

Metsä Group  
Remuneration Report 2025



# Review by the Chair of the HR Committee

Dear reader,

Metsä Group's remuneration principles are defined in the company's remuneration policy. These common principles apply to all employees, and by following them, we promote the implementation of Metsä Group's strategy and long-term financial success. The remuneration policy is available on Metsä Group's website.

The Board of Directors' HR Committee actively monitors the development of remuneration and new regulatory initiatives, and proposes changes to the remuneration policy and practices for the Board's decision when necessary. Remuneration must comply with Metsä Group's remuneration principles.

In 2025, the HR Committee emphasised the role of remuneration in achieving the company's sustainability objectives. Each Metsä Group employee's annual performance targets include ESG indicators or goals. Setting personal sustainability targets guides continuous improvement in sustainability and clarifies each individual's role in implementing our strategy. In addition to individuals' own sustainability targets, all salaried employees have a common sustainability target.

This remuneration report is based on the recommendations of the Finnish Corporate Governance Code 2025 published by the Finnish Securities Market Association. It describes how the principles have been applied and complied with, and how the members of the Group parent company's Board of Directors and the Group President and CEO have been remunerated during the 2025 financial year. Metsä Group's President and CEO changed mid-year, so the report presents remuneration details for both the former and current CEO for their respective terms.

Our aim has been to provide an illustrative and transparent summary of the statutory governing bodies' remuneration and the implementation of Metsä Group's remuneration policy. The report enables stakeholders to assess the success of the company and its remuneration practices.

The remuneration policy, remuneration report, and additional information about management and employee remuneration are available in Metsä Group's financial statements and on the website.

**Taavi Heikkilä**

Chair of the HR Committee of Metsäliitto Cooperative's Board of Directors

# 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.

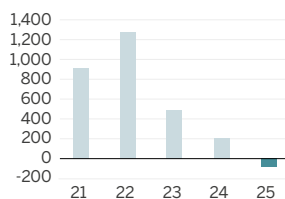
Clawback terms are in place for exceptional situations in both the short and long-term incentive system. No incentives were recovered in the 2025 financial period.

## Short- and long-term incentive schemes

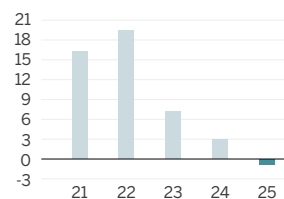
Metsä Group has a short-term incentive system with a review period of one calendar year, as well as a long-term incentive system with a performance period of three years and a restriction period of one to two years. The targets of the long-term incentive system, tied to return on capital employed, operating 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
<b>Chair of the Supervisory Board</b>	87,500	78,600	78,100	71,600	77,600
Juha Paajanen, as of 4 May 2017					
<b>Deputy Chair of the Supervisory Board</b>	43,000	36,500	39,300	33,200	33,600
Jari Laineenoja, as of 1 May 2025					
Ahti Siponen, until 30 April 2025					
<b>Other members of the Supervisory Board (in total)</b>	191,500	163,000	186,500	152,800	191,600
<b>Chair of the Board of Directors</b>	176,500	168,000	167,700	166,554	170,840
Jussi Linnaranta, as of 1 January 2020					
<b>Vice Chair of the Board of Directors</b>	97,500	91,100	91,600	82,400	83,200
Mikko Mäkimattila, as of 1 January 2023					
Timo Saukkonen, 1 January 2020–31 December 2022					
<b>Other members of the Board of Directors (on average)</b>	95,660	89,417	88,583	74,867	69,967
<b>President and CEO<sup>1)</sup></b>	3,919,280	3,613,185	1,649,222	2,976,557	2,695,238
Jussi Vanhanen, as of 1 July 2025					
Ilkka Härmälä, until 30 June 2025					
<b>Average earnings of employees<sup>2)</sup></b>	53,582	48,873	48,060	51,218	48,101
<b>Ratio of highest annual earnings to median earnings<sup>3)</sup></b>	19	66	45	-	-

<sup>1)</sup> 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.

<sup>2)</sup> 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.

<sup>3)</sup> 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.

# 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 <sup>1)</sup>	Pension benefit <sup>2)</sup>	Total
<b>Juha Paajanen</b> Chair	54,000	33,500	14,525	102,025
<b>Jari Laineenoja</b> Deputy chair as of 1 May 2025	16,000	8,500	4,067	28,567
<b>Other members</b> (in total)		191,500		191,500
<b>Total</b>	70,000	233,500	18,592	322,092
<b>Former members of the supervisory board</b>				
<b>Ahti Siponen</b> Deputy chair until 30 April 2025	8,000	10,500	3,071	21,571

<sup>1)</sup> The meeting fees also include meeting fees paid for attending meetings of the Board of Directors as well as district councils and other committees.

<sup>2)</sup> 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 <sup>1)</sup>	Pension benefit <sup>2)</sup>	Total
<b>Jussi Linnaranta</b> Chair <sup>3)</sup>	144,000	32,500	28,487	204,987
<b>Mikko Mäkimattila</b> Vice chair <sup>3)</sup>	72,000	25,500	15,737	113,237
<b>Teuvo Hatva</b>	67,200	25,500	14,962	107,662
<b>Taavi Heikkilä</b>	80,400 <sup>4)</sup>	24,500	18,497	123,397
<b>Eija Pitkänen</b>	67,200	22,000	15,735	104,935
<b>Päivi Lindqvist</b> as of 1 January 2025	67,200	19,000	13,913	100,113
<b>Ilkka Salonen</b>	82,800 <sup>5)</sup>	22,500	16,995	122,295
<b>Total</b>	<b>580,800</b>	<b>171,500</b>	<b>124,325</b>	<b>876,625</b>
<b>Former members of the Board of Directors</b>				
<b>Nina Pärssinen</b> until 31 December 2024		2,500	404	2,904
<b>Jussi Vanhanen</b> until 30 April 2025	22,400	12,000	5,552	39,952
<b>Total</b>	<b>22,400</b>	<b>14,500</b>	<b>5,956</b>	<b>42,856</b>

<sup>1)</sup> The meeting fees of the Board of Directors also include the meeting fees of committees and district councils.

<sup>2)</sup> Voluntary TyEL pension (the Finnish employee's statutory pension system) insurance has been taken out for the members of the Board of Directors.

<sup>3)</sup> The remuneration paid for board work in Metsä Board Corporation is disclosed in Metsä Board Corporation's remuneration report.

<sup>4)</sup> Includes the monthly remuneration paid to the Chair of the HR Committee.

<sup>5)</sup> 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)

<b>Jussi Vanhanen</b> as of 1 July 2025 <sup>1)</sup>	<b>2025</b>
Salaries and incentives, including fringe benefits <sup>2)</sup>	594,750
Incentives paid by other Group companies	118,931
Short-term incentive <sup>3)</sup>	-
Long-term incentive <sup>3)</sup>	-
<b>Total</b>	<b>713,681</b>
Supplementary defined contribution pension insurance	84,000

- <sup>1)</sup> 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.
- <sup>2)</sup> 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.
- <sup>3)</sup> 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.

<b>Ilkka Härmälä</b> until 30 June 2025 <sup>1)</sup>	<b>2025</b>
Base salary, including fringe benefits <sup>2)</sup>	854,388
Incentives paid by other Group companies	58,635
Short-term incentive <sup>3) 4)</sup>	-
Long-term incentive <sup>4) 5)</sup>	1,777,051
Other paid compensation <sup>6)</sup>	515,526
<b>Total</b>	<b>3,205,599</b>
Supplementary defined-benefit pension insurance index increase fees	111,780

- <sup>1)</sup> Includes Härmälä'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.
- <sup>2)</sup> 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.
- <sup>3)</sup> 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.
- <sup>4)</sup> The incentive paid is accrued in the financial statements over the vesting period.
- <sup>5)</sup> The long-term incentive paid applies to performance period 2021–2023.
- <sup>6)</sup> 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 Härmälä 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.

## 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 <sup>1)</sup>	Actual in euros, taking the Metsä Group EBIT multiplier into account <sup>2)</sup>
<b>2025</b>	Sustainability targets	5	66	0
	Financial targets	20		
	Other business targets	25		
	Metsä Group's sustainability target	10		
	EBIT target	40		
<b>Total</b>		<b>100</b>		

<sup>1)</sup> The targets are assessed on a scale of 0–200, where 100 means that target is reached.

<sup>2)</sup> 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 <sup>1)</sup>	Actual in euros, taking the Metsä Group EBIT multiplier into account <sup>2)</sup>
<b>2025</b> <sup>3)</sup>	Sustainability targets	10	–	0
	Financial targets	7		
	Other business targets	33		
	Metsä Group's sustainability target	10		
	EBIT target	40		
<b>Total</b>		<b>100</b>		
<b>2024</b>	Sustainability targets	7	55	0
	Financial targets	5		
	Other business targets	38		
	EBIT target	50		
<b>Total</b>		<b>100</b>		

<sup>1)</sup> The targets are assessed on a scale of 0–200, where 100 means that target is reached.

<sup>2)</sup> 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.

<sup>3)</sup> 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 <sup>1)</sup>	% 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 <sup>2)</sup>
2023–2025	2027			0		
2024–2026	2028			Not yet known		
2025–2027	2029			Not yet known		

<sup>1)</sup> 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.

<sup>2)</sup> 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



Base salary including fringe benefits.....	83%
Incentives from other Group companies.....	17%
Short-term incentive .....	0%
Long-term incentive.....	0%

### 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



Base salary including fringe benefits.....	27%
Incentives from other Group companies.....	2%
Short-term incentive .....	0%
Long-term incentive.....	55%
Other paid compensation .....	16%





# Growth, with a future

**METSÄ GROUP**

P.O. Box 10  
FI-02020 Metsä, Finland  
Visiting address: Revontulenpuisto 2 A  
02100 Espoo, Finland  
Tel. +358 10 4601  
[www.metsagroup.com](http://www.metsagroup.com)