



HR POLICY

Introduction and objectives

Metsä Group's HR operates as one single unit and supports management, supervisors and all employees in all stages of the employment life cycle.

Long-term personnel planning, competitive management and remuneration practices, systematic personnel development and functioning HR systems support line management in achieving responsible profitability on a daily basis.

The HR function is responsible for the methods, tools and expert services of Metsä Group's HR. Its services consist of personnel planning, recruitment, competence development, employment, employment conditions and labour relations, compensation and benefits as well as well-being at work, occupational health care management and HR reporting..

Scope of application

This HR policy is applied in all companies which are part of Metsä Group, and the personnel in these companies must comply with the principles described in this document in their operations.

Policy guidelines

1. Values

HR management is based on the Group's values: reliability, renewal, cooperation and responsible profitability.

2. Management and HR planning

Management developed is based on supporting profitable growth with principles in line with our values. Management and supervisory work is developed through Group-level management and leadership training and development programs.

HR planning is based on long-term needs and is part of annual planning. HR planning covers the organisation and personnel structure, the number of employees and competences. HR planning aims to anticipate external and internal resourcing needs, provide employees opportunities for development and implement systematic job rotation within the Group.

3. Recruitment

In both internal and external recruitment, openness as well as agreed ground rules and authorisations are followed. Open positions are primarily filled through internal recruitment. Metsä Group engages in active cooperation with educational institutions and industry associations to secure future human resources and to strengthen its employer image.

4. Remuneration

The compensation and benefits practices are fair and competitive and are based on both performance and job requirements.

Group companies comply with the legislation applicable to remuneration, collective agreements and local agreements. Incentive schemes aim to reward employees for good performances and support commitment. The Boards of Directors of Group companies approve the principles of the incentive schemes every year. The Group has separate guidelines on remuneration.

5. Development of competences, operating methods and organisations

Competences, operating methods, processes and organisational structures are developed continuously and on a long-term basis in accordance with Metsä Group's strategy and the goals of its business areas. The development of personnel competence is steered through annual performance and development appraisals (PDAs). To ensure competences and success at work, Metsä Group offers versatile and practical opportunities for on-the-job learning, participation in development projects, job rotation, coaching and training. Everyone is responsible for actively maintaining and developing their own professional skills and know-how. HR supports both employees and supervisors with expertise in competence development.

6. Well-being at work

The promotion of well-being at work is part of annual planning. The responsibility for well-being at work lies with both the employer and the employees. The employer creates the framework and conditions for supporting well-being at work, while the employees are responsible for the active maintenance of their personal well-being at work. Metsä Group has separate guidelines on well-being at work, applied country-specifically.

7. Termination of employment

The end of an employment contract is subject to applicable legislation, agreements and guidelines. When a contract ends due to financial and production related grounds, employees are supported in finding new employment.

8. Responsibility, Code of Conduct and equality

Group companies and their respective personnel are expected to operate responsibly and to comply with Metsä Group's Code of Conduct. The Group complies with an equality plan, and the personnel are offered equal opportunities for career development and success in their work. The Group has a separate equality policy.

9. Cooperation

Group companies comply with EU-level as well as national legislation and agreements on cooperation within enterprises. The goal is to maintain a constructive, open and active dialogue with the personnel and their representatives.

Supplementing guidelines

The following guidelines related to the HR policy have also been issued:

1. Well-being at work
2. Remuneration

Ownership, changes and deviations

This policy is owned by the Group's Senior Vice President, HR, and the Group's HR management team is responsible for implementing the necessary updates and revisions..