

Metsä Board
Green Debt Report 2025



We are committed to sustainability and safety at work

Metsä Board's lightweight fresh fibre paperboards and resource-efficient packaging solutions promote the circular economy while helping our customers achieve their sustainability goals and meet increasingly strict regulatory requirements.

Safety and wellbeing

We aim for an accident-free work environment. We invest in our employees' wellbeing, their professional competences, and equal opportunities for everyone to succeed in their careers.

Environmental impacts of products

Our use of raw materials, water, and energy is efficient. Metsä Board 360 Services, such as our sustainability and packaging design services, help our customers achieve their sustainability goals.

Forests and biodiversity

The wood we use has full traceability and is always either certified or of controlled origin. Our wood procurement does not cause deforestation. We are committed to developing regenerative forestry that promotes biodiversity.

Climate change

93% of energy used in our production is fossil-free. Our paperboards are lightweight and recyclable, and their carbon footprint continues to decrease as we phase out the use of fossil energy in our production. Production at our Äänekoski paperboard mill already runs entirely on fossil-free energy.

Commitments and recognitions

We are committed to the UN Global Compact corporate responsibility initiative since 2003 and to supporting the UN Sustainable Development Goals in our operations. Our targets for reducing greenhouse gas emissions have been approved by the Science Based Targets initiative. In 2025, we again achieved EcoVadis' highest level, Platinum, and a triple A score in CDP's assessment for the climate change, forests, and water security categories.

With a 79% reduction in fossil-based Scope 1 and 2 CO₂ emissions from 2018 to 2025, we are already below the 1.5 °C Paris-aligned 2030 emissions reduction level.

Read more in the Sustainability statement.



Key goals for Metsä Board

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



Renewal of Simpele mill supports our climate goals

The EUR 60 million investment in the **Simpele board mill** was completed at the end of 2025. The introduction of new technology improves printing quality and brand visibility, and strengthens competitiveness in food and healthcare product packaging. The share of fossil-free energy in production of the mill rose from 89% to 98%, supporting customers' climate goals and Metsä Board's goal of using fossil-free energy by 2030.



Case studies reveal climate benefits of paperboard packaging

Metsä Board's case studies, comprising **life-cycle assessments* of berry and take-away food packaging**, show that packaging made from Metsä Board's paperboard has a significantly smaller carbon footprint than plastic packaging. The results have been verified by two independent experts from the Swedish research institute RISE and SimaPro UK.

* The technical background reports and verification statements for the assessments are available on Metsä Board's website.

We help customers navigate the changing regulatory environment

Metsä Board has introduced a comprehensive **Material Circularity Statement** that presents key material information and guidance on the recyclability and end-of-life treatment of its packaging materials. The statement helps customers comply with key international legislation and standards on packaging and packaging waste, and addresses extended producer responsibility (EPR) in the UK and recyclability claims in the US. The statement is available to customers in Metsä Board Online portal.



Actions for a safe working environment

Safety is a top priority in our daily work. Promoting safety and wellbeing at work is based on proactive measures, and our long-term goal is an accident-free working environment. In 2025, our priorities were a Metsä Group-wide safety management training programme, a "Fair & Just" safety culture, and the safety of service providers.

Green debt allocation and impact report

To support the financing and refinancing of environmentally sustainable investments, Metsä Board applies Metsä Group's Green Finance Framework. Through this approach, the company can issue green debt instruments in line with market practices and integrate Metsä Group's 2030 sustainability targets into financing.

Table 1. Green bond allocation

Issued amount, EUR million	Outstanding on 31 Dec 2025, EUR million	Issue date	Maturity	Coupon	ISIN	Bond Rating	Allocated proceeds	Share of refinancing
200	200	28 May 2025	28 May 2031	3,875%	FI4000590864	Baa2 Moody's	100%	100%

Green debt allocation

As of 31 December 2025, Metsä Board had one outstanding green bond, issued on 28 May 2025, aligned with Metsä Group's Green Finance Framework, as specified in Table 1.

The entire issued amount of EUR 200 million was allocated to refinance renewal investments at the Husum pulp mill in Sweden. The allocation was carried out using a bond-by-bond methodology, meaning the proceeds of each bond are tracked and allocated to specific eligible projects.

During 2019–2022, Metsä Board carried out a renewal of the Husum pulp mill by investing in a new recovery boiler and turbine, among other initiatives. The renewal included replacing two old recovery boilers with one and replacing three old turbines with one. The total investment amounted to EUR 390 million, of which EUR 372 million qualified as green investments. This covered the full investment value, excluding financing costs, as specified in Table 2.

Table 2. Investments included in the Husum pulp mill renewal

Green investments	Invested amount, EUR million	ICMA Green project category
Recovery boiler	212	Renewable energy, Pollution prevention and control
Turbine	108	Renewable energy
Evaporation plant	18	Renewable energy
Power distribution	12	Renewable energy
Control room	22	Renewable energy
Total	372	

Green debt impact reporting

The environmental impacts of the outstanding green bond have been evaluated using selected impact indicators specified in Table 3.

The renewal investment benefits the entire Husum integrate site, which comprises both a pulp mill and a board mill. The new recovery boiler and turbine reduce the entire site's energy and maintenance costs, improve production efficiency, and shorten the duration of annual maintenance.

In 2025, the annual bioenergy generation at the Husum pulp mill increased by 71% compared to the base year 2021, when the old recovery boilers and turbines were still in use. In the same timeframe, the electricity self-sufficiency of the integrate site improved from 44% to 72%. In addition, driven by new technology, the recovery boiler's particle emissions to air decreased by 98% from 2021 to 2025.

The primary renewable fuels used in Husum are black liquor and bark, both derived from wood-based side streams in pulp production. When the pulp mill and the new recovery boiler operate at full capacity, the need for backup fuels decreases. Due to market conditions, full capacity was not achieved in 2025, affecting the reported impact metrics. Despite the limited use of fossil-based backup fuels, the share of renewable electricity generated in the recovery boiler and bark boiler at Husum was 97% (94% in 2021).

Metsä Board is committed to phasing out fossil energy in production and reaching zero fossil-based CO₂ emissions for its own operations (Scope 1) and purchased energy (Scope 2, market-based) by 2030.

Table 3. Green debt impact reporting

Impact metric	2021 base year	2025	Unit of annual impact	Annual impact, change from the 2021 base year	Annual impact, change (%) from the 2021 base year	Metsä Group Green Finance Framework category	ICMA Green Project Category	Contribution to the EU Environmental Objective	Contribution to the UN Sustainable Development Goals
Renewable electricity generation, MWh/tonne of pulp produced	0.48	0.82	Increase in the renewable electricity generation, MWh/tonne of pulp produced	0.34	+71%	Renewable or fossil-free energy (increase the production or share of renewable or fossil-free energy)	Renewable energy	Climate change mitigation	SDG 7, 9, 13
Electricity self-sufficiency, %	44	72	Increase in electricity self-sufficiency at Husum integrate site, %	28 percentage unit		Renewable or fossil-free energy (renew the equipment or process for renewable or fossil-free energy production at mills)	Renewable energy	Climate change mitigation	SDG 7, 9, 13
Particles to air, tonnes	198	3	Reduction of particles to air, tonnes	-195	-98%	Waste and side stream management and pollution control (substantially prevent and/or decrease emissions to air)	Pollution prevention and control	Pollution prevention and control	SDG 7, 9

Reporting principles for metrics

Renewable electricity generation is calculated as the amount of renewable electricity generated (MWh) in the recovery boiler(s) and bark boiler at the Husum integrate site, relative to the tonnes of pulp produced at the Husum pulp mill.

Electricity self-sufficiency is defined as the share of electricity generated in the recovery boiler(s) and bark boiler at the Husum integrate compared to the total electricity consumed at the site.

Particles to air includes particle emissions from the recovery boiler(s) that were the subject of the renewal investment.

The year 2021 was chosen as the baseline because it represents the last full year before the new recovery boiler and turbine were commissioned. In 2021, a fire in the conveyor feeding wood chips at the pulp mill affected pulp and paperboard production and led to increased use of fossil fuels. While this may somewhat impair comparability, it should be noted that full production capacity was not achieved in 2025 either.

Green Finance Framework

Metsä Board has adopted Metsä Group's Green Finance Framework since 2019. The Framework was updated in 2024.

The Framework supports financing or refinancing of environmentally sustainable investments that contribute to Metsä Board's key environmental targets in minimising impact on climate and nature. The ESG research, ratings and analytics company Sustainalytics has given a second-party opinion on Metsä Group's Green Finance Framework.

When issuing Green Debt, each Metsä Group company or business area defines its own Green Assets and Expenditures based on this Framework. The Green Assets and Expenditures must fall into one of the six categories in the Framework. More information about the Framework is available on the website metsagroup.com.

Governance of green financing

The Metsä Group Sustainable Funding Committee reviews the eligibility of proposed investments and approves those that qualify for Green Debt financing. The allocation to the Husum Pulp mill renewal was approved in the June and October 2025 meetings.

A Green Register has been established to monitor the allocation of net proceeds from Green Debt to eligible projects.

KPMG Oy Ab has carried out a post-issuance review of the Green Debt issued in 2025. The allocation of proceeds and the impact indicators have been subject to limited assurance, as stated in the assurance report included on pages 6–7.

Revolving Credit Facility

Metsä Board has an undrawn EUR 250 million Revolving Credit Facility (RCF) signed in 2025. The margin of the RCF is linked to selected sustainability targets to be achieved by 2030:

- Fossil-based CO₂ emissions (Scope 1 + Scope 2, market-based): 0 tonnes
- Reduction of greenhouse gas emissions of upstream transportation and distribution (Scope 3, category 4): -30% per tonne-kilometre from the 2022 level
- Improvement in energy efficiency: +10% from the 2018 level

Independent Practitioner's Assurance Report

To the Management of Metsä Board Corporation

Scope of Assurance

We have been engaged by the management of Metsä Board Corporation (business ID 0635366-7) (hereafter "Metsä Board") to provide limited assurance on selected green finance information specified below.

Information Subject to Assurance

The green finance information presented in Metsä Board's Green Debt Report 2025 for the reporting period January 1–December 31, 2025 subject to the limited assurance (hereafter "Green Finance Information") consists of the following information:

- Total "Invested amount, EUR million" of the Green investments in Table 2 on page 4;
- Impact metric "Renewable electricity generation, MWh/tonne of pulp produced" in 2021 base year and in 2025 in Table 3 on page 5;
- Impact metric "Electricity self-sufficiency, %" in 2021 base year and in 2025 in Table 3 on page 5;
- Impact metric "Particles to air, tonnes" in 2021 base year and in 2025 in Table 3 on page 5.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Green Finance Information for the reporting period January 1–December 31, 2025 subject to the limited assurance engagement is not prepared, in all material respects, in accordance with the Reporting Criteria defined later in the report.

Basis for Conclusion

We performed the assurance of the Green Finance Information as a limited assurance engagement in compliance 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 Independent Practitioner section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independent Practitioner's Independence and Quality Management

We are independent of the company 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.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1, which requires the authorised 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.

Management's Responsibilities

The management of Metsä Board Corporation is responsible for the preparation and presentation of the Green Finance Information in accordance with the reporting criteria i.e. in accordance with Metsä Group's Green Finance Framework of July 2024 published on Metsä Group's webpage and Metsä Board's own internal reporting principles regarding impact metrics presented on page 5 of the Green Debt Report 2025 ("Reporting Criteria" in this assurance report). This responsibility also includes such internal control as the management determine is necessary to enable the preparation of Green Finance Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of Sustainability Information

It is characteristic to reporting on sustainability information that reporting of this kind of information includes assumptions as well as measurement uncertainty.

Responsibilities of the Independent Practitioner

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the Green Finance Information subject to the limited assurance 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 Green Finance Information.

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 Green Finance Information, 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 company'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. The procedures performed in a limited assurance engagement primarily consist of making inquiries and applying analytical procedures. 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, among others, the following:

- We interviewed the company's management and persons responsible for collecting and preparing the Green Finance Information.
- Through interviews we gained understanding of the key processes, information systems, and practical procedures related to collecting and consolidating the Green Finance Information.
- We assessed whether the project to which the total allocated gross proceeds have been allocated is eligible and has fulfilled the criteria in accordance with Metsä Group's Green Finance Framework of July 2024.
- We assessed the accuracy of the Green Finance Information through an inspection of the background documentation and documents prepared by the company on a sample basis and assessed whether they support the presented Green Finance Information.
- We conducted a site visit to the relevant site, i.e. Husum pulp mill.
- We assessed the application of the reporting principles of the Reporting Criteria in disclosing the Green Finance Information.

Helsinki, 17 March 2026

KPMG OY AB

Kirsi Jantunen
Authorised Public Accountant



Growth, with a future

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