



HUMAN RESOURCES POLICY

Introduction and objectives

HR in Metsä Group provides a framework, processes and tools for long-term, systematic and targeted management. The role of HR is to ensure competitive and timely employer practices and to support line management in their implementation. HR systems support systematic management. Metsä Group aims to continuously develop its employer image.

Scope of application

This Human Resources Policy shall be applied globally in all business areas and legal entities belonging to Metsä Group. The personnel of Metsä Group shall, in their work, comply with the principles specified herein.

Policies

1. Values

The Group's values are reliability, renewal, cooperation and responsible profitability. They are implemented through all management work.

2. Human Resources Planning

2.1 Resource Planning

Resource planning is based on long-term resource needs and is part of the annual human resources planning process. It includes the structure, headcount and competences of needed personnel. Resource planning aims to provide job opportunities for all Group personnel globally and promote internal job rotation. The annual plan also defines the need for external recruitment as well as outsourcing or insourcing.

2.2 Recruitment

Internal and external recruitment requires agreed approval and implementation according to common instructions based on the 'grandfather principle'. International job rotation offers opportunities for professional development and increases cooperation within the Group. Vacant positions are internally open and internal resources are reviewed before initiating external recruitment. Understanding the Group's values is part of the selection process. In order to recruit the best available personnel, the Group closely cooperates with schools and universities, and thereby strengthens its employer image.

3. Occupational Safety and Well-being

Occupational safety and well-being is developed systematically according to agreed targets. OSW targets and actions are included in the annual HR plans. The responsibility for wellbeing at work is shared by both the employer and the employee. The employer provides processes and actions for promoting occupational safety and well-being while the employees are responsible for actively maintaining and improving their own well-being. The Group has separate, country-specific occupational safety and well-being instructions.

4. Continuous Development of Competences, Working Methods and Organisation Structures

Continuous development is part of daily management. Competences, working methods, processes and organisational structures are continuously developed according to business requirements.

Competence development is monitored and managed through an annual performance and development appraisal process (PDA). The Group provides diverse and practical opportunities (e.g. on-the-job learning, project work, job rotation and training) for systematic and long-term development. Employees are encouraged to actively maintain and develop their own professional skills and competences. HR supports and challenges the management and employees in planning and implementing development actions.

5. Compensation and Benefits

The Group encourages fair, competitive and cost-efficient performance-based compensation practices which attract and retain the best resources. The Group companies follow country-specific agreements and legislation. Incentive schemes aim to reward responsible profitability and business performance. The Boards of Directors of each Group company approve incentive schemes annually. The Group has detailed compensation and benefits instructions.

6. Termination of Employment

Termination of employment is subject to existing contracts, agreements and local legislation. When employment contracts are terminated due to structural changes or cost-saving actions, employees are treated in a fair manner and supported in finding alternative employment opportunities.

7. Sustainability and Corporate Responsibility, Code of Conduct and Equal Opportunities

The Group and all its personnel are responsible for monitoring and complying with the Group's Principles of Sustainability and Code of Conduct.

Metsä Group recognises that it is essential to provide equal opportunities to all persons without discrimination. Employees have equal opportunities in all aspects of employment. The Group has a specific equal opportunities policy.

8. Labour relations

Metsä Group complies with EU and country-specific laws and agreements regarding labour relations. Constructive open and active dialogue with employees and labour unions is encouraged and actively implemented. Labour relations and the European Works Councils are managed at the business area level.

Supplementing guidelines

The following instructions are issued under or pursuant to this Human Resources management policy:

1. Occupational Safety and Well-being
2. Compensation Management

In addition, HR provides on-going relevant instructions based on business requirements.

Ownership, approval process, changes and deviations

This Human Resources management policy is approved by the Board of Directors, Metsäliitto Cooperative. The policy is owned by the Group Senior Vice President, Human Resources, and all updates, changes, deviations and supplements shall be authorized by the Human Resources Management Team.

Make the most of **Metsä**

