progress include raw materials, direct wages and salaries, depreciation, and other direct costs, as well as a reasonable share of variable and fixed production costs at the normal production level allocated to products. Net realisable value is the estimated sales price less cost of production and sales.

Provisions for liabilities and charges

Future expenses and losses that will no longer generate corresponding income and that the parent company is obligated or committed to pay, and whose monetary value can be reasonably estimated, are included in the income statement under the appropriate expense item according to their nature and in the balance sheet under provisions for liabilities and charges.

Appropriations

The Finnish tax legislation offers the possibility to deduct expenses prematurely from the profit for the financial period and to transfer them to the balance sheet as provisions. The items are taken into account in tax filings only if they have been entered in the accounts. These items are presented in the appropriations in the income statement. The most substantial of these appropriations is the depreciation difference on fixed assets.

Terminology

In its financial reporting, Metsäliitto Cooperative has started to primarily use the word "result" to describe the financial result. The words "profit" or "loss" can be used as secondary terms, if the word "result" does not fit the context for some reason. The term "surplus" and "deficit" can also be used if there is a need to show a connection with the Cooperatives Act or the rules of the cooperative.

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EUR	2025	2024
2. Sales		
Sales by region		
Finland	2,422,749,513.31	2,086,146,706.88
Other EU-countries	88,490,323.90	190,811,066.39
Other European countries	140,504.84	52,737,295.69
Other countries	97,279.35	69,772,261.75
Total	2,511,477,621.40	2,399,467,330.71

3. Items affecting comparability

Other operating income		
Gain on sales of Metsa Forest Latvia SIA shares	6,099,255.84	
Gain on sales of Russian subsidiaries	1,300,000.00	1,202,175.75
Cost savings and profitability improvement program	6,475,250.33	
	13,874,506.17	1,202,175.75
Write-Down of Inventory		
Closing of Suolahti Plywood mills		-2,000,000.00
		-2,000,000.00
Personnel costs		
Cost savings and profitability improvement program	-11,097,638.06	
Closing of Suolahti Plywood mills	-1,200,000.00	-2,000,000.02
	-12,297,638.06	-2,000,000.02
Depreciation and Impairment		
Incomplete enterprise resource planning system	-17,481,476.00	
Closing of Suolahti Plywood mills		-14,066,677.25
	-17,481,476.00	-14,066,677.25
Other operating expenses		
Cost savings and profitability improvement program	-2,089,071.74	
Expert costs related to sale of Metsa Forest Latvia SIA shares	-69,415.36	
Expert costs related to sale of Russian subsidiaries	-57,000.00	-346,740.95
Closing of Suolahti Plywood mills		-3,000,000.00
	-2,215,487.10	-3,346,740.95
Items affecting comparability in operating result	-18,120,094.99	-20,211,242.47
Income taxes	5,078,587.09	4,243,826.31
Items affecting comparability in result for the financial period	-13,041,507.90	-15,967,416.16
Comparable result for the financial period	31,963,491.08	98,124,662.61

4. Other operating income

Rental income	1,788,731.74	1,415,398.79
Service revenue	138,628,932.95	132,261,282.08
Gains on disposal	14,724,619.28	5,135,414.21
Government grants and allowances	2,424,415.06	761,870.83
Other income	3,995,567.74	8,748,069.79
Total	161,562,266.77	148,322,035.70

Gains on sales of assets include year 2025 gains of sales of Metsä Forest Latvia SIA shares eur 6,099,255.84 and 000 Metsa Forest St. Petersburg shares eur 1,300,000,00.

EUR	2025	2024
5. Operating expenses		
External services		
Distribution costs	-258,585,935.32	-292,698,425.54
Other external services	-233,033,830.26	-277,598,065.97
Total	-491,619,765.58	-570,296,491.51
Employee costs		
Wages and salaries for working hours	-124,545,674.04	-112,137,544.49
Other long-term remuneration	456,319.00	-216,955.00
Social security expenses		
Pension expenses	-25,612,187.89	-26,742,430.56
Other social security expenses	-32,612,454.99	-27,408,191.13
Total	-182,313,997.92	-166,505,121.18
Salaries and remunerations paid to management		
Chief Executive Officer and Managing Director and Deputy Managing Director	-2,245,251.51	-1,461,552.45
Board members and executive group	-789,200.00	-796,400.00
Board of governors	-322,000.00	-278,100.00
Total	-3,356,451.51	-2,536,052.45
The average number of personnel	2,356	2,329

For the 2025–2027 earnings period, 51 employees of the parent company Metsäliitto Cooperative were covered by another long-term incentive plan on 31 December 2025. It is possible to earn a total of 672,115 synthetic shares (gross) for the 2022–2024 earnings period, a total of 546,809 synthetic shares (gross) for the 2023–2025 earnings period, a total of 606,975 synthetic shares (gross) for the 2024–2026 earnings period, and a total of 978,262 synthetic shares (gross) for the 2025–2027 earnings period. Other long-term incentives are described in more detail in Note 3.4 of the consolidated financial statements.

Executive management's pension commitments

President and CEO Jussi Vanhanen's retirement age is that determined in the Employees' Pensions Act. The President and CEO is covered by a supplementary defined-contribution pension plan, for which the retirement age is 63 years. The annual supplementary pension contribution is 20%

of the President and CEO's total salary, including short-term rewards. If the President and CEO's employment at the Group ends before retirement, they are entitled to a paid-up policy. Due to the start date of their employment, one member of Metsäliitto Cooperative's executive management has a separate defined-contribution pension plan with a retirement age of 62. One member of Metsäliitto Cooperative's executive management has a separate defined-benefit supplementary pension insurance related to a previous position. If their employment relationship with Metsä Group ends before retirement age, the members of the Executive Management Team are entitled to a paid-up policy. Management's salaries, fees and pension commitments are presented in Note 3.2 to the consolidated financial statements. The President and CEO, the members of the Board of Directors, and their deputies and key persons in other similar governing bodies have not been granted loans, and no guarantees or other securities have been issued for them.

Other operating expenses		
Rental and other property costs	-15,784,309.22	-13,923,855.68
Purchases of services	-115,281,168.21	-112,592,337.83
Losses on disposal of non-current assets	-10,202.49	-1,142.64
Other expenses		
Voluntary social costs	-5,003,810.98	-4,287,615.19
Travel expenses	-9,095,990.74	-10,134,649.00
Advertising and marketing expenses	-4,488,856.67	-6,788,084.47
Others	-15,259,898.04	-16,557,268.37
Total	-164,924,236.35	-164,284,953.18

Fees of principal auditor

Audit fees	-304,000.00	-297,800.00
Auditors' opinions		
Assurance of sustainability reporting	-149,040.00	-210,105.00
Other assignments	-1,552.50	-11,819.00
Tax services	-16,250.00	
Other services		-111,298.26
Total	-470,842.50	-631,022.26

The principal auditor is KPMG Oy Ab.

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EUR	2025	2024
6. Depreciation and impairment		
Planned depreciation		
Intangible rights	-3,167,513.19	-3,953,609.49
Other intangible assets	-1,412,794.93	-1,340,640.88
Buildings and constructions	-3,920,024.46	-3,887,403.97
Machinery and equipment	-11,691,504.58	-11,640,426.72
Other tangible assets	-335,026.63	-326,238.87
Total	-20,526,863.79	-21,148,319.93
Impairment charges		
Intangible rights		-197,685.13
Advanced payments and work in progress	-17,481,476.00	
Buildings and constructions		-2,653,339.14
Machinery and equipment		-10,649,760.32
Other tangible assets		-565,892.66
Total	-17,481,476.00	-14,066,677.25
Depreciations and impairment charges total	-38,008,339.79	-35,214,997.18
Change in depreciation difference	35,015.57	11,904,193.72
Total depreciation	-37,973,324.22	-23,310,803.46
Depreciation difference at the beginning of the financial year	58,968,464.81	70,872,658.53
Change in depreciation difference	-35,015.57	-11,904,193.72
Depreciation difference at the end of the financial year	58,933,449.24	58,968,464.81
7. Financial income and expenses		
Income from investments in non-current assets		
Dividend income		
From Group companies	16,368,242.10	69,077,457.70
From others	56,867.38	129.00
Total	16,425,109.48	69,077,586.70
Interest income on investments in non-current assets		
From others	27,857.88	40,395.21
Total	27,857.88	40,395.21
Total income from non-current assets	16,452,967.36	69,117,981.91
Other interest and financial income		
Interest income from Group companies	13,130,357.51	28,217,813.42
Other interest income	178,352.26	289,319.92
Total	13,308,709.77	28,507,133.34
Exchange rate differences recognised in financial income and expenses		
Exchange rate differences on sales	-920,194.08	487,404.27
Exchange rate differences on purchases	162,220.53	22,470.02
Exchange rate differences on financing	1,247,191.10	-104,159.81
Total	489,217.55	405,714.48
Interest and other financial expenses		
Interest expenses for the same group companies	-1,785,693.47	-4,095,759.37
Other interest expenses	-11,469,597.29	-14,555,858.13
Other financial expenses	-575,829.36	-1,195,526.45
Total interest expenses and other financial expenses	-13,831,120.12	-19,847,143.95
Financial income and expenses total	16,419,774.56	78,183,685.78

EUR	2025	2024
8. Income taxes		
Taxes for the financial year		-3,861,696.04
Taxes for previous financial years	100,860.97	-46,096.96
Deferred taxes	907,741.46	991,316.72
Total	1,008,602.43	-2,916,476.28
9. Intangible and tangible assets		
Intangible rights		
Acquisition cost, 1 Jan.	52,468,295.49	52,165,977.56
Additions	96,588.72	1,269,486.94
Decrease	-2,487,788.52	-54,532,687.17
Transfers between items	2,207,499.87	53,565,518.16
Acquisition cost, 31 Dec.	52,284,595.56	52,468,295.49
Accumulated depreciation and impairment charges 1 Jan.	-37,079,004.99	-32,927,710.37
Accumulated depreciation on deductions and transfers	2,487,788.52	
Depreciations for the period	-3,167,513.19	-3,953,609.49
Impairments		-197,685.13
Accumulated depreciation and impairment charges 31 Dec.	-37,758,729.66	-37,079,004.99
Book value, 31 Dec.	14,525,865.90	15,389,290.50
Other intangible assets		
Acquisition cost, 1 Jan.	16,206,032.65	14,374,529.05
Additions	52,125.01	243,749.51
Decrease		-20,464.51
Transfers between items	102,321.66	1,608,218.60
Acquisition cost, 31 Dec.	16,360,479.32	16,206,032.65
Accumulated depreciation and impairment charges 1 Jan.	-9,176,585.36	-7,849,104.03
Accumulated depreciation on deductions and transfers		13,159.55
Depreciations for the period	-1,412,794.93	-1,340,640.88
Accumulated depreciation and impairment charges 31 Dec.	-10,589,380.29	-9,176,585.36
Book value, 31 Dec.	5,771,099.03	7,029,447.29
Advance payments and work in progress		
Acquisition cost, 1 Jan.	90,386,081.00	86,067,332.48
Additions	40,908,647.65	59,492,485.28
Decrease	-77,956,286.70	
Transfers between items	-2,309,821.53	-55,173,736.76
Impairments	-17,481,476.00	
Book value, 31 Dec.	33,547,144.42	90,386,081.00
Intangible assets total		
Acquisition cost, 1 Jan.	159,060,409.14	152,607,839.09
Additions	41,057,361.38	61,005,721.73
Decrease	-97,925,551.22	-54,553,151.68
Acquisition cost, 31 Dec.	102,192,219.30	159,060,409.14
Accumulated depreciation and impairment charges 1 Jan.	-46,255,590.35	-40,776,814.40
Accumulated depreciation on deductions and transfers	19,969,264.52	13,159.55
Depreciations for the period	-4,580,308.12	-5,294,250.37
Impairments	-17,481,476.00	-197,685.13
Accumulated depreciation and impairment charges 31 Dec.	-48,348,109.95	-46,255,590.35
Book value, 31 Dec.	53,844,109.35	112,804,818.79
Land and water areas		
Acquisition cost, 1 Jan.	8,445,766.82	7,594,359.39
Additions	272,950.00	859,823.39
Decrease	-28,433.48	-8,415.96
Acquisition cost, 31 Dec.	8,690,283.34	8,445,766.82
Book value, 31 Dec.	8,690,283.34	8,445,766.82

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EUR	2025	2024
Buildings and constructions		
Acquisition cost, 1 Jan.	101,225,438.24	98,559,349.10
Additions	1,248,183.89	2,452,745.61
Decrease	-148,425.92	-504,748.29
Transfers between items	198,158.69	718,091.82
Acquisition cost, 31 Dec.	102,523,354.90	101,225,438.24
Accumulated depreciation and impairment charges 1 Jan.	-54,947,558.32	-48,907,920.86
Accumulated depreciation on deductions and transfers	142,789.70	501,105.65
Depreciations for the period	-3,920,024.46	-3,887,403.97
Impairments		-2,653,339.14
Accumulated depreciation and impairment charges 31 Dec.	-58,724,793.08	-54,947,558.32
Book value, 31 Dec.	43,798,561.82	46,277,879.92
Machinery and equipment		
Acquisition cost, 1 Jan.	352,914,772.92	345,674,832.19
Additions	6,660,212.74	7,447,943.37
Decrease	-2,599,159.91	-2,426,365.16
Transfers between items	2,376,700.53	2,218,362.52
Acquisition cost, 31 Dec.	359,352,526.28	352,914,772.92
Accumulated depreciation and impairment charges 1 Jan.	-252,726,188.06	-232,862,366.18
Accumulated depreciation on deductions and transfers	2,580,316.68	2,426,365.16
Depreciations for the period	-11,691,504.58	-11,640,426.72
Impairments		-10,649,760.32
Accumulated depreciation and impairment charges 31 Dec.	-261,837,375.96	-252,726,188.06
Book value, 31 Dec.	97,515,150.32	100,188,584.86
Other intangible assets		
Acquisition cost, 1 Jan.	12,473,035.25	11,550,906.82
Additions	138,010.80	
Decrease	-46,343.06	676,260.91
Transfers between items	83,198.85	245,867.52
Acquisition cost, 31 Dec.	12,647,901.84	12,473,035.25
Accumulated depreciation and impairment charges 1 Jan.	-8,248,420.93	-6,680,028.49
Accumulated depreciation on deductions and transfers	46,343.06	-676,260.91
Depreciations for the period	-335,026.63	-326,238.87
Impairments		-565,892.66
Accumulated depreciation and impairment charges 31 Dec.	-8,537,104.50	-8,248,420.93
Book value, 31 Dec.	4,110,797.34	4,224,614.32
Advance payments and work in progress		
Acquisition cost, 1 Jan.	148,462,281.48	39,054,362.60
Additions	111,703,196.39	112,590,240.74
Transfers between items	-2,658,058.07	-3,182,321.86
Acquisition cost, 31 Dec.	257,507,419.80	148,462,281.48
Total tangible assets		
Acquisition cost, 1 Jan.	623,521,294.71	502,433,810.10
Additions	120,022,553.82	123,350,753.11
Decrease	-2,822,362.37	-2,263,268.50
Acquisition cost, 31 Dec.	740,721,486.16	623,521,294.71
Accumulated depreciation and impairment charges 1 Jan.	-315,922,167.31	-288,450,315.53
Accumulated depreciation on deductions and transfers	2,769,449.44	2,251,209.90
Depreciations for the period	-15,946,555.67	-15,854,069.56
Impairments		-13,868,992.12
Accumulated depreciation and impairment charges 31 Dec.	-329,099,273.54	-315,922,167.31
Book value, 31 Dec.	411,622,212.62	307,599,127.40

During years 2025 and 2024 interest expenses were not capitalised.

EUR	2025	2024
10. Investments		
Shares in Group companies		
Acquisition cost, 1 Jan.	2,176,661,054.38	2,194,347,845.70
Increases	19,911,050.00	100,000.00
Decreases	-3,258,886.72	-17,786,791.32
Acquisitions costs 31.12.	2,193,313,217.66	2,176,661,054.38
Shares in participating companies		
Acquisition cost, 1 Jan.	941,409.81	941,409.81
Acquisitions costs 31.12.	941,409.81	941,409.81
Other shares and holdings		
Acquisition cost, 1 Jan.	16,246,102.84	20,029,692.09
Decreases	-5,086,574.62	-3,783,589.25
Acquisitions costs 31.12.	11,159,528.22	16,246,102.84
Total investments and holdings		
Acquisition cost, 1 Jan.	2,193,848,567.03	2,215,318,947.60
Increases	19,911,050.00	100,000.00
Decreases	-8,345,461.34	-21,570,380.57
Acquisitions costs 31.12.	2,205,414,155.69	2,193,848,567.03
Receivables from Group companies		
Acquisition cost, 1 Jan.		15,259,336.90
Decreases		-15,259,336.90
Acquisitions costs 31.12.	0.00	0.00
Receivables, total		
Acquisition cost, 1 Jan.		15,259,336.90
Decreases		-15,259,336.90
Acquisitions costs 31.12.	0.00	0.00
Investments, total		
Acquisition cost, 1 Jan.	2,193,848,567.03	2,230,578,284.50
Increases	19,911,050.00	100,000.00
Decreases	-8,345,461.34	-36,829,717.47
Acquisitions costs 31.12.	2,205,414,155.69	2,193,848,567.03

11. Fair values of financial investment in non-current assets

EUR	2025	2024
Stock exchange listed shares		
Book value	736,081,745.03	736,081,745.03
Fair value	605,605,439.26	816,664,695.57
Difference	130,476,305.77	-80,582,950.54

The fair value of the listed Metsä Board Corporation shares is below the book value by EUR 130.4 million at 31st December 2025. Based on Metsä Board's business-based value-in-use calculation, no need for impairment of the shares has been identified.

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EUR	2025	2024
12. Receivables		
Non-current receivables		
Receivables from group companies		
Loans receivables	3,078,191.49	33,125,169.65
Total	3,078,191.49	33,125,169.65
Receivables from others		
Deferred tax receivables	6,371,774.94	4,751,289.61
Prepayments and accrued income	2,332,021.91	1,724,984.96
Total	8,703,796.85	6,476,274.57
Total non-current receivables	11,781,988.34	39,601,444.22
Current receivables		
Receivables from group companies		
Accounts receivable	321,228,042.87	285,594,621.28
Loans receivables	487,016,088.94	525,082,182.93
Prepayments and accrued income	4,881,395.24	11,160,783.79
Total	813,125,527.05	821,837,588.00
Receivables from participating companies		
Accounts receivable	1,087,472.18	1,447,909.14
Total	1,087,472.18	1,447,909.14
Receivables from others		
Accounts receivable	43,053,586.61	69,247,012.43
Other receivables	6,335,748.05	5,360,411.28
Prepayments and accrued income	13,416,513.07	12,641,849.06
Total	62,805,847.73	87,249,272.77
Total current receivables	877,018,846.96	910,534,769.91
Accrued income from group companies, current, specification		
Derivative receivables	258,212.86	722,098.87
Group contribution receivables	716,136.93	4,860,000.00
ICT-services	3,746,496.84	5,367,706.85
Interest receivables	150,548.61	210,978.07
Others	10,000.00	
Total	4,881,395.24	11,160,783.79
Accrued income from others, current, specification		
Tax receivables	2,933,800.00	2,541,303.96
Accrued personnel costs	-80,664.01	-81,660.59
License receivables	10,506,239.04	9,916,266.79
Others	57,138.04	265,938.90
Total	13,416,513.07	12,641,849.06
Receivables total	888,800,835.30	950,136,214.13

EUR	2025	2024
13. Members' funds		
Members' capital		
Participation shares 1.1.	286,397,613.87	279,565,203.10
Paid-in members' capital	3,572,629.56	4,799,420.92
Subscription from interests to members' capital	1,609,026.49	2,039,443.07
Refund of members' capital	-6,064,111.66	-4,167,329.60
Accelerated refund of participation shares	6,055,567.09	4,160,876.38
Total *)	291,570,725.35	286,397,613.87
Transfer of refundable members' capital to liabilities for waiting period	-3,410,545.22	-1,179,636.07
Participation shares 31.12.	288,160,180.13	285,217,977.80
Additional shares Metsä1 1.1.		
Paid-in additional shares	72,147,172.39	89,013,298.83
Subscription from interests to additional shares	40,342,884.00	44,172,005.00
Refund of surplus as additional shares Metsä1	14,080,427.00	13,700,842.00
Equity bonus based fund amendment	5,181,235.06	5,414,913.96
Modification from additional shares A	40,054,823.00	67,315,755.00
Refund of additional shares	-39,432,910.65	-37,628,143.59
Total	1,331,268,764.00	1,198,895,133.20
Transfer of refundable members' capital to liabilities for waiting period	-95,282,553.92	-38,907,824.87
Additional shares Metsä1 31.12.	1,235,986,210.08	1,159,987,308.33
Additional shares A 1.1.		
Paid-in additional shares	-4,438.95	714.62
Equity bonus based fund amendment	-9,065.88	-48,011.31
Transfer to Metsä1 additional shares	-40,054,823.00	-67,315,755.00
Refund of additional shares	-17,588,161.33	-20,230,929.36
Total	245,452,857.79	303,109,346.95
Transfer of refundable members' capital to liabilities for waiting period	-22,584,933.75	-17,371,470.33
Additional shares A 31.12.	222,867,924.04	285,737,876.62
Additional shares B 1.1.		
Refund of additional shares	-20,437,247.12	-11,438,332.70
Total	65,373,549.18	85,810,796.30
Transfer of refundable members' capital to liabilities for waiting period	-24,519,039.87	-37,416,056.02
Additional shares B 31.12.	40,854,509.31	48,394,740.28
Other reserves		
Reserve for invested unrestricted equity 1.1.	501,163,036.33	500,740,195.33
Refund of Metsä1-equity bonus	348,758.69	374,829.69
Refund of A-equity bonus	9,065.88	48,011.31
Reserve for invested unrestricted equity 31.12.	501,520,860.90	501,163,036.33
General reserve I 1.1.	3,939,904.28	3,939,904.28
General reserve I 31.12.	3,939,904.28	3,939,904.28
General reserve II 1.1.	67,401,740.00	67,401,740.00
General reserve II 31.12.	67,401,740.00	67,401,740.00
Value adjustment reserve 1.1.	-14,822,646.08	-10,046,370.86
Decrease	-2,850,979.76	-4,776,275.22
Value adjustment reserve 31.12.	-17,673,625.84	-14,822,646.08

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EUR	2025	2024
Profit/loss for previous financial year 1.1.	965,844,277.97	994,702,974.01
Interest paid	-77,354,416.26	-85,376,962.57
Refund of surplus	-15,992,551.50	-15,688,359.90
Used for A-equity bonus	-6,055,567.09	-4,160,876.38
Used for Metsä1-equity bonus	-5,529,993.75	-5,789,743.64
Profit/loss for previous financial year 31.12.	860,911,749.36	883,687,031.52
Profit/loss for the period	18,921,983.18	82,157,246.45
Total members' funds	3,222,891,435.44	3,302,864,215.52
*) Unpaid participation shares		
Total called-up members' shares	221,910,898.00	226,694,559.00
Participation shares paid	-230,023,362.53	-230,905,818.14
Total	-8,112,464.53	-4,211,259.14
Total amount available for redemption of capital		
Participation shares (**)	291,570,725.35	286,397,613.87
Additional shares Metsä1 (**)	1,331,268,764.00	1,198,895,133.20
Additional shares A (**)	245,452,857.79	303,109,346.95
Additional shares B (**)	65,373,549.18	85,810,796.30
Reserve for invested unrestricted equity	501,520,860.90	501,163,036.33
Retained earnings	879,833,732.54	965,844,277.97
Depreciation difference less tax liability	47,146,759.39	47,174,771.85
Total	3,362,167,249.15	3,388,394,976.47
***) Transfer of refundable members' capital to liabilities for the waiting period	145,797,072.76	94,874,987.29

In accordance with Metsäliitto Cooperative's rules under Section 16 one third of the distributable funds shown in the balance sheet confirmed for the preceding financial period can be used for refunding of participation shares and additional shares.

Additional information of participation and additional shares has been introduced in Group financial statement note 5.1.

14. Provisions

Provisions for pension		
1.1.	104,154.00	109,067.00
Utilised during the year	-5,287.00	-4,913.00
31.12.	98,867.00	104,154.00
Provisions for unemployment pension costs		
1.1.		38,503.40
Increases	712,524.74	
Utilised during the year		-38,503.40
31.12.	712,524.74	0.00
Provisions for business closure		
1.1.	5,000,000.02	
Increases	1,200,000.00	5,000,000.02
31.12.	6,200,000.02	5,000,000.02
Other provisions		
1.1.	124,000.00	124,000.00
31.12.	124,000.00	124,000.00
Total provisions		
1.1.	5,228,154.02	271,570.40
Increases	1,912,524.74	5,000,000.02
Utilised during the year	-5,287.00	-43,416.40
31.12.	7,135,391.76	5,228,154.02

EUR	2025	2024
15. Deferred tax receivables and liabilities		
Deferred tax assets		
Mandatory provisions	1,427,078.35	1,045,630.80
Unused taxable losses	526,293.91	
Valuation of Pohjolan Voima Oyj shares at fair value	4,416,447.68	3,401,004.81
Financial instruments	1,955.00	304,654.00
Total	6,371,774.94	4,751,289.61
Deferred tax liabilities		
Total	0.00	0.00
Deferred tax assets (+) and liabilities (-), net	6,371,774.94	4,751,289.61

The deferred tax liability for accrued depreciation in 2025 was EUR 11.7 million (11.7).

16. Non-current liabilities

Liabilities to group companies		
Other liabilities	12,000,000.00	
Total	12,000,000.00	
Other liabilities		
Advance payments	1,270,524.97	530,273.00
Accounts payable	2,682,830.51	2,303,286.18
Other loans		
Transfer of refundable member's capital to liabilities for the waiting period, additional shares B	7,628,495.87	16,876,026.00
Others		26,100.66
Total	11,581,851.35	19,735,685.84
Non-current liabilities total	23,581,851.35	19,735,685.84

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EUR	2025	2024
17. Current liabilities		
Liabilities from Group companies		
Accounts payable	24,758,498.14	4,381,305.33
Other liabilities	-0.05	-0.03
Accruals and deferred income	1,832,003.04	24,727,011.02
Total	26,590,501.13	29,108,316.32
Liabilities from participating interests		
Accounts payable		4,396.21
Total		4,396.21
Liabilities from other		
Loans from financial institutions	0.02	0.02
Other loans	26,100.66	189,528.12
Advance payment	1,716,482.48	2,602,379.23
Accounts payable	145,050,349.71	198,302,863.59
Other liabilities		
Due members' capital transferred to liabilities during the waiting period	138,168,576.89	77,998,961.29
Others	36,899,095.66	25,269,280.81
Accruals and deferred income	138,868,306.92	166,332,794.20
Total	460,728,912.34	470,695,807.26
Total current liabilities	487,319,413.47	499,808,519.79
Current liabilities include due members' capital transferred to liabilities		
Participation shares	3,410,545.22	1,179,636.07
Additional shares Metsä1	95,282,553.92	38,907,824.87
Additional shares A	22,584,933.75	17,371,470.33
Additional shares B	16,890,544.00	20,540,030.02
Total	138,168,576.89	77,998,961.29
Accrued income from group companies, current, specification		
Derivatives	277,356.06	2,510,319.29
Other accrued income	1,554,646.98	22,216,691.73
Total	1,832,003.04	24,727,011.02
Accruals and deferred income, current, external		
Personnel expenses	29,470,518.90	40,712,071.53
Accruals of purchases	82,210,681.75	110,406,456.48
Pension insurance premiums	3,195,554.59	3,439,558.44
Other insurance premiums	242,412.05	323,742.44
Other accrued income	23,749,139.63	11,450,965.31
Total	138,868,306.92	166,332,794.20

18. Financial instruments

Derivatives 2025

EUR	Equity attributable to members of parent company	Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value	Fair value through other comprehensive income
Currency forward contracts	80,783,047.41	258,212.86	277,356.06	-19,143.20	-9,353.08		-9,790.12
Currency derivatives	80,783,047.41	258,212.86	277,356.06	-19,143.20	-9,353.08		-9,790.12
Derivatives total	80,783,047.41	258,212.86	277,356.06	-19,143.20	-9,353.08		-9,790.12

Derivatives 2024

EUR	Equity attributable to members of parent company	Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value	Fair value through other comprehensive income
Currency forward contracts	109,376,636.27	722,098.87	2,510,319.29	-1,788,220.42	-264,939.57		-1,523,280.85
Currency derivatives	109,376,636.27	722,098.87	2,510,319.29	-1,788,220.42	-264,939.57		-1,523,280.85
Derivatives total	109,376,636.27	722,098.87	2,510,319.29	-1,788,220.42	-264,939.57		-1,523,280.85

All derivative agreements of Metsäliitto Cooperative have been made in hedging purpose and cash flow hedge accounting has been applied in major part of the agreements financial statements of Metsäliitto Cooperative. Only the part of the currency derivatives that is related to hedging of accounts receivables and accounts payables is not directed to hedge accounting. Currency derivatives have been made to hedge Metsä Wood Industry's currency cash flow and they mature fully during 2026.

Description of Group finance risk control and principles applied to derivatives is added to Group financial statement notes 5.6 and 5.7.

EUR

Fair value hierarchy of financial assets and liabilities 2025	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value				
Other shares and holdings			11,159,528.22	11,159,528.22
Derivative financial assets		258,212.86		258,212.86
Financial liabilities recognised at fair value				
Derivative financial liabilities		-277,356.06		-277,356.06

Fair value hierarchy of financial assets and liabilities 2024

	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value				
Other shares and holdings			16,246,102.84	16,246,102.84
Derivative financial assets		722,098.87		722,098.87
Financial liabilities recognised at fair value				
Derivative financial liabilities		-2,510,319.29		-2,510,319.29

Description of fair value financial assets and liabilities classification principles is added to Group financial statement note 5.7.

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19. Disputes, legal proceedings, commitments and contingencies

Disputes and legal proceedings

During latest 12 months there has not been any administrative or legal proceedings or arbitrations that have or will have considerable impact on financial status of Metsäliitto Osuuskunta. Metsäliitto Osuuskunta has no information of any other future legal proceedings.

EUR	2025	2024
Commitments and contingencies		
For own liabilities		
Liabilities secured by chattel mortgages		
Other liabilities	26,100.66	215,628.78
Chattel mortgages	26,100.66	215,628.78
For own and for affiliated companies		
Guarantees and counter-indemnities	555,071,556.98	558,095,561.10
Leasing commitments		
Payments due in following 12 months	11,094,224.49	10,916,246.02
Payments due later than 1 year	27,649,381.00	32,449,411.30
Leases not yet commenced to which the Group is committed	32,127,960.00	32,127,960.00
Total		
Chattel mortgages	26,100.66	215,628.78
Guarantees	555,071,556.98	558,095,561.10
Leasing commitments	38,743,605.49	43,365,657.32
Leases not yet commenced to which the Group is committed	32,127,960.00	32,127,960.00
Total commitments	625,969,223.13	633,804,807.20
Investment commitments		
Payments due in following 12 months	31,669,661.03	84,441,241.04
Payments due later than 1 year	6,895,062.81	23,479,027.43
Total	38,564,723.84	107,920,268.47

20. Shares and holdings

31.12.2025	Country	Parent company share of ownership, %	Group share ownership, %	Number of shares	Book value, EUR
Affiliated companies					
Kumpuniemen Voima Oy	Finland	53.97		34	462,368.79
Metsä Board Oyj ¹⁾	Finland	51.93		184,269,752	736,081,745.03
Metsä Fibre Oy	Finland	50.10	63.03	38,135	769,718,680.09
Metsä Forest Sverige AB	Sweden	100.00		5,000	702,510.62
Metsä Group Asia Co. Ltd	China	100.00			1,792,420.12
Metsä Group Services Sp. z.o.o.	Poland	100.00		100	1,999,627.68
Metsä Group Treasury Oy	Finland	100.00		50,000	10,236,220.47
Metsä Spring Oy	Finland	100.00		100	40,200,000.00
Metsä Tissue Oyj	Finland	100.00		9,118,588	553,340,746.96
Metsä Wood Deutschland GmbH	Germany	100.00			11,947,611.09
Metsä Wood Eesti AS	Estonia	100.00		29,600	14,021,507.15
Metsä Wood Holland B.V.	Netherlands	100.00			142,949.02
Metsä Wood International Oy	Finland	100.00		1,000	20,000,000.00
Metsä Wood Schweiz AG	Switzerland	100.00		200	87,527.19
Metsä Wood UK Ltd	Great Britain	100.00		30,000,000	32,579,303.45
Metsä Wood USA Inc.	USA	100.00		1,000	0.00
					2,193,313,217.66

¹⁾ Parent company share of votes 68.89%.

Associated companies	Country	Parent company share of ownership, %	Group share ownership, %	Number of shares	Book value, EUR
Lohjan Biolämpö Oy	Finland	51.00		867,000	868,360.00
Metsäteho Oy	Finland	24.00		40	67,275.17
Perkaus Oy	Finland	33.33		2,500	5,774.64
					941,409.81

Other shares	Country	Parent company share of ownership, %	Group share ownership, %	Number of shares	Book value, EUR
Asunto Oy Tapiolan Jalava, shares 2107-2219	Finland			113	592,857.42
Asunto Oy Tapiolan Jalava, shares 2220-2259	Finland			40	357,000.00
Asunto Oy Tapiolan Jalava, shares 417-528	Finland			112	562,647.36
Asunto Oy Tapiolan Jalava, storages	Finland				1,126.95
Botniagolf Oy	Finland			1	0.00
China Office of Finnish Industries Oy	Finland			1	1,000.00
CLIC Innovation Oy	Finland			119	150,000.00
E-P:n Sahojen Oy	Finland	2.22		8	0.00
Estonia Golf & Country Club	Estonia			2	23,851.54
Harjattula Golf Oy	Finland			1	8,543.96
Kainuun Puhelinosuuskunta (KPO)	Finland			3	905.69
Kemin Seudun Golf Oy	Finland			1	0.00
Kerigolf Oy	Finland			2	504.56
Kiinteistö Oy Tapiolan Jalopuupysäköinti, ap 447	Finland			1	35,502.71
Kiinteistö Oy Tapiolan Jalopuupysäköinti, ap 448	Finland			1	35,502.71
Messilä Golf Oy	Finland			2	18,796.68
Osuuskunta KPY	Finland			400	0.00
Oy Nordgolf Ab	Finland			2	12,834.10
Parikkalan Valo Oy	Finland			172	0.00
Pohjolan Voima Oyj, A shares	Finland	0.66		87,896	7,342,915.38
Pohjolan Voima Oyj, B and B2 shares	Finland	1.00		58,034	1,833,463.02
Suomen Puukauppa Oy	Finland	10.74		1,440	157,435.30
Tawastia Colf & Country Club	Finland			1	17,497.14
Tennis Tapiola Oy	Finland			35	5,413.76
The Finnish Club and Sauna Ltd	Great Britain			100	150.70
Tornion Golf Oy	Finland			1	1,579.24
					11,159,528.22

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Electricity business

Accounting principles

According to the Electricity Market Act, companies operating in the electricity market must separate their electricity business activities from other business activities carried out by the company. Income and expenses directly attributable to the electricity business, as well as assets and liabilities, are recognised directly, and items common to all businesses are allocated to the electricity business based on the scope of operations.

Electricity business, Income statement

EUR	2025	2024
Sales	47,800,467.24	53,156,462.83
Materials and services		
Materials, consumables and goods		
Purchases during the financial period	-47,808,069.86	-53,776,356.44
Materials and services, Total	-47,808,069.86	-53,776,356.44
Other operating expenses		
Other operating expenses	-104,456.95	-93,442.95
Other operating expenses, total	-104,456.95	-93,442.95
Operating result	-112,059.57	-713,336.56
Financial income and expenses		
Other interest and financial income		
From other companies		266.49
Financial income and expenses, Total	0.00	266.49
Result before appropriations and taxes	-112,059.57	-713,070.07
Result for the financial period	-112,059.57	-713,070.07

Electricity business, Balance sheet

EUR	2025	2024
ASSETS		
CURRENT ASSETS		
Receivables		
Current receivables		
Accounts receivables	739,695.13	966,093.06
Prepayments and accrued income	1,188,347.29	
Other receivables	1,368,189.92	525,025.61
Cash and cash equivalents	6,066,366.27	5,642,474.95
Total assets	9,362,598.61	7,133,593.62
EQUITY AND LIABILITIES		
Shareholders' equity		
Profit/loss for previous financial periods	-713,070.07	-713,070.07
Result for the financial period	-112,059.57	
Total shareholders' equity	-825,129.64	-713,070.07
Liabilities		
Current liabilities		
Current liabilities, interest bearing		
Liabilities to group companies	4,558,880.32	4,607,350.38
Current liabilities, non-interest bearing		
Accounts payable	540,281.09	459,719.16
Liabilities to group companies	5,088,352.00	2,438,136.83
Accruals and deferred income	214.84	341,457.32
Total equity and liabilities	9,362,598.61	7,133,593.62

The Board of Directors' proposal for the distribution of profit

	EUR
All the disposal of the Representative Council	
reserve for invested unrestricted equity	501,520,860.90
value adjustment reserve	-17,673,625.84
retained earnings from previous years	860,911,749.36
result for the period	18,921,983.18
distributable funds total	1,363,680,967.60

The Board of Directors proposes		
an interest of		
5.0% to be distributed on participation shares	11,519,609.10	
4.0% to be distributed on Metsä1 additional shares	58,365,515.76	
1.0% to be distributed on additional shares A	2,480,125.28	
0.75% to be distributed on additional shares B	539,090.71	72,904,340.85

The surplus reimbursement will be distributed in relation to amount of received industrial roundwood over the past 4 concluded financial periods	15,275,600.40
to be retained in retained earnings	1,275,501,026.35
Total	1,363,680,967.60

If the Representative Council approves the above proposal the members' funds will be

Members' funds	
Members' capital	
Participation shares	291,570,725.35
Metsä1 Additional shares	1,345,093,182.36
Additional shares A	245,452,857.79
Additional shares B	65,373,549.18
Due members' capital transferred to liabilities for the waiting period	-145,797,072.76
Other reserves	
Reserve for invested unrestricted equity	501,520,860.90
General reserve I	3,939,904.28
General reserve II	67,401,740.00
Value adjustment reserve	-17,673,625.84
Retained earnings	791,653,791.29
Total members' funds	3,148,535,912.55

No material changes have been taken place in respect of the cooperative's financial position after the balance sheet date. The liquidity of the cooperative is good and in the opinion of the Board of Directors, the proposed profit distribution would not compromise the liquidity of the cooperative.

Espoo, 5th February 2026

Jussi Linnaranta Chair	Mikko Mäkimattila Deputy Chair	Teuvo Hatva	Taavi Heikkilä	Päivi Lindqvist
Eija Pitkänen	Ilkka Salonen	Juha Vanhainen	Jussi Vanhanen President and CEO	

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the members of Metsäliitto Cooperative

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Metsäliitto Cooperative (business identity code 0116300-4) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent cooperative's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent cooperative's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent cooperative and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent cooperative and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.4 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of tangible and intangible assets (Refer to notes 4.1 and 4.2 to the consolidated financial statements)	
<p>Tangible and intangible assets total EUR 6.3 billion. Thereof the carrying amount of goodwill is EUR 0.4 billion and carrying amount of construction in progress EUR 0.6 billion consisting of several significant investment projects.</p> <p>The group's business operations are capital intensive with valuation risk in tangible and intangible assets. Tangible and intangible assets are allocated to cash-generating units and tested for impairment annually or more frequently should there be an indication of impairment using discounted cash flow model. Determining the key assumptions used in the cash flow forecasts underlying the impairment tests requires management judgment.</p> <p>Due to the significant carrying values involved, valuation of tangible and intangible assets is determined as a key audit matter.</p>	<p>Our audit procedures included evaluation of the capitalization and depreciation principles applied as well as testing of the approval controls over investments.</p> <p>We assessed and challenged the key assumptions used in the impairment tests by reference to the budgets approved by the Cooperative's Board of Directors, data external to the Group and our own views. We involved KPMG valuation specialists when assessing the mathematical accuracy of the calculations, as well as comparing the assumptions to externally available market and industry data.</p> <p>In addition, we considered the appropriateness of the disclosures regarding the tangible and intangible assets.</p>
Valuation of inventories (Refer to note 4.5 to the consolidated financial statements)	
<p>Inventory management, stocktaking routines and pricing of inventories are key factors in the valuation of inventories. The Group's carrying value of inventories was EUR 1.3 billion at the end of the financial year.</p> <p>The valuation of inventories involves management estimates in relation to potentially obsolete inventory, as well as to fluctuations in the market prices of finished goods.</p> <p>The valuation of inventories has a significant impact on the profit and loss account and therefore it is determined as a key audit matter.</p>	<p>We evaluated the accounting policies by reference to IFRS standards.</p> <p>We tested the controls over inventory management, accuracy of inventory amounts and valuation of inventories as well as performed substantive audit procedures relating to the valuation of inventories to test the accuracy of inventory valuation. We also followed the execution of stocktaking routines in selected inventory locations during the financial year.</p>
Financial contracts and hedging instruments (Refer to notes 5.5, 5.6 and 5.7 to the consolidated financial statements)	
<p>The financial liabilities amount to EUR 2.1 billion. In addition, the Group has off-balance sheet committed credit facility agreements amounting to EUR 0.7 billion.</p> <p>The Group hedges financial risks with interest rate and foreign currency derivatives and their nominal values amounted to EUR 2.8 billion at the end of the financial year.</p> <p>Due to the significance of the financial and derivative contracts and large number of transactions, the financial contracts and hedging instruments are determined as a key audit matter.</p>	<p>Our audit procedures included evaluation of the recognition and measurement principles applied to financial instruments in relation to IFRS requirements, as well as testing of controls over the accuracy and valuation of financial instruments.</p> <p>As part of our year-end audit procedures, we tested the valuations by using various analysis, selecting transactions for testing on a sample basis as well as reconciling the balance sheet values at the balance sheet date to external confirmations.</p> <p>In addition, we evaluated the adequacy of the disclosures relating to financial instruments.</p>
Enterprise Resource Planning (ERP) renewal	
<p>The consolidated financial statement is based on extensive number of data flows from multiple IT systems. A new business ERP was taken into use in one of the group's business areas during the financial year. The IT-system environment in the group is incoherent due to the different nature of Group's business areas.</p> <p>ERP implementation and incoherent system environment causes risks relating to access and change management, consequently the ERP renewal process is determined as a key audit matter.</p>	<p>We have assessed and tested the data migrations and related controls of the business ERP system for the Wood Products Industry, which was implemented in the beginning of 2025. Due to the impacts arising from the deployment of the new IT-system environment, we have increased the extent of our substantive testing procedures.</p> <p>As a part of testing other ERP systems in use, our audit procedures focused on the reconciliation and approval controls as well as on evaluating the administration of access rights.</p>

We have not identified other key audit matters relating to the parent cooperative's financial statements.

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent cooperative's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent cooperative or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent cooperative's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent cooperative's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent cooperative or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Representative Council of Metsäliitto Cooperative on 3 May 2012, and our appointment represents a total period of uninterrupted engagement of 14 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other statements based on law

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the surplus shown on the balance sheet is in compliance with the Cooperative Act. We support that the Members of the Supervisory Board and of the Board of Directors as well as the Managing Director of the parent cooperative should be discharged from liability for the financial period audited by us.

Helsinki, 5 February, 2026

KPMG OY AB
Audit Firm

Kirsi Jantunen
Authorized Public Accountant, KHT

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This document is an English translation of the Finnish Assurance Report on the Sustainability Statement. Only the Finnish version of the report is legally binding.

Assurance Report on the Sustainability Statement

To the Members of Metsäliitto Cooperative

We have performed a limited assurance engagement on the group sustainability statement of Metsäliitto Cooperative (business identity code 0116300-4) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Metsäliitto Cooperative has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent cooperative and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Metsäliitto Cooperative are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

Preparing a group sustainability statement requires a company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting forward-looking information in accordance with ESRS standards, a company's management is required to make assumptions about possible future events, and to disclose the company's possible future actions in relation to those events, as well as to prepare the forward-looking information based on these assumptions. Actual results are likely to differ because forecasted events often do not occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent cooperative's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed the Metsäliitto Cooperative's management and persons responsible for collecting and preparing the information contained in the group sustainability statement at the group level and in subsidiaries, as well as at different levels and business areas of the organization.
- Regarding the double materiality assessment process, we assessed the implementation of the process carried out by the company and the information disclosed on the double materiality assessment process in relation to the requirements of the ESRS standards.

- Through interviews we gained understanding of the group's key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the group's internal guidelines and operating principles relevant to the sustainability information disclosed in the group sustainability statement.
- We got acquainted with the background documentation and documents prepared by the company, as applicable, and assessed whether they support the information included in the group sustainability statement.
- We conducted site visits to selected sites.
- We assessed the information disclosed on material sustainability matters in the group sustainability statement in relation to the requirements of the ESRS standards.
- In relation to the EU taxonomy information, we gained understanding about the process by which the company has defined taxonomy eligible and taxonomy aligned activities, and assessed the regulatory compliance of the information provided.

Helsinki, February 5, 2026

KPMG OY AB
Authorized Sustainability Audit Firm

Kirsi Jantunen
Authorized Sustainability Auditor, KRT

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Comparable key figures and calculation of key figures

Comparable key figures

According to the guidelines of the European Securities and Markets Authority (ESMA), alternative performance measures are key figures concerning historical or future financial performance, financial standing or cash flows that are not determined by the financial reporting framework applied by the company. Metsä Group's financial reporting framework consists of the IFRS standards in the form in which they were adopted by the EU in line with Regulation (EC) No. 1606/2002. Performance measures presented in this report qualify as alternative performance measures under the ESMA guidelines.

Metsä Group sees the presentation of alternative performance measures as providing users of financial statements with an improved view of the company's financial performance and position, including the efficiency of its capital utilisation, operational profitability and debt servicing capabilities.

Extraordinary and material items not included in ordinary business operations have been eliminated in the comparable operating result. Reconciliation of operating result under IFRS and comparable operating result, as well as EBITDA and comparative EBITDA, is presented in this report. Comparable return on capital employed has been calculated using the same adjustments as the comparable operating result, and it has been further adjusted with financial items affecting comparability when applicable. Metsä Group considers the key figures derived in this manner to improve the comparability between reporting periods.

None of these key figures with items affecting comparability eliminated is a key figure used in IFRS reporting, and they cannot be compared with other companies' key figures identified with the same names. Items affecting comparability include material gains and losses on disposals of assets, impairment and impairment reversals in accordance with IAS 36 "Impairment of Assets", corporate divestments and acquisitions, adjustment measures and other restructuring measures and their adjustments, costs arising from extensive and unforeseeable interruptions in production and the compensation received for them, as well as items arising from legal proceedings. In Metsä Group's view, the comparable key figures better reflect the company's underlying operational performance by eliminating the result effect of items and transactions outside the normal course of business.

Reconciliation of operating result and EBITDA

Reconciliation by segment

EUR million	2025	2024
Operating result (IFRS)	-271.3	186.4
Depreciation and impairment charges	613.7	467.7
EBITDA	342.4	654.1
Items affecting comparability:		
Pulp and Sawm Timber Industry	-29.7	-4.3
Paperboard Industry	33.5	-0.9
Tissue and greaseproof papers	16.1	-0.5
Wood Products Industry	5.2	-1.1
Wood Supply and Forest Services	0.6	-1.5
Others and eliminations	-2.9	2.8
Total	22.8	-5.4
Comparable EBITDA	365.2	648.7
Depreciation and impairment charges	-613.7	-467.7
Items affecting comparability		
Depreciation	163.9	21.9
Pulp and Sawm Timber Industry	51.8	0.7
Paperboard Industry	55.9	7.6
Tissue and greaseproof papers	37.8	2.1
Wood Products Industry	20.5	14.1
Wood Supply and Forest Services		-2.6
Others and eliminations	-2.0	
Comparable operating profit	-84.6	203.0

Reconciliation by expense and income

EUR million	2025	2024
Operating result (IFRS)	-271.3	186.4
Depreciation and impairment charges	613.7	467.7
EBITDA	342.4	654.1
Items affecting comparability:		
Other operating income	-42.6	-31.4
Change in inventories	9.2	3.5
Employee costs	41.9	3.0
Other operating expenses	14.3	19.5
Total	22.8	-5.3
Comparable EBITDA	365.2	648.8
Depreciation and impairment charges	-613.7	-467.7
Items affecting comparability		
Depreciation		
Impairment charges and reversals	163.9	21.9
Comparable operating profit	-84.6	203.0

Items with "+" sign = expenses affecting comparability
Items with "-" sign = income affecting comparability

The description of items affecting comparability is in Note 2.1, Segment information.

Calculation of key ratios

Comparable key figures	Specification	The grounds for using key figures
PROFITABILITY		
Operating result	= Result before income tax, financial income and -expenses, exchange gains and losses and share of results from associated companies and joint ventures	The key figure describes the Group's ability to produce a profit from its business, and it is independent of the company's capital structure
EBITDA	= Operating result before depreciation, amortisation and impairment charges	The key figure shows how much margin is left over from the Group's sales after deducting the variable and fixed costs of business before depreciation, amortisation and impairment
Return on equity (%) ROE	= $\frac{\text{Result before tax - income taxes}}{\text{Members' funds total (average)}}$	The key figures describe the Group's ability to produce a profit with the assets invested in the Group by shareholders
Return on capital employed (%) ROCE	= $\frac{\text{Result before tax +/- net exchange gains/losses + interest and other financial expenses}}{\text{Balance total - non-interest-bearing liabilities (average)}}$	The key figure describes the Group's ability to produce a profit on the capital invested, from the point of the party investing the capital
FINANCING		
Equity ratio (%)	= $\frac{\text{Members' funds total}}{\text{Total assets - advance payments received}}$	The key figure describes the Group's capital structure, solvency and ability to take care of its commitments in the long run
Net gearing ratio (%)	= $\frac{\text{Interest-bearing net liabilities}}{\text{Members' funds total}}$	The key figure describes the Group's capital structure and financial position.
Interest-bearing net liabilities	= Interest-bearing liabilities - cash and cash equivalent - interest-bearing receivables	The key figure describes the Group's indebtedness
OTHERS		
Total investments	= Investments in owned and leased fixed assets and investments in business combinations	The key figure describes the Group's application of funds for maintaining and renewing its production machinery and plants and for expanding its business with corporate acquisitions

Taxes

Metsä Group's business generates tax revenues that help fund government finances. In addition to the taxes and tax-like charges we pay in our role as a taxpayer, our business value chain generates other kinds of tax revenue.

The amount of Metsä Group's income taxes varies, depending on the Group's operating result. Even when the Group's result is weaker, and the amount of income taxes smaller, all the taxes and tax-like charges generated directly or indirectly from Metsä Group's business still make a significant contribution to government finances.

Metsä Group complies with international transfer pricing guidelines and local tax laws in all its operating countries. In accordance with the arm's length principle, most of the taxable income and corporate income taxes paid are allocated to the countries where the Group's most significant operations are located. Metsä Group's most significant operations are mainly in Finland.

In accordance with the Group's tax policy, Metsä Group's business models and legal structures must always be based on business reasons and business substance. Metsä Group does not engage in artificial arrangements to reduce its taxes.

Metsä Group's cooperation with the local tax authorities is transparent and active. In Finland, Metsä Group participates in enhanced cooperation with the Finnish Tax Administration.

Tax matters are managed by Metsä Group's tax function and are regularly discussed by the Audit Committee of Metsäliitto Cooperative's Board of Directors.

To increase tax-related transparency, Metsä Group voluntarily discloses information about the taxes and tax-like charges imposed on it as its tax footprint.

Taxes paid

EUR million	Finland		Sweden		Other countries		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Corporate income taxes	-0.4	12.6	0.7	6.7	11.9	6.9	12.2	26.2
Employer's social contribution	77.1	74.3	26.5	25.1	25.5	25.2	129.1	124.6
Operational taxes	10.1	10.8	3.7	4.5	5.0	5.0	18.8	20.3
Other taxes	5.4	4.1	0.0	0.0	25.2 ¹⁾	2.0	30.6	6.1
Total	92.2	101.8	30.9	36.3	67.7	39.1	190.7	177.2

¹⁾ Includes US tariff payments

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Quarterly data

EUR million	Yearly		Quarterly							
	2025	2024	Q4/2025	Q3/2025	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024
Income statement										
Sales by segments										
Pulp and Sawm Timber Industry	2,578.1	2,328.3	568.5	633.0	587.8	788.7	642.5	526.7	574.6	584.5
Paperboard Industry	1,775.7	1,938.6	393.5	441.2	460.1	480.8	446.0	499.0	509.8	483.7
Tissue and Greaseproof Papers	1,135.4	1,152.9	290.9	279.6	281.0	283.9	290.3	281.3	283.6	297.7
Wood Products Industry	469.0	553.9	100.2	114.4	127.3	127.2	132.0	126.0	155.8	140.1
Wood Supply and Forest Services	2,465.4	2,360.1	553.7	533.2	636.2	742.2	602.8	592.3	549.4	615.6
Other operations	75.6	77.8	18.0	14.3	16.7	26.6	17.9	15.4	17.3	27.1
Eliminations	-2,666.2	-2,664.4	-600.2	-576.1	-682.6	-807.3	-657.1	-705.1	-611.0	-691.2
Sales total	5,832.9	5,747.2	1,324.7	1,439.6	1,426.5	1,642.1	1,474.5	1,335.7	1,479.5	1,457.5
Operating result by segments	2025	2024	Q4/2025	Q3/2025	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024
Pulp and Sawm Timber Industry	-143.1	5.8	-81.9	-67.7	-31.9	38.5	-2.0	76.5	-49.5	-19.3
Paperboard Industry	-169.5	62.3	-99.2	-44.8	-21.7	-3.8	-1.7	41.7	-0.7	23.0
Tissue and Greaseproof Papers	18.2	101.6	-16.4	20.7	-1.7	15.6	28.2	16.4	16.0	41.1
Wood Products Industry	-38.0	7.8	-26.8	-7.4	1.8	-5.6	-10.2	2.5	8.0	7.4
Wood Supply and Forest Services	33.4	32.5	6.8	5.3	7.2	14.2	6.5	8.3	5.1	12.6
Other operations	-12.6	-17.1	-6.6	0.3	-4.1	-2.1	-4.7	-1.4	-6.6	-4.3
Eliminations	40.2	-6.5	15.9	24.9	4.8	-5.4	13.0	-32.8	16.0	-2.8
Operating result total	-271.3	186.4	-208.3	-68.6	-45.8	51.4	29.2	111.2	-11.6	57.7
Operating result, comparable	-84.6	203.0	-57.4	-71.5	-36.6	80.9	32.7	113.2	-12.9	69.9
-"-, % of sales	-1.5	3.5	-4.3	-5.0	-2.6	4.9	2.2	8.5	-0.9	4.8
Share of results from associated companies and joint ventures	-0.7	-0.6	-0.3	-0.7	-0.5	0.7	0.7	-0.3	-1.0	0.0
Net exchange gains/losses	-1.5	-2.5	-0.2	-0.1	-0.5	-0.7	-1.3	0.5	0.8	-2.5
Financial income and expenses	-61.4	-52.1	-17.8	-15.0	-14.6	-14.0	-16.0	-11.8	-14.2	-10.0
Result before tax	-334.9	131.3	-226.6	-84.4	-61.3	37.4	12.6	99.6	-26.1	45.2
Income taxes	53.6	-22.7	36.8	14.3	12.4	-9.9	-2.0	-22.1	6.2	-4.8
Result for the period	-281.2	108.5	-189.8	-70.2	-48.9	27.6	10.5	77.5	-19.9	40.4
Operating result, comparable	2025	2024	Q4/2025	Q3/2025	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024
Pulp and Sawm Timber Industry	-121.0	2.2	-51.7	-75.7	-31.9	38.3	-11.6	78.0	-49.4	-14.7
Paperboard Industry	-80.2	69.0	-34.7	-45.6	-22.7	22.8	-3.6	41.9	-0.8	31.5
Tissue and Greaseproof Papers	72.1	103.2	25.6	20.7	10.2	15.6	28.2	15.5	18.5	41.1
Wood Products Industry	-12.3	20.8	-6.6	-6.2	1.8	-1.3	3.0	2.5	7.8	7.4
Wood Supply and Forest Services	34.0	28.4	10.2	5.5	5.4	13.0	6.5	8.3	1.0	12.6
Other operations and eliminations	22.6	-20.7	-0.3	29.8	0.7	-7.5	10.3	-33.0	10.0	-7.9
Total	-84.6	203.0	-57.4	-71.5	-36.6	80.9	32.7	113.2	-12.9	69.9
Key ratios	2025	2024	Q4/2025	Q3/2025	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024
Equity ratio, %	56.8	56.2	56.8	57.6	56.9	57.1	56.2	56.5	56.4	56.5
Net gearing ratio, %	24	22	24	26	25	23	22	23	21	16
Interest-bearing net liabilities, EUR million	1,288	1,236	1,288	1,442	1,403	1,311	1,236	1,281	1,180	887
Return on capital employed, %	-3.4	2.7	-10.9	-3.4	-2.1	2.9	1.9	6.0	-0.2	3.3
Comparable, %	-0.9	2.9	-2.9	-3.5	-1.7	4.4	2.0	6.1	-0.3	4.0
Return on equity, %	-5.2	1.9	-5.2	-2.2	-0.8	2.0	0.8	5.6	-1.4	2.9
Comparable ROE, %	-2.4	2.1	-5.0	-5.2	-3.1	3.6	1.0	5.7	-1.7	3.6

Ten years in figures

EUR million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sales	5,833	5,747	6,110	6,980	6,017	5,055	5,473	5,709	5,040	4,658
EBITDA	342	654	845	1,636	1,214	679	790	1,128	831	687
- "-", comparable	365	649	833	1,564	1,211	671	799	1,133	820	674
- % of sales	6.3	11.3	13.6	22.4	20.1	13.3	15.0	19.9	16.3	14.5
Operating result	-271	186	498	1,302	874	376	374	843	581	442
- "-", comparable	-85	203	488	1,276	914	368	495	849	566	439
- % of sales	-1.5	3.5	8.0	18.3	15.2	7.3	9.0	14.9	11.2	9.4
Result for the period	-281	109	384	999	657	262	239	613	404	280
Non-current assets	6,597	6,568	6,532	5,835	4,561	3,899	3,867	4,019	4,004	3,596
Inventories	1,260	1,514	1,181	1,237	1,038	966	980	991	782	767
Other current assets	1,549	1,821	2,395	2,359	2,281	1,955	1,848	1,883	1,802	1,583
Total assets	9,406	9,903	10,108	9,415	7,891	6,851	6,727	6,893	6,588	5,946
Members' funds	4,177	4,298	4,282	4,135	3,574	3,092	2,927	2,751	2,234	1,942
Non-controlling interest	1,156	1,261	1,361	1,566	1,240	823	849	905	727	658
Non-current liabilities	1,848	2,052	2,181	1,596	1,281	1,515	1,561	1,506	2,019	1,611
Current liabilities	2,225	2,291	2,284	2,117	1,789	1,405	1,375	1,731	1,608	1,735
Total members' funds and liabilities	9,406	9,903	10,108	9,415	7,891	6,851	6,727	6,893	6,588	5,946
Return on capital employed, %	-3.4	2.7	7.3	19.9	15.5	7.2	7.3	16.6	12.6	10.2
- "-", comparable	-0.9	2.9	7.2	19.5	16.2	7.1	9.6	16.8	12.3	10.2
Return on equity, %	-5.2	1.9	6.8	19.0	15.1	6.8	6.4	18.5	14.5	11.2
- "-", comparable	-2.4	2.1	6.7	18.9	16.0	6.6	9.7	18.7	14	11
Equity ratio, %	56.8	56.2	55.9	60.6	61.1	57.2	56.2	53.1	45	43.9
Net gearing ratio, %	24	22	12	3	-4	4	10	13	34	40
Net cash flow from operating activities	537	11	926	1,227	1,023	667	485	761	749	348
Interest-bearing liabilities	2,077	2,239	2,190	1,457	1,164	1,389	1,469	1,553	2,073	1,935
Interest-bearing financial assets	789	1,003	1,527	1,280	1,348	1,221	1,096	1,089	1,080	902
Interest-bearing net liabilities	1,288	1,236	663	177	-185	168	374	463	993	1,033
Total investments	621	603	1,193	1,500	994	401	260	275	631	762
Depreciation and impairment charges	-614	468	347	334	340	304	416	285	250	244
Personnel, average	9,533	9,706	9,751	9,587	9,619	9,392	9,624	9,464	9,399	9,626
Personnel, at the end of year	8,767	9,581	9,464	9,155	9,533	9,213	9,265	9,310	9,126	9,300
- of whom in Finland	5,094	5,677	5,538	5,135	5,329	5,055	4,929	4,834	4,764	4,927

Calculation of key ratios and definition of comparable key ratios is presented in part "Calculation of key figures".

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Corporate Governance Statement 2025

Introduction

Metsäliitto Cooperative is a Finnish cooperative and the parent company of Metsä Group. In this statement, Metsäliitto Cooperative is referred to when a matter is discussed only from the parent company's perspective. The decision-making and administration of Metsä Group companies complies with the Cooperatives Act, the Limited Liability Companies Act, the Securities Markets Act, the rules of the cooperative, procedures approved by the administrative bodies, and the policies and guidelines approved by the Board of Directors of Metsäliitto Cooperative and the Executive Management Team of the Group. Metsäliitto Cooperative's rules are available in full on Metsä Group's website under "Investors – Corporate governance".

Metsä Group prepares its financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS). The financial statements are published in Finnish and English. Metsä Group's head office is located in Espoo in Finland. The registered office of the parent company, Metsäliitto Cooperative, is in Helsinki in Finland.

Corporate Governance Code

Metsä Group's parent company Metsäliitto Cooperative complies with the Corporate Governance Code issued by the Securities Market Association. However, it takes the special characteristics of the cooperative form of incorporation into account, stating the deviations from the code and their rationale. The Finnish Corporate Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi/en/. The corporate governance system of Metsä Group's parent company Metsäliitto Cooperative deviates from the recommendations of the Corporate Governance Code as follows:

- According to the Corporate Governance Code, the members of the Board of Directors are elected by the Annual General Meeting. According to the rules of Metsäliitto Cooperative approved by the Representative Council, the members of the Board of Directors are elected by the Cooperative's Supervisory Board. The election of the Board of Directors thus deviates from the recommendation of the Corporate Governance Code due to the cooperative governance structure. The Cooperative's rules concerning the election of the Board of Directors ensure the realisation of cooperative corporate governance.
- According to the Corporate Governance Code, the members of the Board of Directors are elected for a term of office of one (1) year at a time. According to the rules of Metsäliitto Cooperative approved by the Representative Council, the term of office of the members of the Board of Directors is three (3) years at a time. The Board members' three-year term of office has been deemed necessary from the perspective of continuity of the board work.

Governance model

Metsäliitto Cooperative's administrative bodies are the Representative Council, Supervisory Board, Board of Directors and the CEO, who also acts as the President and CEO of Metsä Group.

The bodies separately specified below in this statement assist the administrative bodies in their decision-making and prepare their decisions. According to the rules of Metsäliitto Cooperative, the administrative personnel of Metsäliitto Cooperative must not work for companies or other organisations operating either directly or indirectly in the same sector as the cooperative or its Group companies or participate in the administration of such companies or organisations.

Representative Council

The Representative Council uses the supreme decision-making power belonging to the members in Metsäliitto Cooperative in matters assigned to it by law and the Cooperative's rules. The Representative Council substitutes for the meeting of the cooperative in Metsäliitto Cooperative.

The meeting of the Representative Council discusses the matters specified in the Cooperatives Act and the rules of Metsäliitto Cooperative, as well as other matters mentioned in the invitation to the meeting. The main tasks of the Representative Council are to:

- Decide on adopting the financial statements;
- Decide on the distribution of profit to the members;
- Decide on discharging the Supervisory Board, Board of Directors and CEO/President and CEO from liability; and
- Elect the members of the Supervisory Board and the auditors and to decide on their remuneration.

A full member of Metsäliitto Cooperative may be elected to the Representative Council. Persons who are employed by the Cooperative or its Group company or who are members of Metsäliitto's Supervisory Board or Board of Directors are not eligible to stand for election to the Representative Council.

The election of the Representative Council is carried out every four (4) years by postal voting, a communications link or some other technical means. Each member of the Cooperative has one (1) vote in the election. The election is carried out by election districts so that the number of representatives elected from each district equals the number of Metsäliitto Cooperative members on the list of voters for the district in question who are entitled to vote on 1 January of the election year, divided by 2,300, and the remainder counted as one. The election districts are confirmed by the Supervisory Board, and they are determined according to Metsäliitto Cooperative's district organisations as a rule.

In accordance with the rules, the Representative Council convenes once a year in the spring. The Representative Council, the Supervisory Board

or the Board of Directors may decide to arrange an extraordinary meeting of the Representative Council. An extraordinary meeting must also be convened if demanded by at least one tenth (1/10) of the Representative Council members. Unless otherwise required by the Cooperatives Act for certain matters, the Representative Council is convened by the Supervisory Board at least seven (7) days before the meeting with a written invitation to the meeting sent to every member of the Representative Council, which must mention the matters to be discussed in the meeting.

Each Representative Council member has one (1) vote in the meeting. Amending the rules of Metsäliitto Cooperative requires that the amendment proposal is supported by a minimum of two-thirds (2/3) of the members present at the meeting of the Representative Council.

In addition to the members of the Representative Council, the President and CEO of Metsä Group, the Chair of the Board of Directors and, as a general rule, the members of the Board of Directors and Supervisory Board are present at meetings of the Representative Council. In addition, the auditors are also present at the Annual General Meeting of the Representative Council. The composition of the Representative Council is presented on Metsä Group's website under "Investors – Management and administration".

District Committees

In accordance with the rules of Metsäliitto Cooperative, there is a District Committee in each wood supply district. The District Committee comprises the members of the Representative Council and Supervisory Board from the District's area, as well as candidates not elected in the election of the Representative Council, in the order of their personal number of votes. Each District has twice as many committee members as the number of representatives elected from the District's area, but always a minimum of five (5) candidates not elected to the Representative Council in the election. The District Committee regulations approved by the Supervisory Board specify the tasks of the District Committee. According to the regulations, the main task of the District Committee is to promote communication and interaction between the members and the Metsäliitto Cooperative wood supply district in question through its operations.

Supervisory Board

The rules of Metsäliitto Cooperative specify that the Supervisory Board is part of Metsäliitto's administrative model. This aims to ensure the realisation of sufficient governance by the owners and the commitment of the members to the Cooperative's decision-making. Strategic and other far-reaching decisions, however, belong to the powers of Metsäliitto Cooperative's Board of Directors, and operational management to the executive management. The rules of the Cooperative specify the tasks of the Supervisory Board. The main task of the Supervisory Board is to ensure that the Cooperative is managed in accordance with the rules and the decisions of the Representative Council and the Supervisory Board.

- In addition to this, the Supervisory Board:
- Elects and dismisses members of the Board of Directors and decides on their remuneration;
 - Gives the Board of Directors instructions on far-reaching matters and matters that are of importance in principle; and
 - Provides the Representative Council with an opinion on the financial statements.

The Supervisory Board elects a chair and deputy chair from among its members for one (1) year at a time and invites a secretary. The Supervisory Board convenes as summoned by the chair as often as necessary, or as proposed by the Board of Directors. The Supervisory Board constitutes a quorum when more than half (1/2) the members are present. The opinion favoured by the majority will be the final decision. If the votes are even, the chair has the casting vote, and even elections are decided by lot.

The Supervisory Board comprises a minimum of twenty (20) and a maximum of thirty (30) members elected by the Representative Council from among the members of the Cooperative. In addition, the Representative Council may, at the proposal of the Supervisory Board, elect a maximum of three (3) expert members to the Supervisory Board. The term of office of a member of the Supervisory Board begins after the Annual General Meeting of the Representative Council that elected him or her and runs until the Annual General Meeting of the Representative Council three (3) years later. The purpose of the three-year term of office is to ensure continuity in decision-making. Regional equality is taken into consideration when electing the members of the Supervisory Board. A member of the Board of Directors may not be a member of the Supervisory Board.

The composition of the Supervisory Board is presented on Metsä Group's website under "Investors – Management and administration".

Nomination Committee of the Supervisory Board

A special Nomination Committee elected by the Supervisory Board from among its members prepares the election of the members of the Board of Directors in accordance with the procedures approved for it. In addition, the Nomination Committee presents the Supervisory Board with a proposal for the fees paid to the Board of Directors. The Nomination Committee comprises six (6) members of the Supervisory Board as well as the Chair and the Deputy Chair of the Supervisory Board. The Chair of the Supervisory Board acts as the Chair of the Nomination Committee. The Committee may invite the Chair of the Board of Directors to attend their meetings as an expert member.

The Supervisory Board elected the following persons to the Nomination Committee at its meeting on 29 April 2025: Matti Alatalo, Aila Haikkonen, Pirkko Laitinen, Jyrki Savolainen, Matti Turtiainen and Ilkka Uusitalo. Furthermore, Juha Paajanen, Chair of the Supervisory Board, and Jari Laineenja, Deputy Chair, are members of the Nomination Committee based on their positions.

Information about the meetings of the Supervisory Board in 2025

In 2025, the Supervisory Board had thirty (30) members. There were no expert members on the Supervisory Board in 2025. The Supervisory Board convened five (5) times, and the members' attendance rate was 100%.

Board of Directors

According to the rules of Metsäliitto Cooperative and in accordance with legislation, the Board of Directors is charged with ensuring that Metsäliitto Cooperative's and Metsä Group's operations and administration are appropriately arranged. The Board of Directors has drawn up a procedure for its operations that specifies in greater detail the operating principles

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followed in the decision-making of the Board of Directors. The procedure is available in full on Metsä Group's website under "Investors – Management and administration".

The tasks of the Board of Directors include:

- Appointing and dismissing the CEO, who also serves as the President and CEO of Metsä Group, unless otherwise decided by the Board of Directors;
- Confirming the tasks of the President and CEO and the terms of the service contract, and monitoring that they take care of the Cooperative's running administration in accordance with the instructions and orders of the Board of Directors;
- Appointing and dismissing the directors immediately subordinate to the President and CEO;
- Deciding on how share payments are collected, and on the issue of additional shares and their terms and conditions;
- Approving the strategy and annual budget of the Cooperative and the Group, and supervising compliance with them;
- Signing the financial statements and consolidated financial statements, and presenting them to the Supervisory Board for audit;
- Preparing matters to be processed at the meetings of the Supervisory Board;
- Deciding on the remuneration and other benefits of the President and CEO and other senior management on the HR Committee's proposal;
- Deciding on other matters that, taking the extent and quality of the operations of the Cooperative into account, are unusual and far-reaching.

The Board of Directors elects a chair and a possible deputy chair from amongst its members for one (1) year at a time. The chair of the Supervisory Board has the right to attend the Board of Directors' meetings. The Board of Directors convenes as summoned by the Chair, as often as necessary. The President and CEO prepares the meetings of the Board of Directors. The Board of Directors is quorate when more than half the members of the Board are present. If the votes are equal, the Chair has the casting vote. Minutes must be kept of the meetings of the Board of Directors. The Board of Directors regularly appraises its operation and procedures by conducting an annual self-assessment.

Composition and term of office of the Board of Directors

The Supervisory Board elects the Board of Directors of Metsäliitto Cooperative. The Board of Directors comprises a minimum of five (5) and a maximum of eight (8) members. As a rule, a Board member's term of office commences at the beginning of the calendar year following the meeting of the Supervisory Board that elected them and runs for three (3) years at a time. When preparing the nominations of the members of the Board of Directors, the Supervisory Board's Nomination Committee considers their qualifications, experience and available time, and also ensures that the composition of the Board includes diverse expertise. In 2025, the Chair of the Board of Directors was Jussi Linnaranta, the Deputy Chair was Mikko Mäkimattila, and the members were Teuvo Hatva, Taavi Heikkilä, Päivi Lindqvist, Eija Pitkänen, Ilkka Salonen and until 30 April 2025 Jussi Vanhanen.

At its meeting held in October 2025, Metsäliitto Cooperative's Supervisory Board re-elected the Board members Jussi Linnaranta and Mikko Mäkimattila, whose terms were expiring, for a new three-year term and Juha Vanhainen as a new member.

According to the decision made by the Board of Directors in January 2026, the Chair of the Board of Directors in 2026 will be Jussi Linnaranta, and the Deputy Chair will be Mikko Mäkimattila.

Overall, the Board of Directors has comprehensive experience of good corporate governance and international business and management in various sectors, including forestry and the forest industry, machinery manufacture, the construction industry, trade, telecommunications, the food industry, the chemical industry, the metal industry, the IT and software sector, and the financial and insurance sector.

The Board of Directors also possesses deep competence and experience concerning sustainability management and the assessment of related risks and opportunities. Several Board members have also gained experience of board work and other positions of trust outside Metsä Group in listed companies or other major corporations. The composition of the Board and the members' CVs are also available on Metsä Group's website, under "Investors – Management and administration".

Metsäliitto Cooperative's Board of Directors on 31 December 2025

Member of the Board of Directors	Member of the Board of Directors since	Year of birth	Education	Participation shares (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025 (EUR)	Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025 (number)
Jussi Linnaranta Chair	2017	1972	MSc (Agriculture and Forestry), agronomist	402,706	55,267 (B share)
Mikko Mäkimattila Deputy Chair	2020	1971	MSc (Agriculture and Forestry), agronomist	173,011	20,072 (B share)
Teuvo Hatva	2024	1968	MSc (Administrative Sciences)	161,669	4,666 (B share)
Taavi Heikkilä	2021	1962	MSc (Economics), vuorineuvos (Finnish honorary title)	7,974	3,000 (B share)
Päivi Lindqvist	2025	1970	MSc (Economics), MBA	250	5,000 (B share)
Eija Pitkänen	2023	1961	MSc (Food Sciences)	292	1,300 (B share)
Ilkka Salonen	2018	1965	MSc (Economics)	165,433	-

Independence of Board members and diversity of the Board of the Directors

According to an overall evaluation by the Board of Directors, all members of the Board are independent of Metsäliitto Cooperative. The cooperative does not have such significant owner-members as referred to in the Corporate Governance Code on whom the members of the Board of Directors would be dependent. According to the Board of Directors' diversity principles, the successful management of the tasks of the Board of Directors and its committees requires a diverse composition, competence and experience, as well as the consideration of the personal qualities of individual members. Metsäliitto Cooperative has identified, in addition to knowledge of the forestry and forest industry sector, experience in demanding business management tasks and an international operating environment as essential in terms of the Board of Director's diversity. Other factors identified as promoting diversity include the board members' mutually complementary educational backgrounds, management experience in various segments of business operations, and a diverse age and gender distribution. The goal is to have an equal representation of women and men on the Board of Directors. The Supervisory Board's Nomination Committee observes these principles and goals when preparing proposals on the composition of the Board of Directors presented to the Supervisory Board. The Board of Directors comprises eight (8) members, all of whom have an academic degree. The members of the Board of Directors have significant experience in demanding governance and management duties from a number of sectors, and of international business operations. Several Board members are distinguished members of society. Sustainability competence is also considered in the appointment of Board members.

The achievement of the Board of Directors' diversity targets is monitored by the Supervisory Board's Nomination Committee, which prepares proposals on the appointment of Board members for the Supervisory Board. The Board's composition complies with the principles defined for diversity.

In 2025, the Board had eight (8) members until 30 April 2025, of whom 75% were men (6), and 25% were women (2) and from 1 May 2025 on seven (7) members, of whom 71% men (5) and 29% women (2). The Board members' ages range from 53 to 64.

Each Board member's meeting attendance

Member of the Board of Directors	Number of Board meetings	Attendance rate (%)	Independence from the company
Jussi Linnaranta, Chair	20/20	100	Yes
Mikko Mäkimattila, Deputy Chair	20/20	100	Yes
Teuvo Hatva	20/20	100	Yes
Taavi Heikkilä	20/20	100	Yes
Päivi Lindqvist	20/20	100	Yes
Eija Pitkänen	20/20	100	Yes
Ilkka Salonen	20/20	100	Yes
Jussi Vanhanen	10/10	100	Yes

None of the Board members is involved in the management of Metsä Group's business, and none of the members has a service or employment contract with Metsäliitto Cooperative or its group companies. At Metsä Group, the personnel's representatives are members of the management teams of production units. All the members of the Board of Directors (100%) are independent of the company and the Cooperative's owner-members.

Information about the meetings of the Board of Directors and its Committees in 2025

The Board of Directors convened twenty (20) times in 2025. The Board members' attendance rate was 100%. The Audit Committee convened five (5) times. The Audit Committee members' attendance rate was 100%. The HR Committee convened seven (7) times, and the members' attendance rate was 100%.

Board Committees

To ensure that the Board of Directors' tasks are effectively carried out, Metsäliitto Cooperative's Board of Directors has an Audit Committee and an HR Committee. The committees do not have the authority to make decisions independently; the Board of Directors makes the decisions on matters based on the preparation of the Committees. The Board of Directors elects the members of the committees from among its members.

Audit Committee

The Audit Committee assists the Board of Directors in performing its supervision task. In this task, the Committee assesses and supervises matters related to financial and sustainability reporting, auditing, internal audit and risk management in accordance with the procedures approved for it. The Audit Committee comprises a minimum of three (3) members, most of whom are independent of the company, elected annually by the Board of Directors from among its members. In addition, the Chair of the Supervisory Board has the right to attend the Audit Committee's meetings. The President and CEO and the Group's Chief Financial Officer also attend the meetings of the Audit Committee, except when the Audit Committee wishes to convene without the presence of the executive management. The Audit Committee regularly reports to the Board of Directors on its

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operations and observations. In 2025, the Chair of the Audit Committee was Ilkka Salonen, and the members were Päivi Lindqvist, Jussi Linnaranta, Eija Pitkänen and until 30 April 2025 Jussi Vanhanen. In 2026, Ilkka Salonen will continue as the Chair of the Audit Committee. Päivi Lindqvist, Jussi Linnaranta and Eija Pitkänen will continue as members of the committee. Juha Vanhainen was elected as a new committee member for 2026.

Audit Committee member	Number of meetings	Attendance rate (%)
Ilkka Salonen (Chair)	5/5	100
Päivi Lindqvist	5/5	100
Jussi Linnaranta	5/5	100
Eija Pitkänen	5/5	100
Jussi Vanhanen	2/2	100

HR Committee

The purpose of the HR Committee is to assist the Board of Directors in ensuring that Metsä Group has appropriate and competitive remuneration systems, and successor and development planning in accordance with the procedure approved for it. In its task, the committee presents matters such as the terms of the employment relationship of the Managing Director and the President and CEO, incentive systems for the senior management, and key principles in the senior management's contracts to the Board of Directors for decision. In addition, the HR Committee presents the annual targets for the senior management to the Board of Directors for approval and monitors their realisation. Furthermore, the committee processes matters related to the incentive systems of the senior management and presents them for the decision of the Board of Directors.

The Board of Directors elects at least three (3) members to the HR Committee annually from among its members. The majority of the members of the HR Committee must be independent of Metsä Group. The President and CEO and the Group's Chief Financial Officer also attend the meetings of the HR Committee, except when the committee wishes to convene without the presence of the executive management. The HR Committee regularly reports to the Board of Directors on its operations. In 2025, the Chair of the HR Committee was Taavi Heikkilä, and the members were Teuvo Hatva, Jussi Linnaranta and Mikko Mäkimattila. Taavi Heikkilä will continue as the Chair of the HR Committee in 2026. Teuvo Hatva, Jussi Linnaranta and Mikko Mäkimattila will continue as members of the committee.

HR Committee member	Number of meetings	Attendance rate (%)
Taavi Heikkilä (Chair)	7/7	100
Teuvo Hatva	7/7	100
Jussi Linnaranta	7/7	100
Mikko Mäkimattila	7/7	100

President and CEO

Metsäliitto Cooperative has a CEO, who also acts as the President and CEO of Metsä Group unless otherwise decided by the Board of Directors. Currently, the CEO of Metsäliitto Cooperative also acts as President and CEO of Metsä Group. The President and CEO is appointed by the Board of Directors. A written CEO agreement has been drawn up for the President and CEO, which has been approved by the Board of Directors. The President and CEO is charged with the management of the operations of Metsä Group in accordance with the law and regulations, as well as the decisions and instructions of the governing bodies. The President and CEO

is in charge of arranging the running administration of the cooperative and supervising its financial administration. President and CEO Jussi Vanhanen (MBA, LL.M., born 1971) has acted as the CEO of Metsäliitto Cooperative as of 1 May 2025 and as the President and CEO of Metsä Group as of 1 July 2025. Ilkka Hämälä (M.Sc. (Eng.), born in 1961) acted as the CEO of Metsäliitto Cooperative until 30 April 2025 and as the President and CEO of Metsä Group until 30 June 2025. Further details about the President and CEO are available on Metsä Group's website under "Investors – Management and administration".

Executive Management Team

Metsä Group has an Executive Management Team chaired by the Group's President and CEO. The Executive Management Team assists the President and CEO in the planning and operational management of business operations and prepares proposals for the Board of Directors, such as business strategies, budgets and significant investments. In addition to the President and CEO, the Executive Management Team includes the Group's CFO, COO, Executive Vice Presidents of Legal & Compliance, Human Resources, Stakeholder Engagement and Strategy and Investments, the CEOs of Metsä Fibre Oy, Metsä Board Corporation, and Metsä Tissue Corporation, and the Executive Vice Presidents of Metsä Wood and Metsä Forest. The Executive Management Team convenes as summoned by the Chair, primarily once a month, and additionally whenever necessary. Metsä Group's Executive Management Team is composed of President and CEO Jussi Vanhanen, Vesa-Pekka Takala (CFO, Deputy Managing Director of Metsäliitto Cooperative), Jaakko Anttila (COO), Miika Arola (EVP, Legal & Compliance), Pertti Hietaniemi (EVP, Human Resources), Tomi Salo (EVP, Stakeholder Engagement), Wilhelm Wolff (EVP, Strategy and Investments), Ismo Nousiainen (CEO of Metsä Fibre Oy), Esa Kaikkonen (CEO of Metsä Board Corporation), Sari Pajari-Sederholm (CEO of Metsä Tissue Corporation), Juha Pilli-Sihvola (interim EVP of Metsä Wood) and Juha Jumppanen (EVP of Metsä Forest).

Jussi Noponen has been appointed as the Executive Vice President of Metsä Wood, responsible for Metsä Group's wood products business, and a member of Metsä Group's Management Team as of 1 March 1 2026.

The Group's Executive Management Team as a whole has broad experience of international business, management and good governance in various sectors, including the forest industry and forestry, the energy industry, the metal industry, and the ICT sector. The Executive Management Team also possesses broad competence and experience concerning sustainability management and the assessment of related risks and opportunities.

In 2025, the Executive Management Team had eight (8) members until 30 June 2025, of whom 87.5% were men (7), and 12.5% were women (1) and from 1 July 2025 on twelve (12) members, of whom 92% men (11) and 8% women (1). The Executive Management Team members' ages range from 47 to 60.

The composition of the Group's Executive Management Team and the members' CVs are available on Metsä Group's website under "Investors – Management and administration".

Internal control, internal audit and risk management

Profitable business requires that operations are monitored continuously and with adequate efficiency. Metsä Group's internal control covers Metsä Group's business areas and Group functions. Internal control produces transparency for the efficiency and appropriateness of internal operations, as well as the reliability of financial reporting, and compliance with relevant laws and regulations. The functionality of internal control is evaluated by Metsä Group's internal audit. Internal control is implemented throughout the organisation. Internal control methods include internal guidelines and reporting systems that support control. The principles, objectives and responsibilities of Metsä Group's internal control and the principles of internal audits are described below. Metsä Group's executive management, risk management director and internal audit are responsible for composing the principles above, and the Board of Directors for ultimately ratifying them. The internal control and risk management related to sustainability reporting are described in the Sustainability statement under Risk management and internal controls over sustainability reporting, included in the Report of the Board of Directors.

Internal control

In Metsä Group, internal control covers the control of financial reporting, sustainability reporting and business operations from a risk-oriented perspective. Internal control is implemented by the Board of Directors, the Audit Committee and the executive management, as well as the entire personnel. Internal control refers to those management activities that seek to ensure:

- Metsä Group's corporate social responsibility performance;
- Achievement of the objectives set for Metsä Group and the economical, appropriate and efficient use of resources;
- Appropriate management of operational risks;
- Reliable and correct financial and other management information, as well as sustainability matters;
- Adherence to external regulations and internal policies;
- Good practices in relations with external stakeholders (e.g. suppliers, customers, social actors);
- Sufficient security of people, operations, information and property; and
- Arrangement of adequate and suitable manual and IT systems to support operations.

Internal control is divided into (i) proactive control such as defining Metsä Group's values and general operational and business principles, as well as its goals and strategy; (ii) daily control such as general guidance and control including business processes, operational management systems and work guidelines; and (iii) subsequent control such as management evaluations and inspections, comparisons and verification, the aim of which is to ensure that the goals are met, and that the agreed operational and control principles are followed. Metsä Group's corporate culture, governance and the approach to control together create the basis for the entire process of internal control.

Metsä Group's Executive Management Team on 31 December 2025

Member of the Executive Management Team	Position at Metsä Group	Year of birth	Education	Participation shares (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025 (EUR)	Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025 (number)
Jussi Vanhanen (2025)	President and CEO	1971	MBA, LL.M.	8,753	17,788
Vesa-Pekka Takala (2010)	CFO, Metsä Group Deputy Managing Director, Metsäliitto Cooperative	1966	M.Sc (Economy)	69,976	155,123
Jaakko Anttila (2022)	COO, Metsä Group	1977	M.Sc (Engineering)	–	800
Miika Arola (2025)	EVP, Legal and Compliance, Metsä Group Group General Counsel	1975	LL.M	–	20,000
Pertti Hietaniemi (2025)	EVP, Human Resources, Metsä Group	1967	M.Sc (Engineering)	–	18,936
Tomi Salo (2025)	EVP, Stakeholder Engagement, Metsä Group	1974	M.Sc. (Agriculture and Forestry), B.Soc.Sc (Business Economics)	319	6,176
Wilhelm Wolff (2025)	EVP, Strategy and Investments, Metsä Group	1978	MSSc (Economics, Statistics)	–	0
Ismo Nousiainen (2018)	CEO, Metsä Fibre Oy	1966	M.Sc (Engineering)	–	40,075
Esa Kaikkonen (2008)	CEO, Metsä Board Corporation	1969	LL.M., trained on the bench	–	49,078
Sari Pajari-Sederholm (2021)	CEO, Metsä Tissue Corporation	1968	M.Sc (Engineering)	–	89,093
Juha Pilli-Sihvola (2025)	EVP, Metsä Wood (interim)	1965	M.Sc (Finance and Accounting)	–	27,509
Juha Jumppanen (2022)	EVP, Metsä Forest	1977	M.Sc (Agriculture and Forestry)	4,161	14,465

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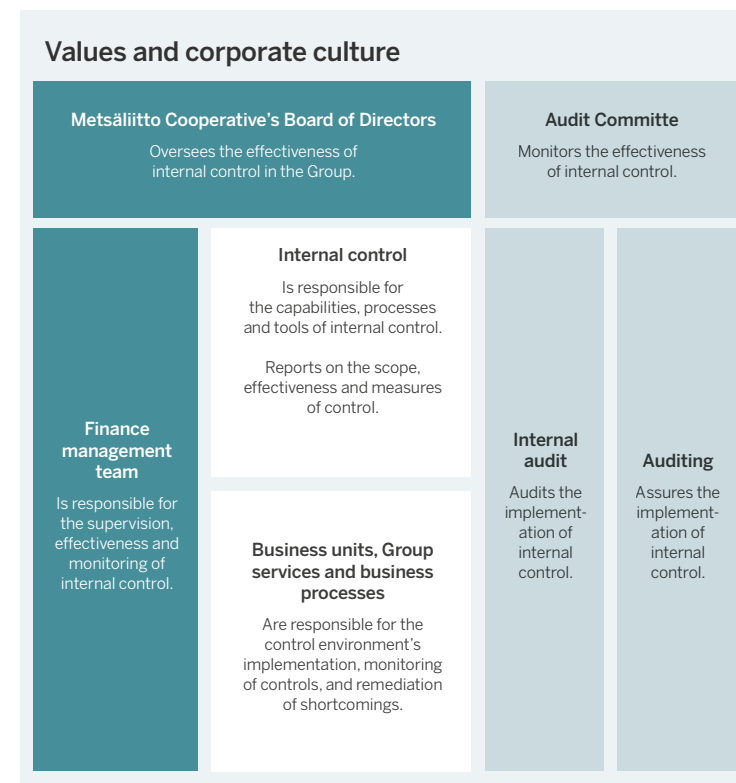
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Governance model for internal control:



Control of the financial reporting process, credit control and authorisation rights

The financial organisations of the business areas and the Group are responsible for financial reporting. The units and business areas report the financial figures each month. Business area controllers check the monthly performance of units from each business area and report them further to the Group's financial administration. The profitability development and business risks and opportunities of business areas are discussed monthly at the meetings of Metsä Group's Executive Management Team attended by the senior management of Metsä Group and of each business area, as well as at financial management team meetings attended by the Group CFO and director of finance and the CFO of each business area, among others. The results are reported to the Board of Directors of Metsäliitto Cooperative each month. The results of the business areas are additionally reported to the Boards of Directors of their parent companies each month. Metsä Group's Controllers' Manual describes the reporting and control regulations and the reporting procedure in detail. Credit control in Metsä Group is carried out by each business area in accordance with the group's credit control policy and the business area-specific credit control policy based on it. Credit control is carried out by the group's central credit control organisation in cooperation with the management of the business areas. Authorisation rights concerning expenses, significant contracts and investments have been continuously specified for different organisation levels, according to the decision-making order confirmed by the board and the authority separately granted by the President and CEO and other management personnel. Investment approval and follow-up are carried out by the business areas and the group's financial administration according to the decision-making order and investment policy approved by the Board of Directors. The most significant investments are prepared in cooperation with the group's technology unit and, when required by the decisionmaking policy, submitted to the group's Executive Management Team for review

and to the Board of Directors of the group's parent company or the business area's parent company for approval. The technology unit ensures that the final reporting and follow-up monitoring of these projects are implemented in accordance with the investment policy.

Internal audit

Internal audit is an independent and objective assessment, assurance, and consulting activity designed to add value to Metsä Group and improve its operations. Internal audit assists the Board in its supervisory role and supports Metsä Group and its management in achieving the company's objectives by providing a systematic approach to assessing and improving the effectiveness of risk management, control, governance and management processes. Audit work is carried out in compliance with the internal audit guideline ratified by the Audit Committee. The internal audit function reports to the Audit Committee on operations and to the President and CEO on administration. Internal audit draws up a six-monthly action plan which is approved by the Audit Committee. The audit work is risk-based and focuses on the Group's activities and units that are considered to be key to achieving the objectives set for the operations. Internal audit, in cooperation with the audit function, ensures that the plans are coordinated to allow adequate coverage of audit work and to avoid duplication of work. Similarly, cooperation is carried out with other assurance functions within the Group, such as risk management, internal controls and compliance. An audit report on the results of the audit is shared with the Group's President and CEO, the CFO, the Group General Counsel, the management of the audited entity, and the persons in charge. The audit reports are also submitted to the Chair of the Audit Committee and the auditor. Internal audit provides the Audit Committee with a six-monthly summary report on the audits carried out, the main findings and recommendations, and the management action plans and their implementation. The Chair of the Audit Committee and the Audit Director also meet regularly without the presence of management. An annual summary report of the internal audit activities is prepared for the Board of Directors.

Risk management

Risk management is an essential part of Metsä Group's management and covers, planning, daily management, development investments and other significant change projects.

Business management is linked with risk management based on the operational principles confirmed by Metsäliitto Cooperative's Board of Directors. The aim of the principles is to maintain risk management as a process that is well defined, understandable and sufficiently practical.

The goal of risk management is to support the achievement of the company's business goals and produce value for owners both in the short and long term. In risk management, the risks and opportunities are examined and anticipated systematically, and decisions are made in a way that supports the targets. The focus is on proactive measures that reduce the probability and impact of risks.

Risk management is based on a systematic process, which is integrated with business planning and operational processes. Businesses and Group functions ensure that the risks are taken into account in the company's planning and decision-making processes, and that risk reporting is adequate and appropriate. The risks identified and their means of control are reported to the company's management, Audit Committee and Board of Directors at least twice a year.

Business risks also involve opportunities, and they can be capitalised on within the agreed limits. Conscious risk-taking decisions must be based on an adequate evaluation of the risk-bearing capacity and the profit/loss potential.

Risk management responsibilities

Risk management responsibilities in Metsä Group are divided as follows:

- The Board of Directors is responsible for Metsä Group's risk management and confirms the company's risk management policy.
- The Audit Committee evaluates the adequacy of Metsä Group's risk management and the essential risk areas and provides the Board with related proposals.
- The President and CEO and the members of the Executive Management Team are responsible for the specification and adoption of the risk management principles. They are also responsible for ensuring that the risks are taken into account in the company's planning processes and that risk reporting is adequate and appropriate.
- The Group's risk management director is in charge of the development and coordination of Metsä Group's risk management process and the implementation of risk assessment.
- The Group's insurance director is in charge of key insurance solutions.
- Business areas and services functions identify and evaluate the essential risks related to their own areas of responsibility in their planning processes, prepare for them, take the necessary preventive action and report on the risks as agreed.

Risk management process

Metsä Group's risk management is based on a comprehensive process that emphasizes protecting property, business continuity, the development of Metsä Group's security, as well as crisis management and the preparation of continuity and recovery plans. According to the risk management policy and principles, adequate risk management forms a necessary part of the preliminary review and implementation stages of projects that are financially or otherwise significant.

The most significant risks and uncertainties that Metsä Group is aware of are described in the report of the Board of Directors.

Insider guidelines

Metsä Group complies with the EU's market abuse regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council; hereinafter referred to as "MAR"), securities market legislation, and the insider guidelines of the parent company Metsäliitto Cooperative and the subsidiary Metsä Board Corporation, prepared in accordance with the rules and instructions of the Helsinki stock exchange. Metsä Group requires every employee to follow the insider regulations. Insider guidelines aim to enable the people considered the company's insiders to hold shares in the company openly while maintaining public trust in trading and price formation with the company's securities. Insiders and those involved in the preparation of financial reporting are regularly provided with instructions and training. The company specifies such other persons who, in the course of their duties, participate in the preparation of interim reports and financial statements, and who are not allowed to trade in Metsäliitto Cooperative's financial instruments during the closed period. Metsäliitto Cooperative had no traded financial instruments in circulation in a regulated market on 31 December 2025.

Metsä Board Corporation has defined its managers as referred to in MAR to include the members of the Board of Directors and the President and CEO. The managers in question and their related parties are obligated to inform the company and the Financial Supervisory Authority of their transactions concerning Metsä Board's shares and financial instruments, and Metsä Board will publish such transactions as stock exchange releases. The aforementioned persons are subject to a closed period of thirty (30) calendar days prior to the publication of Metsä Group's interim reports and financial statements, during which time the managers may not trade Metsä Board's financial instruments.

In addition to the managers subject to the disclosure obligation, the company specifies such other persons who, in the course of their duties, participate in the preparation of interim reports and financial statements and may not trade Metsä Board's shares or financial instruments during the closed period.

Related-party transactions

Metsäliitto Cooperative and its Group companies assess and monitor related-party transactions. Related parties are determined in accordance with International Accounting Standards (IAS 24), and they include all group companies and the members of the Board of Directors and the Executive Management Team, as well as their immediate family members. Any conflicts of interest are taken into account in decision-making and, in accordance with the Corporate Governance Code, each Group company maintains a list of the members of its related parties. Transactions between Group companies are carried out on an arm's length basis and, where necessary, external valuations are also used to prepare decisions on related party transactions.

Audit

According to the rules of Metsäliitto Cooperative, Metsäliitto Cooperative has one auditor, which must be an auditing firm authorised by the Finland Chamber of Commerce. The Representative Council elects the auditor to review the accounts for the year underway, and their task ends at the closure of the next annual meeting of the Representative Council. The task of the auditor is to audit the financial statements and accounting of the Group and the parent company, and the administration of the parent company. The auditor provides a statutory auditor's report to the members of Metsäliitto Cooperative in connection with the annual financial statements and regularly reports on their observations to the Board of Directors and the management of Metsä Group. In accordance with the resolution of the Representative Council meeting in the spring of 2025, Metsäliitto Cooperative's auditor for 2025 is KPMG Oy Ab, a firm of authorised public accountants, with Kirsi Jantunen, APA, as the Auditor-in-Charge.

In 2025 audit fees were paid as follows:

EUR million	2025	2024
Audit	1.8	1.7
Audit statements		
Assurance for sustainability statement	0.2	0.3
Other assignments	0.1	0.1
Tax services	0.0	0.0
Other services	0.2	0.3
Total	2.3	2.5

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Metsäliitto Cooperative's Representative Council

Members of Metsäliitto Cooperative elect a Representative Council from among the members every four years by mail, telecommunications or by some other technical device. The Representative Council is the highest decision-making body.

Anttila Juha	Farmer	Mänttä-Vilppula
Björknäs Roger	Farmer	Kristinestad
Finne Christer	Farmer	Korsholm
Halkilahti Jaakko	Farmer	Salo
Hall Hans	Farming Entrepreneur	Leppävirta
Hirvijoki Mika	Change of Ownership Specialist, Farming Entrepreneur	Ikaalinen
Isomuoia Harri	Forester	Hämeenkyrö
Kaitfors Mats	Farmer	Kronoby
Kallinen Saara	Forest Engineer, support specialist	Kärsämäki
Kallio Maarit	Farming Entrepreneur	Sastamala
Kankaanpää Antti	Rural Entrepreneur	Orivesi
Kela Leena	CEO	Suomussalmi
Kerkele Antti	Farmer	Kemijärvi
Kleimola Jouni	Account Director, Farmer	Kauhava
Koljonen Antti	Farmer, Agrologist	Hämeenlinna
Koponen Osmo	Farmer	Liperi
Korpela Liisa	Forester, Rural Entrepreneur	Kärkölä
Korpi-Tassi Jussi	Entrepreneur	Kurikka
Kosonen Erkki	Forest Entrepreneur	Savonlinna
Lehtimäki Esko	Training Manager, Farming and Forest Entrepreneur	Teuva
Lehtonen Aarne	Farmer	Mynämäki
Leikola Mikko	Farmer	Lohja
Leinonen Tapio	Business Expert	Kitee

Lähdesmäki Elisa	Forest Entrepreneur, MSc (Econ.)	Helsinki
Manninen Heikki	Forester	Mikkeli
Minkinen Timo	Forest Entrepreneur	Viitasaari
Määttä Esa	Forest Expert, Pensioner	Sotkamo
Nurmo Mika	Farming Entrepreneur	Kokemäki
Orjala Jari	Farming Entrepreneur, Teacher	Kannus
Pietilä Juho	Farming Entrepreneur	Loimaa
Pulkka Ville	Forest Engineer	Mäntyharju
Ruuskanen Timo	Forest and Forest Machine Entrepreneur	Heinävesi
Ryymin Jaakko	Forest Owner	Iisalmi
Soronen Mauno	Vicar	Haapavesi
Sorsa Eero	Farming Entrepreneur	Kouvola
Suhonen Teemu	Farmer	Joroinen
Suppola Jouni	Forest Entrepreneur, Farming expert	Parikkala
Suutala Pauli	Forest Engineer, Entrepreneur	Alavus
Toivanen Sakari	Farmer	Kaavi
Tupala Arto	Farmer	Joutsa
Tyskas Kim	Farmer, Salesperson	Lapträsk
Törmälä Pekka	Forest Entrepreneur	Liminka
Uotila Kirsi	Forest Entrepreneur	Helsinki
Uusitalo Tarmo	Forest Engineer	Pello
Vasama-Kakko Kaisa	Agrologist, Entrepreneur	Somero
Vastamäki Ari	Forester	Nakkila
Waris Antti	Executive Manager	Konnevesi
Ylitalo Martti	Farmer	Ii

Metsäliitto Cooperative's Supervisory Board

The Supervisory Board's duty is to supervise the appropriate management of Metsäliitto Cooperative in compliance with the relevant regulations, the Supervisory Board's decisions, and in the interests of Metsäliitto Cooperative. It also supervises the implementation of the Representative Council's decisions and elects Metsäliitto Cooperative's Board of Directors.

Chair		Deputy Chair			
Paajanen Juha	Farming and Forestry entrepreneur	Savonlinna	Laineenoja Jari	Agronomist	Huittinen
Members					
Airaksinen Seppo	Forestry entrepreneur	Vantaa	Mikkonen Eeva	Forestry Engineer, Sales person	Rääkkylä
Alatalo Matti	Farmer	Soini	Moilanen Jussi	Entrepreneur	Suomussalmi
Haikkonen Aila	Master of Science, Agricultural entrepreneur	Pori	Mulari Keijo	Rural entrepreneur	Suomussalmi
Haukilahti Tapani	Farmer	Veteli	Mäkinen Laura	Engineer	Petäjävesi
Hiekka Matti	Farmer, Entrepreneur	Ikaalinen	Niemelä Henry	Farmer	Lapua
Kiviranta Esko	Farmer, Master in Law	Sauvo	Rousu Simo	Forest entrepreneur	Ylitornio
Kontinen Kati	Licentiate of Science (Agriculture and Forestry)	Mikkeli	Saaristo Stefan	Agrologist	Maalahti
Laatikainen Markus	Executive Manager	Posio	Sarvijärvi Janne	Agricultural entrepreneur	Ylöjärvi
Laitinen Pirkko	Agronomist	Utajärvi	Savolainen Jyrki	Farmer	Laukaa
Lalli Jarmo	Rural entrepreneur	Pöytyä	Tikka Antti-Lassi	M.Sc. (Tech.), Senior Manager, R&D Excellence	Kiuruvesi
Lauttia Petri	Farmer	Renko	Turtiainen Matti	M.Sc. (Agriculture and Forestry), Farmer	Kerimäki
Lilland Anders	Farmer	Kristiinankaupunki	Uusitalo Ilkka	Farmer	Salo
Lukkarinen Jouni	Agricultural entrepreneur	Pielavesi	Virnala Jukka	Entrepreneur	Kurikka
Miettinen Petri	Agricultural entrepreneur	Juva	Wasström Anders	Farmer	Raasepori

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Metsäliitto Cooperative's Board of Directors



JUSSI LINNARANTA

b. 1972
male
M.Sc (Agriculture and Forestry)
Agronomist

Member of the Board since 2017, Chair of the Board since 2020

Primary working experience:

Forest and agricultural entrepreneur (2001–)
Thermal entrepreneur (2003–2023)
Ministry of Agriculture and Forestry, Information and Research Centre, various positions (1997–2007)

Other positions of trust:

Metsäliitto Cooperative, Member of the Supervisory Board (2004–2016), Member of the Board (2017–), Vice Chair of the Board (2019), Chair of the Board (2020–)
Metsä Board Corporation, Member of the Board (2017–), Vice Chair of the Board (2020–)
Pellervo Coop Center, Member of the Board (2020–), Vice Chair of the Board (2025–)
Pohjois-Savo Cooperative bank, Member of the representative Council (2014–2017)
The Central Union of Agricultural Producers and Forest Owners (MTK), Member of the Energy Committee (2007–2008, 2014–2016)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 402,706

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 55,267 (B-shares)



MIKKO MÄKIMATTILA

b. 1971
male
M.Sc (Agriculture and Forestry)
Agronomist

Member of the Board since 2020, Vice Chair of the Board since 2023

Primary working experience:

Forestry and agriculture entrepreneur (1994–)
Stonepower Oy, CEO (2021–)
Dometal Oy, CEO, partner (2011–2021)
Multiva Magyarország Kft., CEO of the Hungarian subsidiary (2013–2021)
Potila Tuotanto Oy, CEO (2017–2020)
Farmit Website Oy, CEO (2005–2010)
Lännen Tehtaat Oyj, Development manager (2003–2005)
Suomen Gallup Eiintarviketieto Oy, Research manager (2001–2003)
Pellervon taloudellinen tutkimuslaitos, Researcher (1998–2001)

Other positions of trust:

Metsä Board Corporation, Member of the Board (2023–)
Metsä's Conservation Foundation sr, Chair of the Board (2025–)
Pellervo Coop Center, Member of the Delegation (2023–)
LähiTapiola Loimi-Häme Regional Mutual Insurance Company, Member of the Board (2008–2022)
LocalTapiola General Mutual Insurance Company, Member of the Supervisory Board (2014–2023)
Dometal Oy, Member of the Board (2012–2021)
Potila Tuotanto Oy, Member of the Board (2013–2020)
Lähivakuutus Cooperative, Member of the Supervisory Board (2011–2014)
Forestry Management Association Loimijoki, Member of the Delegation (2005–2019)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 173,011

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 20,072 (B-shares)



TEUVO HATVA

b. 1968
male
M.SC (Admin.)

Member of the Board since 2024

Primary working experience:

Forest and agricultural entrepreneur (1988–)
The Kajaani City Board, Chair (2017–2025)
Fisheries Local Action Group Kainuu and Koillismaa, Adviser (2008–2013)
ProAgria Oulu, Business adviser (2005–2008)

Other positions of trust:

Osuuskauppa Maakunta, Member of the Supervisory Board (2024–)
Council of Europe, Member of the Chamber of Regions (2021–2025), Vice President of the Governance Committee (2021–2023), Member of the Governance Committee (2023–2025)
Metsäliitto Cooperative, Member of the Supervisory Board (2008–2023)
Centre Party, Chair of the Kainuu district (2020–2022)
Kainuu Cooperative bank, Member of the Board (2012–2020)
Kainuu Forestry Association, Member of the Board (2008–2010)
Metsäliitto Cooperative, Member of the Representative Council (2003–2007)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 161,669

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 4,666 (B-shares)



TAAVI HEIKKILÄ

b. 1962
male
M.Sc. (Econ)
Vuorineuvos (Finnish honorary title)

Member of the Board since 2021

Primary working experience:

Boardman, partner (2020–)
Aalto University School of Business, Executive in Residence (2021–)
Trailmaker Oy, Senior Advisor (2021–)
SOK Corporation, CEO and Chair of the Board (2014–2020)
Osuuskauppa Hämeenmaa, CEO, Chair of the Board (2004–2013)
SOK Corporation, Director of Development, Member of the Management of SOK (2000–2004)
Intrade Partners Oy, CEO (1997–2000)
SOK Corporation, CFO (1994–1997)
SOK Corporation, various tasks (1987–1994)

Other positions of trust:

SOK Board of Directors, Chair (2014–2020), Member (2007–2011), Vice Chair (2008–2011)
SOK Liiketoiminta Oy, Chair of the Board (2014–2020)
Sokotel Oy, Chair of the Board (2014–2020)
Finnish Commerce Federation, Member of the Board and Board's Working committee (2014–2020), Chair of the Board and Board's Working committee (2016–2017)
Confederation of Finnish Industries, Member of the Board and Executive committee (2015–2019), Vice Chair of the Board (2015)
Finnish Chambers of Commerce, Member of the Board (2015–2019)
ICC Finland, Member of the Board (2015–2019)
Pellervo Coop Center, Member of the Board (2017–2021)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 7,974

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 3,000 (B-shares)

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PÄIVI LINDQVIST

b. 1970
female
M.Sc (Econ)

Member of the Board since 2025

Primary working experience:

Patria Oyj, CFO (2025–)
Glaston Oyj, CFO (2016–)
Basware Oyj, VP, Business Control (2014–2016)
Outokumpu Oyj, Divisional CFO for Stainless Coil EMEA (2012–2013), SVP, Communications and Investor Relations (2007–2011)
TietoEnator (current Tietoevry), various positions (1997–2007)

Other positions of trust:

Etteplan Oyj, Member of the Board and the Audit Committee (2020–2025), Chair of the Audit Committee (2022–2025)
Nordic Lights Group Oyj, Member of the Board (2022–2023)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 250

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 5,000 (B-shares)



EIJA PITKÄNEN

b. 1961
female
M.Sc. (Food microbiology)

Member of the Board since 2023

Primary working experience:

Telia Finland Oyj, Head of Sustainability (2014–2024)
Teliasonera AB, VP, Head of Group Sustainability (2011–2014)
Stora Enso Oyj, SVP, Sustainability (2002–2011)
Danisco A/S, VP, Head of Sustainable Development (1999–2002)
Cultor Ltd., VP, Environment (1997–1999)

Other positions of trust:

Metsä's Conservation Foundation sr, Member of the Board (2025–)
Vestas Wind Systems A/S, Member of the Board (2012–2019)
Suomen Pakolaisapu ry, Member of the Board (2016–2021)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 292

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 1,300 (B-shares)



ILKKA SALONEN

b. 1965
male
M.Sc (Econ)

Member of the Board since 2018

Primary working experience:

YIT Corporation, CFO, Deputy to the President and CEO (2018–2021)
Lemminkäinen Corporation, CFO (2014–2018)
Forest BtL Oy, Director and Advisor to the Board of Directors (2013–2014)
Neste Oil Corporation, CFO (2009–2012)
Pohjola Bank plc, CFO (2006–2008)
Pohjola Group Ltd, CFO (2003–2005)
Comptel Corporation, various management positions (2000–2003)
Svenska Handelsbanken AB (publ), Branch Operation in Finland, Analyst (1997–2000)
Postipankki Ltd, Analyst (1994–1997)

Other positions of trust:

Antilooppi GP Oy, Chair of the Board (2023–)
Nordea Mortgage Bank Plc, Member of the Board (2022–), Chair of the Audit Committee (2022–2025), Chair of the Risk Committee (2025–)
NADMED Oy, Member of the Board and Vice Chair of the Board (2022–)
Betolari Oyj, Member of the Board (2022–2025), Chair of the Board (2023–2025)
Parmaco Oy, Member of the Board (2013–2018)
Governia Oy, Member of the Board (2014–2018)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 165,433

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: no ownership



JUHA VANHAINEN

b. 1961
male
M.Sc. (Process Technology)

Member of the Board since 2026

Primary working experience:

Apetit Plc, CEO (2015–2019)
Stora Enso Oyj, EVP and Country Manager of Finland (2007–2015)
Stora Enso Oyj, several director and manager positions (1990–2007)
Kemi Oy, engineer 1988–1990

Other positions of trust:

Metsä Board Corporation, Member of the Board (2023–), Member of the Audit committee (2023–)
Ponsse Plc, Member of the Board (2018–)
EKE Construction Ltd, Member of the Board, (2022–2025)
Koskisen Corporation Plc, Chair of the Board (2020–2023)
Wihuri Group, Member of the Board (2018–2021)
Sucros Ltd, Vice Chair of the Board (2015–2019)
Ekokem Oyj, Chair of the Board (2015–2016), Member of the Board (2014–2015), Member of the Remuneration Committee
Pohjolan Voima Oy, Vice Chair of the Board and Member of the Remuneration Committee (2008–2015)
FoodDrinkEurope, Member of the Board (2018–2019)
Finnish Food and Drink Industries' Federation (ETL), Member of the Board and Working Committee (2015–2019)
Finnish Forest Industries Federation, Chair of the Board and Working Committee (2012–2013), Vice Chair of the Board and Working Committee (2008–2011)
Confederation of European Paper Industries (CEPI), Member of the Board (2012–2013)
Confederation of Finnish Industries, Member of the General Assembly (2016–2019), Deputy member 2009–2014)
Ilmarinen Oy, Member of the Supervisory Board (2009–2015)
Efora Oy, Chair of the Board (2013–2015), Member of the Board (2009–2013)
Fortek Oy, Chair of the Board (2003–2008), Member of the Board (1999–2003)
Stora Enso Huatai Paper (Shandong) Co., Ltd., Chair of the Board (2009–2014)
Stora Enso Suzhou Paper (Suzhou) Co., Ltd., Chair of the Board, 2012–2014)
Stora Enso Arapoti Industria De Papel S.A., Member of the Board (2009–2014)
Celbi Pulp Mill (Stora Enso), Member of the Board (2003–2006)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 2,965

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 24,480 (B-shares)

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Metsä Group Executive Management Team

Members of the company's executive management team:



JUSSI VANHANEN

b. 1971
male
MBA, LL.M.
President and CEO, Metsä Group
CEO, Metsäliitto Cooperative

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Group, President and CEO (2025–)
Metsäliitto Cooperative, CEO (2025–)
Vexve Armatury Group Oy, CEO, co-investor (2019–2024)
Vexve Oy, CEO, co-investor (2017–2024)
Mondi Group Plc, CEO, Fibre Packaging (2014–2017)
The Boston Consulting Group (BCG), Senior Advisor (2013–2014)
UPM-Kymmene Corporation, various management positions (1999–2013)

Other positions of trust:

Confederation of European Paper Industries (CEPI), Member of the Board and CEO Forum (2025–)
Finnish Forest Industries Federation, Vice Chair of the Board and the Board's Working Committee (2025–), Member of the Election Committee (2025–)
Metsä Board Corporation, Chair of the Board (2025–)
Boreo Plc, Member of the Board (2024–)
Metsäliitto Cooperative, Member of the Board (2022–2025)
Technology Industries of Finland, Member of Pirkanmaa Regional board (2020–2023)
Logistikas Oy, Chair of the Board (2021–2022)
Peikko Group Oyj, Member of the Board (2011–2013), Chair (2014–2020)
WWF, Finland, Member of the Supervisory Board (2010–2016)

Participation (own, under common ownership and by controlled corporations) in Metsäliitto Cooperative on 31 December 2025: EUR 8,753

Shares (own and by controlled corporations) in Metsä Board Corporation on 31 December 2025: 17,788 (B-shares)



JAAKKO ANTILA

b. 1977
male
M.Sc (Engineering)
COO, Metsä Group

Member of the Executive Management Team since 2022

Primary working experience:

Metsä Group, COO (2025–)
Metsä Wood, EVP (2022–2025)
Metsä Fibre Oy, SVP, Pulp Production (2019–2022)
Metsä Fibre Oy, VP, Sales Operations (2018–2019)
Metsä Fibre Oy, VP, Joutseno pulp mill (2014–2018)
Metsä Fibre Oy, Sales Director (2011–2013)
LITEONMOBILE, Director, Account Management (2010–2011)
LITEONMOBILE, various positions in sales and project management (2003–2007)

Participation in Metsäliitto Cooperative on 31 December 2025: no ownership

Shares owned in Metsä Board Corporation on 31 December 2025: 800 (B-shares)



MIIKA AROLA

b. 1975
male
LL.M.
EVP, Legal & Compliance, Metsä Group,
Group General Counsel

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Group, EVP, Legal & Compliance, Group General Counsel (2025–)
Metsä Group, SVP, Legal & Compliance, Group General Counsel (2013–2025)
Metsä Group, Senior Legal Counsel (2003–2013)
Roschier, Attorneys Ltd., Associate Lawyer (2000–2003)

Other positions of trust:

Finland Chamber of Commer, member of Legal Committee (2017–)
Confederation of Finnish Industries (EK), member of Legal Affairs Committee (2014–2016)

Participation in Metsäliitto Cooperative on 31 December 2025: no ownership

Shares owned in Metsä Board Corporation on 31 December 2025: 20,000 (B-shares)



PERTTI HIETANIEMI

b. 1967
male
M.SC (Chemical Engineering)
EVP, Human Resources, Metsä Group

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Group, EVP, Human Resources (2025–)
Metsä Group, SVP, Human Resources (2019–2025)
Metsä Group, SVP, Human Resources Development (2018–2019)
Metsä Board Corporation, Mill Manager (2010–2018)
Oy Metsä-Botnia Ab (now Metsä Metsä Fibre Oy), various management positions (1999–2010)
Western Laboratories Inc. Project manager and Member of the Board (1994–1999)

Participation in Metsäliitto Cooperative on 31 December 2025: no ownership

Shares owned in Metsä Board Corporation on 31 December 2025: 18,936 (B-shares)

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JUHA JUMPPANEN

b. 1977
male
M.Sc (Agriculture and Forestry)
EVP, Metsä Forest

Member of the Executive Management Team since 2022

Primary working experience:

Metsä Forest, EVP (2021–)
Metsä Forest, SVP, wood trade and forest services (2019–2021)
Metsä Forest, SVP, member services (2010–2018)
Metsäliitto Osuuskunta and **Metsämannut Oy**, various positions (2000–2010)

Other positions of trust:

Finnish Forest Industries Federation, Member of the Forest Committee (2022–)
Finnish Forest Foundation, Member of the Board (2020–), Chair of the Board (2023–)
Pellervo economic research PTT, Member of the Board (2023–)
Suomen Puukauppa Oy, Member of the Board (2021–2022)
Pellervo-institute, Member of the Board (2011–2017)

Participation in Metsäliitto Cooperative on 31 December 2025:
EUR 4,161

Shares owned in Metsä Board Corporation on 31 December 2025:
14,465 (B-shares)



ESA KAIKKONEN

b. 1969
male
LL.M, trained on the bench
CEO, Metsä Board

Member of the Executive Management Team since 2008

Primary working experience:

Metsä Board Corporation, CEO (2025–)
Metsä Group, EVP, Strategy (2025)
Metsä Tissue Corporation, CEO (2018–2025)
Metsä Group, EVP, Strategy (2017–2018)
Metsä Wood, EVP (2013–2018)
Metsä Group, General Counsel (2003–2013)
Metsäliitto Group, (now Metsä Group) Legal counsel (2000–2003)
Metsä-Serla Corporation, (now Metsä Board Corporation), Legal counsel (1998–2000)

Other positions of trust:

Maanpuolustuskurssiyhdistys ry, Member of the Board (2020–)
Finnish Forest Industries Federation, Member of the Board (2018–)
Metsä Fibre Oy, Member of the Board (2017–)
Pohjolan Voima Oyj, Member of the Board (2017–2025), Deputy member of the Board (2025–)
Metsä Greaseproof Papers Oy, Chair of the Board (2021–2025)
Metsä Spring Oy, Member of the Board (2018–2025)
Teollisuuden Voima Oyj, Member of the Board (2017–2025)
Federation of the Finnish Woodworking Industries, Chair of the Board (2015–2016), Member of the Board (2017–2018)

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares owned in Metsä Board Corporation on 31 December 2025:
49,078 (B-shares)



ISMO NOUSIAINEN

b. 1966
male
M.Sc (Engineering)
CEO, Metsä Fibre

Member of the Executive Management Team since 2018

Primary working experience:

Metsä Fibre Oy, CEO (2018–)
Metsä Fibre Oy, SVP, Production (2008–2017)
Oy Metsä-Botnia Ab (now Metsä Fibre Oy), various management positions (2001–2007)
VTT Technical Research Centre of Finland Ltd, various positions (1996–2001)
Finntech Finnish Technology Ltd Oy, Researcher (1993–1996)

Other positions of trust:

Metsäteollisuus ry, Member of the Energy committee (2026–)
Mittaportti Oy, Chair of the Board (2008–2014)
Botnia Mill Service Oy, Member of the Board (2007–2017)

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares owned in Metsä Board Corporation on 31 December 2025:
40,075 (B-share)



SARI PAJARI-SEDERHOLM

b. 1968
female
M.Sc (Engineering)
CEO, Metsä Tissue

Member of the Executive Management Team since 2021

Primary working experience:

Metsä Tissue Corporation, CEO (2025–)
Metsä Group, EVP, Strategy (2021–2025)
Metsä Board Corporation, SVP, Sales and Marketing (2017–2021)
Metsä Board Corporation, SVP, Business Development (2011–2017)
Metsä Group, CIO (2009–2011), Director (2007–2008)
IBM, Business Development Executive (2002–2007)
PwC, Senior Strategy Consultant (2000–2002)
Pöyry, various positions (1990-2000)

Other positions of trust:

Suominen Oyj, Member of the Board (2019–2022)
Tieto Oyj, Member of the Board (2012–2018)

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares in Metsä Board Corporation on 31 December 2025:
89,093 (B-shares)

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JUHA PILLI-SIHVOLA

b. 1965
male
M.Sc (Finance and Accounting)
EVP, Metsä Wood (interim)

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Wood, EVP (interim, 2025–)
Metsä Wood, CFO (2024–)
Metsä Tissue, CFO and management team member (2018–2024)
Metsä Wood, CFO and management team member (2017–2018)
Microsoft Mobile Oy, multiple finance management roles (2014–2017)
Nokia Oyj, multiple finance management roles (1999–2014)
KPMG, Consultant for finance and systems (1998–1999)
Kemira Oy, multiple finance management roles (1989–1998)
Helsingin School of Economics, Assistant, department of finance and accounting (1988–1989)

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares owned in Metsä Board Corporation on 31 December 2025:
27,509 (B-shares)



JUSSI NOPONEN

b. 1975
male
M.Sc. (Tech.)
EVP, Metsä Wood (as of 1 March 2026)

Member of the Executive Management Team since 2026

Primary working experience:

Metsä Board Corporation, SVP, Production and Supply Chain (2025–)
Metsä Board Corporation, SVP, Sales and Supply Chain (2021–2025)
Metsä Board Corporation, CFO (2016–2021)
Metsä Group, SVP, Group Finance (2009–2016)
Metsä Board Corporation, SVP, Business Control, Graphic Papers (2008)
Metsä Board Corporation, VP, Group Business Control (2006–2008)
Metsä Board Corporation, Business Controller, Folding Cartons (2003–2006)
Nokia Corporation, Metsä Group (1999–2003), SAP projects

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares owned in Metsä Board Corporation on 31 December 2025:
90,000 (B-shares)



TOMI SALO

b. 1974
male
M.Sc. (Agriculture and Forestry),
B.Soc.Sc (Business Economics)
EVP, Stakeholder engagement

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Group, EVP, Stakeholder engagement (2025–)
Metsä Group, SVP Corporate Affairs (2021–2025)
Metsä Group, SVP International wood supply (2020–2021)
Metsä Group, SVP Member services (2019–2020)
Finnish Forest Industries Federation, Forest Director (2011–2019)
L&T Biowatti Ltd as a part of Lassila & Tikanoja plc, Managing Director (2009–2011)
L&T Biowatti Ltd, Director of Wood supply and forestry services (2008–2009)
The Trade Association of Forestry and Earth Moving Contractors, Branch Manager (Energy) (2002–2008)

Other positions of trust:

Metsä's Conservation Foundation sr, Member of the Board (2025–)
Confederation of European Paper Industries (CEPI), Member of Forest Committee (2022–), Chair of Forest Committee (2023–2024)
Finnish Forest Industries Federation, Member of the EU Committee (2024–)
Finnish Forest Industries Federation, Member of the Forest Committee (2022–)
Metsämiesten Säätiö Foundation, Member of the Board (2018–2024)
Puuinfo Ltd, Member of the Board, (2018)
Metsäteho Ltd, Member of the Board (2011–2020)
Finnish Forest Centre, Member of the Board (2011–2019)
FINBIO – Finnish Bioenergy Association, Member of the Board (2005–2007 and 2009–2011)

Participation in Metsäliitto Cooperative on 31 December 2025:
EUR 319

Shares owned in Metsä Board Corporation on 31 December 2025:
6,176 (B-shares)



VESA-PEKKA TAKALA

b. 1966
male
M.Sc (Economy)
CFO, Metsä Group
Deputy Managing Director, Metsäliitto Cooperative

Member of the Executive Management Team since 2010

Primary working experience:

Metsä Group, CFO (2010–)
Metsäliitto Cooperative, Deputy Managing Director (2017–)
Outotec Group, CFO and Director of Finance (2006–2010), member of the management team, deputy to the CEO
Outokumpu Group, CFO (2001–2006), Member of the management team (2005)
Outokumpu Group, previously management positions in the financial administration (1991–2001)

Other positions of trust:

Fortum Oyj, Member of the Board (2023–), Member of the Audit and Risk Committee (2023–), Chair of the Audit and Risk Committee (2025–), Member of the Technology and Investment Committee (2023–2024)
Metsä Fibre Oy, Member of the Board (2021–)
Metsä Tissue Corporation, Member of the Board (2018–)
Metsä Spring Oy, Member of the Board (2018–)
Metsä Group Treasury Oy, Chair of the Board (2013–)
Outokumpu Oyj, Member of the Board (2019–2023), Chair of the Audit committee (2022–2023)

Participation in Metsäliitto Cooperative on 31 December 2025:
EUR 69,976

Shares owned in Metsä Board Corporation on 31 December 2025:
155,123 (B-shares)



WILHELM WOLFF

b. 1978
male
MSSc (Economics, Statistics)
EVP, Strategy and Investments, Metsä Group

Member of the Executive Management Team since 2025

Primary working experience:

Metsä Group, EVP, Strategy and Investments (2025–)
Huhtamäki Oyj, EVP, Strategy and Business Development (2025)
Neste Oyj, VP, Feedstock & Asset Development (2024–2025)
Neste Oyj, VP, Corporate Strategy (2020–2024)
UPM-Kymmene Oyj, VP, Strategy & Business development, **UPM Biorefining** (2018–2020)
UPM-Kymmene Oyj, Director, Corporate Strategy (2011–2018)
Rautaruukki Oyj, VP, Business and Technology Development (2005–2011)
McKinsey & Company, Associate (2011–2005)

Other positions of trust:

Metsä Spring Oy, Member of the Board (2025–)
Pohjolan Voima Oyj, Member of the Board (2025–)
Teollisuuden Voima Oyj, Member of the Board (2025–)

Participation in Metsäliitto Cooperative on 31 December 2025:
no ownership

Shares in Metsä Board Corporation on 31 December 2025:
no ownership

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Remuneration report

Introduction

The purpose of remuneration at Metsä Group is to fairly support profitable growth and shareholder value creation 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 goals. We aim to encourage excellent performance in both the short and long terms.

Remuneration at Metsä Group is based on the following principles:

- **Ensuring sustainable and responsible business operations**
Our remuneration supports the achievement of Metsä Group's vision, strategic and operational goals, and sustainability targets. We encourage activities in line with our values and Metsä Group's 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, 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 the 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 in accordance with requirements.

Compliance with Remuneration Policy

In the 2025 financial year, the remuneration of the Supervisory Board, members of the Board of Directors, and the President and CEO was in line with the remuneration policy. There were no deviations from the remuneration policy.

As decided by the Representative Council, the remuneration of the Chair and Deputy Chair of the Supervisory Board in the 2025 financial period comprised monthly remuneration and meeting fees. In accordance with the Representative Council's decision, the remuneration of other members of the Supervisory Board in the 2025 financial period comprised meeting fees.

As decided by the Supervisory Board, the remuneration of the members of the Board of Directors in the 2025 financial period comprised monthly remuneration and meeting fees.

During 2025, Metsä Group's President and CEO changed. Jussi Vanhanen was appointed President and CEO as of 1 July 2025 and started

working at Metsä Group on 1 May 2025 as CEO of Metsäliitto Cooperative. Vanhanen's remuneration data covers the period 1 May – 31 December 2025. Until 30 June 2025, Ilkka Härmälä served as President and CEO and continued in special assignments until 23 October 2025. Härmälä's remuneration data covers the period 1 January – 31 December 2025.

Vanhanen's remuneration consists of a fixed base salary, fringe benefits and supplementary pension contributions. He also participates in Metsä Group's short- and long-term incentive schemes.

Härmälä's remuneration in 2025 consisted of a fixed base salary, fringe benefits, performance-based long-term incentives and index adjustment payments under a defined benefit pension scheme. He also participated in the short-term incentive scheme and received non-compete compensation upon termination.

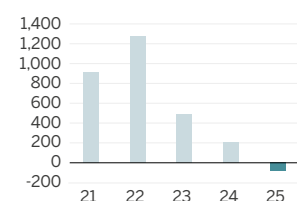
Clawback terms are in place for exceptional situations in both the short and long-term incentive system. No incentives were recovered in the 2025 financial period.

Short- and long-term incentive schemes

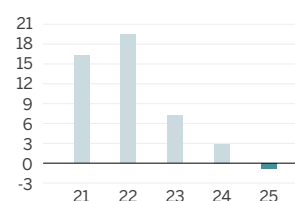
Metsä Group has a short-term incentive system with a review period of one calendar year, as well as a long-term incentive system with a performance period of three years and a restriction period of one to two years. The targets of the long-term incentive system, tied to return on capital employed, operating result and equity ratio, affect the long-term development of shareholder value. With the support of the incentive systems, the Board of Directors steers Metsä Group's operations over the short and long terms. Metsä Group's financial result has a direct impact on the President and CEO's remuneration through both the short- and long-term incentive systems.

Metsä Group's financial development

OPERATING RESULT, COMPARABLE
EUR million



RETURN ON CAPITAL EMPLOYED, COMPARABLE
%



Development of remuneration in 2021–2025

Over the last five years, the monthly remuneration of the Chair of the Supervisory Board has increased by about 10%, and the Deputy Chair of the Supervisory Board's fee by about 11%. In 2025, the Chair's monthly fee was EUR 4,500, and the Deputy Chair's EUR 2,000. Meeting fees for Supervisory Board members have increased by 25% over five years and were EUR 1,000 in 2025. The Supervisory Board's remuneration will remain unchanged until the regular meeting of the Representative Council in 2026.

In the last five years, the monthly remuneration paid to the Chair of the Board of Directors has been raised by 4%. The monthly remuneration paid to the Deputy Chair has increased by 15%, and that of the other Board members by 33% in the last five years. The monthly remuneration of the Chair of the Board of Directors was last raised in 2022, and it is EUR 12,000. The monthly remuneration of the Deputy Chair of the Board of Directors was raised to EUR 6,000 in 2023. The monthly remuneration of other members of the Board of Directors was raised to EUR 5,600 in

2023. The meeting fee paid to the members of the Board of Directors has increased by 25% in the last five years. The meeting fee is EUR 1,000. In 2026, the monthly remuneration and meeting fees will remain at the 2025 level. The fees and remuneration for Board work correspond to general remuneration trends in companies belonging to Metsä Group's peer group.

In addition, separate monthly remuneration is paid to the chairs of the Board of Directors' Audit Committee and HR Committee, which was raised for 2022. The monthly remuneration of the Chair of the Audit Committee was raised from EUR 1,200 to EUR 1,300, and that of the Chair of the HR Committee from EUR 1,000 to EUR 1,100. Over the last five years, no other changes have been made to the separate monthly remuneration of the chairs of the committees.

The total earnings of Metsä Group's President and CEO Ilkka Härmälä have been strongly influenced by Metsä Group's success in previous years. The development of employees' average earnings has been moderate.

DEVELOPMENT OF THE SUPERVISORY BOARD'S AND THE BOARD OF DIRECTORS' REMUNERATION, THE REMUNERATION OF THE PRESIDENT AND CEO, AND THE AVERAGE EARNINGS OF EMPLOYEES

(IN EUROS)	2025	2024	2023	2022	2021
Chair of the Supervisory Board Juha Paajanen, as of 4 May 2017	87,500	78,600	78,100	71,600	77,600
Deputy Chair of the Supervisory Board Jari Laineenoja, as of 1 May 2025 Ahti Siponen, until 30 April 2025	43,000	36,500	39,300	33,200	33,600
Other members of the Supervisory Board (in total)	191,500	163,000	186,500	152,800	191,600
Chair of the Board of Directors Jussi Linnaranta, as of 1 January 2020	176,500	168,000	167,700	166,554	170,840
Vice Chair of the Board of Directors Mikko Mäkimattila, as of 1 January 2023 Timo Saukkonen, 1 January 2020–31 December 2022	97,500	91,100	91,600	82,400	83,200
Other members of the Board of Directors (on average)	95,660	89,417	88,583	74,867	69,967
President and CEO ¹⁾ Jussi Vanhanen, as of 1 July 2025 Ilkka Härmälä, until 30 June 2025	3,919,280	3,613,185	1,649,222	2,976,557	2,695,238
Average earnings of employees ²⁾	53,582	48,873	48,060	51,218	48,101
Ratio of highest annual earnings to median earnings ³⁾	19	66	45	-	-

¹⁾ The President and CEO's remuneration details include the salaries and rewards paid for the year in question. The figures shown in the table do not include paid supplementary pension contributions.
²⁾ The average earnings of employees have been calculated from the employee costs of the entire Group 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 2021–2022.

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Remuneration of the Supervisory Board

REMUNERATION PAID TO THE SUPERVISORY BOARD AND THE COSTS OF THE SUPERVISORY BOARD MEMBERS' PENSION ARRANGEMENTS IN 2025 (IN EUROS)

	Monthly remuneration	Meeting fees ¹⁾	Pension benefit ²⁾	Total
Juha Paajanen Chair	54,000	33,500	14,525	102,025
Jari Laineenoja Deputy chair as of 1 May 2025	16,000	8,500	4,067	28,567
Other members (in total)		191,500		191,500
Total	70,000	233,500	18,592	322,092
Former members of the supervisory board				
Ahti Siponen Deputy chair until 30 April 2025	8,000	10,500	3,071	21,571

¹⁾ The meeting fees also include meeting fees paid for attending meetings of the Board of Directors as well as district councils and other committees.

²⁾ Voluntary TyEL pension (the Finnish employee's statutory pension system) insurance has been taken out for the Chair and Deputy Chair of the Supervisory Board.

Remuneration of the Board of Directors

REMUNERATION PAID TO THE BOARD OF DIRECTORS AND THE COSTS OF THE BOARD MEMBERS' PENSION ARRANGEMENTS IN 2025 (IN EUROS)

Member of the Board	Monthly remuneration	Meeting fees ¹⁾	Pension benefit ²⁾	Total
Jussi Linnaranta Chair ³⁾	144,000	32,500	28,487	204,987
Mikko Mäkimattila Vice chair ³⁾	72,000	25,500	15,737	113,237
Teuvo Hatva	67,200	25,500	14,962	107,662
Taavi Heikkilä	80,400 ⁴⁾	24,500	18,497	123,397
Eija Pitkänen	67,200	22,000	15,735	104,935
Päivi Lindqvist as of 1 January 2025	67,200	19,000	13,913	100,113
Ilkka Salonen	82,800 ⁵⁾	22,500	16,995	122,295
Total	580,800	171,500	124,325	876,625
Former members of the Board of Directors				
Nina Pärssinen until 31 December 2024		2,500	404	2,904
Jussi Vanhanen until 30 April 2025	22,400	12,000	5,552	39,952
Total	22,400	14,500	5,956	42,856

¹⁾ The meeting fees of the Board of Directors also include the meeting fees of committees and district councils.

²⁾ Voluntary TyEL pension (the Finnish employee's statutory pension system) insurance has been taken out for the members of the Board of Directors.

³⁾ The remuneration paid for board work in Metsä Board Corporation is disclosed in Metsä Board Corporation's remuneration report.

⁴⁾ Includes the monthly remuneration paid to the Chair of the HR Committee.

⁵⁾ Includes the monthly remuneration paid to the Chair of the Audit Committee.

Remuneration of the President and CEO

THE SALARIES AND INCENTIVES PAID TO THE PRESIDENT AND CEO, AND THE COSTS OF THE SUPPLEMENTARY PENSION ARRANGEMENT IN 2025 (IN EUROS)

Jussi Vanhanen as of 1 July 2025 ¹⁾	2025
Salaries and incentives, including fringe benefits ²⁾	594,750
Incentives paid by other Group companies	118,931
Short-term incentive ³⁾	-
Long-term incentive ³⁾	-
Total	713,681
Supplementary defined contribution pension insurance	84,000

¹⁾ Includes salaries and incentives as of 1 May 2025, when Vanhanen began as CEO of Metsäliitto Cooperative. Vanhanen transitioned to President and CEO of Metsä Group as of 1 July 2025. Includes remuneration for board duties for Metsä Fibre for the period 19 February - 31 December 2025 and Metsä Board for the period 20 March - 31 December 2025. The Metsä Board board remuneration do not include the portion of the transfer tax paid by the company.

²⁾ The base salary paid by Metsäliitto Cooperative, including car and phone benefits as well as the board remuneration paid by Metsäliitto Cooperative until 30 April 2025.

³⁾ The short-term and long-term incentives relate to earning periods prior to 2025, at which time Vanhanen was not yet covered by these incentive schemes.

Ilkka Hämälä until 30 June 2025 ¹⁾	2025
Base salary, including fringe benefits ²⁾	854,388
Incentives paid by other Group companies	58,635
Short-term incentive ³⁾⁴⁾	-
Long-term incentive ⁴⁾⁵⁾	1,777,051
Other paid compensation ⁶⁾	515,526
Total	3,205,599
Supplementary defined-benefit pension insurance index increase fees	111,780

¹⁾ Includes Hämälä's salaries and incentives until 23 October 2025, the date his employment ended. Includes remuneration for his membership on the Board of Directors of Metsä Fibre until 31 December 2025, and remuneration for his role as Chair of the Board of Metsä Board until 30 June 2025. The Metsä Board's board remuneration do not include the portion of the transfer tax paid by the company.

²⁾ The base salary paid by Metsäliitto Cooperative, which includes a company housing, car and phone benefit, extended healthcare, travel and accident insurance, as well as other minor fringe benefits.

³⁾ The short-term incentive paid concerns performance in 2024. On 2025, no performance bonus was paid as the incentive system's threshold value was not reached.

⁴⁾ The incentive paid is accrued in the financial statements over the vesting period.

⁵⁾ The long-term incentive paid applies to performance period 2021-2023.

⁶⁾ Non-compete compensation (60% from 12 months' salary)

The maximum level of remuneration available in the short-term incentive system in 2025 was, accounting for Metsä Group's EBIT multiplier, 93.75% of the fixed annual salary.

Sustainability targets for Hämälä and Vanhanen in 2025 focused on occupational safety and improving ESG reporting and related data collection. No short-term incentives were paid for 2025, as the short-term incentive system's performance indicator (Metsä Group's EBIT) did not exceed the threshold. The 2024 short-term incentive system was based on the same principles as in 2025. In 2024, the President and CEO's short-term reward was EUR 0, as the short-term incentive system's performance indicator (Metsä Group's EBIT) did not exceed the threshold.

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THE PRESIDENT AND CEO'S SHORT-TERM INCENTIVE TARGETS AND INCENTIVES FOR 2024 AND 2025

Jussi Vanhanen as of 1 July 2025

President and CEO's incentive targets	Weight, %	Actual %, before the Metsä Group EBIT multiplier ¹⁾	Actual in euros, taking the Metsä Group EBIT multiplier into account ²⁾
2025			
Sustainability targets	5		
Financial targets	20		
Other business targets	25	66	0
Metsä Group's sustainability target	10		
EBIT target	40		
Total	100		

¹⁾ The targets are assessed on a scale of 0–200, where 100 means that target is reached.
²⁾ The remuneration, taking Metsä Group's EBIT multiplier into account. For 2025, no performance bonus was paid as the incentive system's threshold value was not reached.

Ilkka Härmälä until 30 June 2025

President and CEO's incentive targets	Weight, %	Actual %, before the Metsä Group EBIT multiplier ¹⁾	Actual in euros, taking the Metsä Group EBIT multiplier into account ²⁾
2025 ³⁾			
Sustainability targets	10		
Financial targets	7		
Other business targets	33	–	0
Metsä Group's sustainability target	10		
EBIT target	40		
Total	100		
2024			
Sustainability targets	7		
Financial targets	5		
Other business targets	38	55	0
EBIT target	50		
Total	100		

¹⁾ The targets are assessed on a scale of 0–200, where 100 means that target is reached.
²⁾ The remuneration, taking Metsä Group's EBIT multiplier into account. For 2024 and 2025, no performance bonus was paid as the incentive system's threshold value was not reached.
³⁾ The actual of Härmälä's 2025 targets will not be reported, as the term of the President and CEO ended mid-year.

In 2019, Metsäliitto Cooperative's Board of Directors decided on a long-term performance-based incentive system using synthetic shares for 2020–2024. The system consists of three performance periods of three years each. Each performance period is followed by a restriction period of approximately one year. The reward will be paid fully in cash after the end of the restriction period. The amount of the reward is limited. The President and CEO's maximum reward is 250% of their fixed annual base salary (a cut-off level of 325% of the fixed annual base salary).

In 2022, Metsäliitto Cooperative's Board of Directors decided on a new long-term performance-based incentive system using synthetic shares for 2023–2027. The system is based on the same principles as the 2020–2024 long-term incentive system, and the President and CEO's reward level has not changed.

Also in 2025, Metsäliitto Cooperative's Board of Directors decided on a new long-term performance-based incentive system using synthetic shares for 2026–2030. The system is based on the same principles as the 2023–2027 long-term incentive system, and the President and CEO's reward level has not changed.

PERFORMANCE PERIODS OF THE LONG-TERM PERFORMANCE-BASED INCENTIVE SYSTEMS AND INCENTIVES PAID TO THE PRESIDENT AND CEO

Performance period	Year of payment	Criteria ¹⁾	% Weight	% Actual	Jussi Vanhanen, Reward paid to president and CEO, euros	Ilkka Härmälä, Reward paid to president and CEO, euros
2021–2023	2025	ROCE %	100	100	Not included in the scheme	1,777,051
2022–2024	2026			60	Not included in the scheme	509,647 ²⁾
2023–2025	2027			0		
2024–2026	2028			Not yet known		
2025–2027	2029			Not yet known		

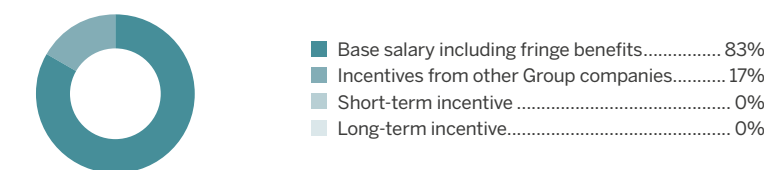
¹⁾ Metsä Group's three-year average ROCE. Furthermore, threshold value have been set for the equity ratio and operating result. The operating result threshold does not apply to the 2025–2027 performance period.
²⁾ The reward will be paid in March 2026.

The variable pay (long-term incentives) constitutes a significant part of President and CEO Härmälä's remuneration. The relative portions of variable pay and the fixed annual base salary for Härmälä and Vanhanen are shown in the graph on the right.

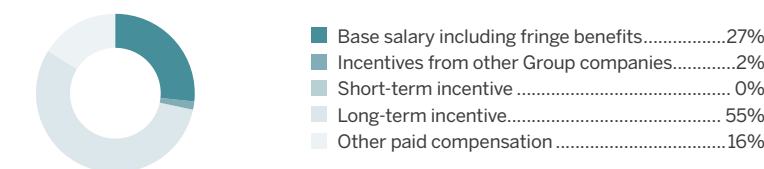
The President and CEO's retirement age is in accordance with the Employees' Pensions Act. Vanhanen participates in a supplementary defined contribution pension scheme with a retirement age of 63. The annual contribution is 20% of total remuneration, including short-term incentives. In 2025, the contribution to the supplementary defined contribution pension scheme was EUR 84,000.

Härmälä was covered by a supplementary defined benefit pension scheme and reached the retirement age of 62 in 2023. As a result, no insurance premiums accruing additional pension benefits were paid into the supplementary pension scheme in 2025. After reaching the retirement age, index adjustment payments may arise from the supplementary pension scheme. Härmälä's index adjustment payment amounted to EUR 111,780 in 2025. In addition, Härmälä was paid EUR 515,526 as a non-compete compensation upon termination.

THE BREAKDOWN OF THE PRESIDENT AND CEO'S REMUNERATION INTO FIXED BASE SALARY, INCENTIVES PAID BY OTHER GROUP COMPANIES, SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVE IN 2025, JUSSI VANHANEN



THE BREAKDOWN OF THE PRESIDENT AND CEO'S REMUNERATION INTO FIXED BASE SALARY, INCENTIVES PAID BY OTHER GROUP COMPANIES, SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVE IN 2025, ILKKA HÄRMÄLÄ



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Financial reporting

Metsä Group does not comment on the Group's financial performance or similar matters during the silent period from the end of each reporting period until the publication of the period's financial report, apart from substantial changes in market conditions or to rectify incorrect information.

Financial information

The financial reports and annual reports are published in pdf format in Finnish and English on metsagroup.com/investors/financialinformation/financial-reporting.

Stock exchange releases, press releases, interim reports and financial statements are updated on Metsä Group's website in real time. In addition, the website presents the Group's products, customers, sales network, environmental matters and organisation. You can provide feedback on

the website. Metsä Group's general email address is communications@metsagroup.com.

Metsä Group aims to offer company-related information that is up to date and easy to utilise on a regular and open basis. The company aims to provide reliable and truthful information on its operations, financial position and short-term outlook. All investors are treated equally.

Metsä Group publishes its financial reports in 2026 as follows:

Silent period	Financial report	Publishing date
1.1.–5.2.2026	Financial Statements Bulletin for the year 2025	5 February 2026
1.4.–29.4.2026	Interim Report for January–March 2026	29 April 2026
1.–30.7.2026	Half-Year Financial Report for January–June	6 August 2026
1.–29.10.2026	Interim Report for January–September 2026	29 October 2026

Metsä Group's annual reporting includes three parts: Metsä Group's Annual Review, Metsä Board's Annual Review and Sustainability Review. Annual reviews are available in Finnish and in English, sustainability review in English.

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Growth, with a future

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