



MODERN SLAVERY ACT TRANSPARENCY STATEMENT FOR THE FINANCIAL YEAR 2024

This statement, made in accordance with the section 54 of Modern Slavery Act 2015, outlines the steps Metsä Group has taken during the financial year 2024 to ensure that slavery and human trafficking do not occur in any part of its own business or supply chain. Slavery, forced or compulsory labour, child labour, servitude and human trafficking (Modern Slavery) are global and growing issues to which no industry is immune. Metsä Group is committed to social and environmental responsibility and good governance. It has a zero tolerance policy towards any form of Modern Slavery. The concrete actions taken to uphold this commitment should be viewed in the context of our broader efforts to develop the transparency, accountability and sustainability of our own operations and our supply chain.

Our business and supply chain

Metsä Group is a forerunner in sustainable bioeconomy utilising renewable wood from sustainably managed northern forests. Our business operations cover the entire value chain for wood. Metsä Group focuses on wood supply and forestry services (Metsä Forest), wood products (Metsä Wood), pulp and sawn timber (Metsä Fibre), fresh fibre paperboards (Metsä Board) and tissue and greaseproof papers (Metsä Tissue).

Metsäliitto Cooperative is the parent company of Metsä Group. It is owned by more than 90,000 Finnish forest owners. Metsä Group consists of Metsäliitto Cooperative's two businesses Metsä Wood and Metsä Forest, and its subsidiaries Metsä Tissue, Metsä Board and Metsä Fibre. Metsä Group operates internationally and at the end of the year had 32 production units in seven countries in Europe, including the UK. In 2024, Metsä Group's sales totaled EUR 5.7 billion, and it employed approximately 9,600 people. Metsä Group's supply chain covers approximately 12,000 suppliers.

Wood is the main raw material used in our production. In order to ensure that all the wood used for manufacturing purposes originates from sustainable sources and suppliers, all Metsä Group production sites use internationally recognised third party audited chain of custody schemes. This ensures full traceability of wood.

These schemes also have strict requirements for labour conditions.

Our operations in the UK

In the UK, Metsä Group's companies sell tissue products, greaseproof papers, paperboard, pulp as well as wood and timber products originating from our European manufacturing sites. In addition to products manufactured by Metsä Group, Metsä Wood UK also sells timber and timber products sourced from Europe, Asia and South America. Metsä Wood UK ensures the transparency of its supply chain from all its direct suppliers through internationally recognized third party audited chain of custody schemes.

Policy commitments, risk assessment and violations

As part of Metsä Group's Code of Conduct, we are committed to acting in alignment with the UN Guiding Principles on Business and Human Rights (UNGP) and to respecting internationally recognized human rights in accordance with the UN's Universal Declaration of Human Rights and the ILO's Declaration in Fundamental Principles and Rights at Work. Metsä Group is committed to remedying negative impacts on human rights in accordance with the UNGP, and the 2024 updated Metsä Group's Principles on non-compliance notifications and the related investigation. Since 2003, Metsä Group has been a signatory to the UN Global Compact corporate sustainability initiative and its ten principles in the areas of human rights, labour, environment and anti-corruption. We also acknowledge the UN Sustainable Development Goals (SDGs) and work to develop our operations in close link to them.

Metsä Group's Code of Conduct sets the ethical requirements applied to our employees globally and Metsä Group as an organisation. The Code of Conduct places special emphasis on human rights, including the prohibition of Modern Slavery. We provide regular training to our personnel on the key contents of our Code of Conduct. By the end of the year, 98% of our personnel had completed the Code of Conduct e-learning.

Metsä Group Supplier Code of Conduct sets the minimum requirements for our suppliers in terms of compliance with applicable legislation, business ethics and sustainability, including the prohibition of Modern Slavery. Our objective is that all our suppliers commit to Metsä Group Supplier Code of Conduct.

In 2024, we conducted a human rights impact assessment with an external partner. The assessment was based on interviews with internal and external stakeholders, including our experts, suppliers of raw material and goods, a trade union and a Sámi Parliament representative, as well as internal documents and publicly available literature. It was conducted in compliance with the UN Guiding Principles on Business and Human Rights. The assessment covered both direct and indirect human rights impacts across our value chain and affected communities, as well as the groups potentially at a higher risk of being affected by the identified impacts. The identified impacts were validated through internal workshops, and the results presented to Metsä Group's management team. After the assessment, we have developed a human rights due diligence framework and continued to develop our processes to prevent adverse impacts on human rights.

The results of the human rights impact assessment confirmed that the greatest risk for Modern Slavery is not in our own operations but in our supply chain. In the upstream supply chain, the highest risks are associated with mill equipment and raw material related value chains which can be long and complex and may extend to high-risk countries. Additionally, the risk of labour exploitation involving external workforce in construction investment projects was recognized. In the downstream supply chain, the highest risks concern the sale of our products to globally operating customers, whose industry or country may involve a higher risk of human rights violations.

Metsä Group is committed to investigate and apply appropriate remedial actions with respect to any suspected Modern Slavery related violation. In 2024 we had no confirmed instances of Modern Slavery. However, in 2024, Metsä Group was made aware of incidents that may have had a direct or indirect impact on the company's human rights obligations. Any non-compliance related to working conditions, health and safety or other human rights topics is handled in accordance with Metsä Group's escalation process.

Secure way to report human rights violations

Metsä Group's Compliance and Ethics Channel is a secure online channel available in multiple languages for our own employees and any external stakeholders to raise concerns on unethical conduct, including suspected human rights violations. Reporting can be done anonymously. In addition to the online channel enabling reporting in writing, a telephone-based anonymous reporting option has been added e.g. for our UK operations. In 2024, no Modern Slavery issues were reported via the available channels and neither Metsä Group companies nor its management were found guilty of human rights related violations.

Processes and actions to prevent Modern Slavery

Ensuring supplier sustainability is one of the strategic 2030 sustainability goals of Metsä Group. Supplier sustainability is integrated into the procurement processes. Sustainability related risks are taken into account in the annual sourcing category planning.

Sustainability and compliance are important aspects in Metsä Group's supplier qualification process and assessments. The process targets to ensure that the set requirements, also related to human rights, are fulfilled.

Firstly, we expect all of our suppliers to commit to Metsä Group Supplier Code of Conduct, which includes prohibition of Modern Slavery. In 2024, 99% of our spend was covered by the Supplier Code of Conduct requirements.

Secondly, we screen our suppliers, customers and other partners, using a third-party compliance screening tool. One important target of the screening is to identify human rights violations and take necessary actions in case of actual or suspected violations. In 2024, 97% of our purchases were made from suppliers whose compliance had been screened and validated. In 2024, no cases concerning Modern Slavery in our supply chain were identified via this compliance screening process.

Thirdly, Metsä Group targets detailed assessments and onsite audits to its most important suppliers and high-risk suppliers. In 2024, our main focus was on our most important suppliers out of which 70% have been assessed using questionnaires, audits or third-party assessments. The assessment criteria includes the actions and policies the supplier has in place to prevent Modern Slavery.

Since 2023, we have collaborated with EcoVadis, an international sustainability assessment company. The EcoVadis tool helps us to evaluate sustainability risks of different types of purchases and carry out detailed objective assessments of our suppliers. Modern Slavery risk is part of the assessment criteria.

Any sustainability related violations in our supply chain are handled according to an escalation process taking into account situations where human rights violations have taken place. The process intends to ensure that adverse impacts are remedied.

We have trained our procurement personnel, and other persons negotiating contracts, on Supplier Code of Conduct themes. Further, training on Modern Slavery has been provided for personnel responsible for supplier audits. The training guides the participants to recognize Modern Slavery risks during supplier site visits by paying attention to signs indicating Modern Slavery. In 2024, sustainability themes were discussed in the Procurement Academy trainings for Sourcing and Logistics personnel.

We understand that Modern Slavery risk is not static and that further risk mitigation activities as well as training are required in the years ahead. In addition to this annually published statement, further information is available in Metsä Group's Annual Review 2024.

This statement has been approved by the Board of Directors of Metsäliitto Cooperative, the parent company of Metsä Group, and constitutes the Modern Slavery Act Transparency Statement for the relevant group companies.



Ilkka Härmälä
President and CEO
Metsä Group