

Metsä Board Remuneration Report 2025



Review by the Chair of the Nomination and HR Committee

Dear Shareholder,

I am pleased to present the Board of Directors' approved Metsä Board Remuneration Report for 2025, prepared in accordance with the Finnish Corporate Governance Code for listed companies.

During the last year, market conditions have been challenging, and we have focused on areas within our control. In the summer, we launched a transformation programme aimed at adjusting the cost structure, improving operational efficiency and strengthening the foundation for sustainable growth. The programme included difficult change negotiations that affected many at Metsä Board. I thank our employees for their constructive cooperation during the process, and especially those whose careers ended as a result of these changes.

Following organisational changes, it is essential to strengthen employee engagement and ensure that incentive systems support responsible profitability, renewal and cooperation. Remuneration must be clear, competitive and transparent, and it must promote the implementation of the transformation programme and sustainability objectives.

Sustainability has long been at the core of remuneration, and this approach continues. Each employee's annual targets include metrics that guide responsible operations, and the performance bonus system includes a common sustainability goal for all. Metsä Board's leadership

in sustainability has received broad recognition from external evaluators, highlighting its importance for business and remuneration.

In 2025, Metsä Board's Corporate Leadership team underwent significant renewal following the CEO transition. These changes aim to support business transformation, strengthen customer focus and enable agility in a rapidly changing environment.

In 2026, our priorities will be strengthening profitability, efficient working capital management and continuous improvement in occupational safety. These objectives are also reflected in the short-term incentive programme for management.

I thank our shareholders for their trust and our employees for their commitment during times of change. Together, we will ensure Metsä Board's return to profitable growth and maintain its position as a leader in sustainability. The remuneration system supports this goal transparently and consistently, reinforcing strategy and sustainability principles.

Jussi Vanhanen

Chair of the Nomination and HR Committee of
Metsä Board Corporation's Board of Directors

Introduction

Metsä Board's remuneration aims to fairly support profitable growth and the increase of shareholder value in line with the company's values and interests. The key objective is to enable the achievement of the company's vision and its strategic and operational goals. We aim to encourage excellent performance in both the short and long terms.

Remuneration at Metsä Board is based on the following principles:

- **Ensuring sustainable and responsible business operations**
Our remuneration supports the achievement of the company's vision, strategic and operational targets, and sustainability targets. We encourage activities in line with the company's values and 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 Board members and the CEO was in line with the Remuneration Policy approved by the Annual General Meeting on 26 March 2024. There were no deviations from the Remuneration Policy.

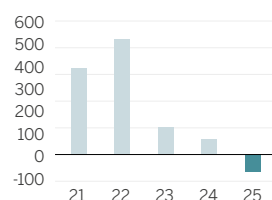
In the 2025 financial year, the remuneration of Board members comprised the annual remuneration approved by the Annual General Meeting and the meeting fees paid based on participation. The company has clawback terms in place for both short- and long-term incentive schemes for exceptional situations. No clawbacks were applied in 2025.

Short- and long-term incentive schemes

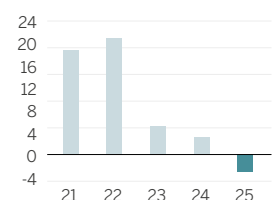
Metsä Board has a short-term incentive system with a review period of one calendar year. The company also has a long-term share-based incentive system with a performance period of three years and a restriction period of approximately two years. The targets of the long-term incentive system, tied to the return on capital employed, operating result and equity ratio, affect the long-term development of shareholder value. The Board of Directors has steered the company's operations in the short and long terms with the support of the incentive systems. Metsä Board's financial result has a direct impact on the remuneration of the CEO through both the short- and long-term incentive systems.

The company's financial development

**COMPARABLE
OPERATING RESULT**
EUR million



**COMPARABLE RETURN
ON CAPITAL EMPLOYED**
%



Development of remuneration in 2021–2025

In 2021, there were no changes to Board members' fees. In 2022, the Annual General Meeting decided to increase the annual remuneration paid to Board members. The annual remuneration paid to the Chair and to the Deputy Chair of the Board of Directors is EUR 99,000 and EUR 85,000 respectively. The annual remuneration paid to other members of the Board of Directors is EUR 67,000. Approximately half the annual fee is paid in cash, and the rest in shares. The 2022 Annual General Meeting also decided to keep meeting fees at EUR 800 and pay separate monthly remuneration of EUR 900 to the Chair of the Audit Committee. The 2024 Annual General Meeting decided to keep annual and monthly remuneration

unchanged and raise meeting fees from EUR 800 to EUR 1,000. In 2025, the Annual General Meeting decided that all fees would remain unchanged. Meeting fees are paid in cash and only once if several meetings are held during the same day. The CEO's base salary increased by approximately 13% over five years. The CEO's total remuneration development has been particularly influenced by company performance in previous years and thus by the number of the company's B series shares earned in the long-term incentive system. The development of employees' average earnings has been moderate.

DEVELOPMENT OF THE BOARD OF DIRECTORS' REMUNERATION, THE CEO'S REMUNERATION AND THE AVERAGE EARNINGS OF EMPLOYEES (IN EUROS)

	2025	2024	2023	2022	2021
Chair of the Board of Directors	138,542	114,400	111,800	113,400	108,600
Jussi Vanhanen member as of 20 March 2025 and Chair as of 1 July 2025					
Ilkka Hämälä until 30 June 2025					
Vice Chair of the Board of Directors	101,000	101,400	97,800	99,400	93,600
Jussi Linnaranta as of 11 June 2020					
Other members of the Board of Directors (on average)	85,500	82,229	80,200	82,329	75,986
CEO ¹⁾	1,810,104	1,514,834	2,268,101	1,817,130	1,558,658
Esa Kaikkonen as of 7 April 2025					
Mika Joukio until 6 April 2025					
Average earnings of employees ²⁾	60,398	53,183	52,221	59,564	56,941
Ratio of highest annual earnings to median earnings ³⁾	16	25	39	-	-

¹⁾ 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.

²⁾ 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.

³⁾ 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 Board of Directors

REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2025 (IN EUROS)

	Annual remuneration ¹⁾	Board meeting fees	Committee meeting fees	Pension insurance contribution (TyEL) ²⁾	Total
Jussi Vanhanen , Member as of 20 March 2025 and Chair as of 1 July 2025	89,667	10,000	1,000	16,993	117,659
Jussi Linnaranta , Vice Chair	85,000	15,000	1,000	17,049	118,049
Leena Craelius	67,000	13,000	4,000	14,179	98,179
Raija-Leena Hankonen-Nybom ³⁾	67,000	16,000	4,000	15,991	102,991
Mari Kiviniemi	67,000	16,000	4,000	14,686	101,686
Jukka Moisio	67,000	16,000	2,000	15,623	100,623
Mikko Mäkimattila	67,000	15,000	1,000	14,010	97,010
Juha Vanhainen	67,000	16,000	4,000	15,991	102,991
Total	576,667	117,000	21,000	124,521	839,187
Former members of the Board of Directors					
Ilkka Härmälä ⁴⁾ , Chair until 30 June 2025	28,875	9,000	-	6,961	44,836
Erja Hyrsky ⁵⁾ , until 31 July 2025	67,000	11,000	1,000	14,520	93,520
Total	95,875	20,000	1,000	21,482	138,357

¹⁾ Approximately half the remuneration has been paid as the company's B series shares, and approximately half in cash. The cash portion has covered the taxes to be charged from the remuneration. The figures shown in the table do not include the portion of transfer tax paid by the company.

²⁾ Voluntary TyEL pension (the Finnish employee's statutory pension system) insurance has been taken out for the members of the Board of Directors until they reach the required upper age limit.

³⁾ The Chair of the Audit Committee has also been paid a monthly remuneration of EUR 900 every month.

⁴⁾ Härmälä's Board fees were recovered due to the change of Chair in 2025

⁵⁾ As Hyrsky transferred to Metsä Board's service on 1 August 2025, the annual Board fee is prorated, and the repaid portion is taken into account in total remuneration.

SHARES DELIVERED TO THE BOARD OF DIRECTORS IN 2025

Member of the Board of Directors	Number of shares ¹⁾ delivered
Jussi Vanhanen , Member as of 20 March 2025 and Chair as of 1 July 2025	13,788
Jussi Linnaranta , Vice Chair	13,016
Leena Craelius	10,259
Raija-Leena Hankonen-Nybom	10,259
Mari Kiviniemi	10,259
Jukka Moisio	10,259
Mikko Mäkimattila	10,259
Juha Vanhainen	10,259
Total	88,358
Former members of the Board of Directors	
Ilkka Härmälä ²⁾ , Chair until 30 June 2025	4,421
Erja Hyrsky ³⁾ , until 31 July 2025	10,259
Total	14,680

¹⁾ Metsä Board's series B share

²⁾ Härmälä's Board fees were recovered due to the change of Chair in 2025

³⁾ As Hyrsky transferred to Metsä Board's service on 1 August 2025, the annual Board fee is prorated, and the repaid portion is taken into account in total remuneration.

Remuneration of the CEO

SALARIES AND INCENTIVES PAID TO THE CEO AND THE COST OF SUPPLEMENTARY PENSION ARRANGEMENT IN 2025 (IN EUROS)

Esa Kaikkonen as of 7.4.2025	2025
Base salary, including fringe benefits ¹⁾	434,324
Short-term incentive ²⁾	-
Long-term incentive ²⁾	-
Total	434,324
Supplementary defined contribution pension insurance	79,505

¹⁾ The base salary includes a company car and phone benefit, as well as extended health and accident insurance coverage.

²⁾ The short-term and long-term incentives relate to earning periods prior to 2025, at which time Kaikkonen was not yet covered by these Metsä Board Corporation's incentive schemes

SALARIES AND INCENTIVES PAID TO THE CEO AND THE COST OF SUPPLEMENTARY PENSION ARRANGEMENT IN 2025 (IN EUROS)

Mika Joukio until 6.4.2025 ¹⁾	2025
Base salary, including fringe benefits ²⁾	472,271
Short-term incentive ^{3) 4)}	-
Long-term incentive ^{4) 5)}	250,067
Other paid compensation ⁶⁾	653,443
Total	1,375,780
Supplementary defined benefit pension arrangement	442,016

¹⁾ Joukio CEO until 6 April 2025, salary and incentives paid until 7 October 2025, the date on which Joukio's employment with Metsä Board Corporation concluded.

²⁾ The base salary includes a company car and phone benefit, as well as extended health, travel and accident insurance coverage.

³⁾ 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.

⁴⁾ The incentive paid is accrued in the financial statements over the vesting period.

⁵⁾ The long-term incentive paid concerns the 2022–2024 performance period.

⁶⁾ Non-compete (40% from six months' salary) and severance pay (equals 12 months' salary).

Until 6 April 2025, the CEO was Mika Joukio, and from 7 April 2025 onwards, Esa Kaikkonen.

CEO Joukio's remuneration in 2025 consisted of a fixed base salary, fringe benefits, performance-based long-term incentives and supplementary pension contributions. Joukio was also covered by the short-term incentive scheme. In addition, Joukio received severance pay and as a special reward in accordance with Metsä Board Remuneration Policy a non-compete compensation. The data presented for Joukio covers the period 1 January–6 October 2025.

CEO Kaikkonen's remuneration in 2025 consisted of a fixed base salary, fringe benefits and supplementary pension contributions. Kaikkonen is covered by both short- and long-term incentive schemes. The data presented for Kaikkonen covers the period 7 April–31 December 2025.

THE CEO'S SHORT-TERM INCENTIVE TARGETS AND INCENTIVES FOR 2025

Esa Kaikkonen as of 7 April 2025			Actual %, before the Metsä Group EBIT multiplier ¹⁾	Actual in euros, taking the Metsä Group EBIT multiplier into account ²⁾
The CEO's incentive targets	Weight, %			
2025				
Sustainability targets	12.5			
Financial targets	25			
Other business targets	12.5			
Metsä Group's sustainability target	10			
EBIT target	40		71	0
Total	100			

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

²⁾ 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.

THE CEO'S SHORT-TERM INCENTIVE TARGETS AND INCENTIVES FOR 2024–2025

Mika Joukio until 6 April 2025			Actual %, before the Metsä Group EBIT multiplier ¹⁾	Actual in euros, taking the Metsä Group EBIT multiplier into account ²⁾
The CEO's incentive targets	Weight, %			
2025 ³⁾				
Sustainability targets	12.5			
Financial targets	25			
Other business targets	12.5			
Metsä Group's sustainability target	10			0
EBIT target	40			
Total	100			
2024				
Paperboard sales	20			
Fixed costs	10			
Work safety, TRIF	10		63	0
Strategic projects	10			
EBIT target	50			
Total	100			

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

²⁾ 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.

³⁾ The actual of Joukio's 2025 targets will not be reported, as the term of the CEO ended mid-year.

In 2025, the maximum level of remuneration available in the CEO's short-term incentive system was 75% of the fixed annual base salary, accounting for Metsä Group's EBIT multiplier. In 2025, the sustainability targets of both CEOs were related to occupational safety and Metsä Board's strategic projects. 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 short-term incentive system for 2024 was based on the same principles as in 2025. The CEO was not paid any short-term incentives for 2024, as the short-term incentive system's performance indicator (Metsä Group's EBIT) did not exceed the threshold.

In 2019, Metsä Board's Board of Directors decided on a performance-based long-term share plan for key employees for 2020–2024. The system consists of three performance periods of three years. The amount of the reward is limited. The CEO's maximum reward is 210% of the fixed annual base salary (a cut-off level of 270% of the fixed annual base salary). The payment of the reward is followed by a restriction period of approximately two years, during which the CEO cannot transfer or dispose of the shares related to the payment. The reward paid to CEO Joukio in 2025 concerned the 2022–2024 performance period of the 2020–2024 performance share plan.

In 2022, Metsä Board's Board of Directors decided on a new performance share plan for 2023–2027. The system was based on the same

principles as the 2020–2024 performance share plan, and the CEO's reward level has not changed. Rewards for the 2023–2025 performance period will not be paid as the performance criteria fell below the minimum level.

In January 2026, Metsä Board's Board of Directors decided on a new performance share plan for key employees for 2026–2030. The system was based on the same principles as the 2023–2027 performance share plan, and the CEO's reward level has not changed.

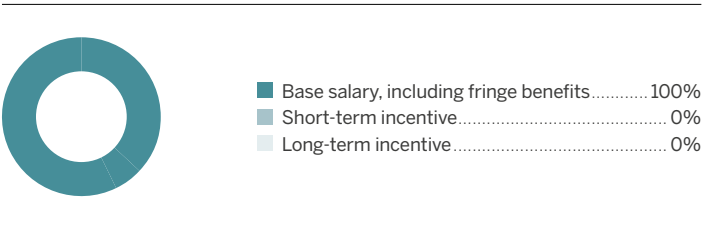
The relative proportions of variable and fixed pay components are shown in the chart below.

PERFORMANCE PERIODS, CRITERIA, AND ACTUALS OF THE LONG-TERM PERFORMANCE SHARE PLAN AND CEO'S INCENTIVES

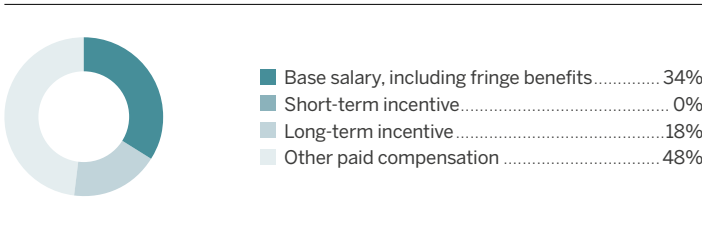
Performance period	Year of payment	Criteria ¹⁾	Weight, %	Actual, %	Share price at time of transfer, EUR	CEO Esa Kaikkonen earned gross reward, shares ²⁾	CEO Mika Joukio earned gross reward, shares ²⁾
2022–2024	2025	Metsä Board Roce %	50	53	3.89	Not included in the scheme	64,349
		Metsä Group Roce %	50				
2023–2025	2026	Metsä Board Roce %	50	0	0	0 ³⁾	0 ³⁾
		Metsä Group Roce %	50				
2024–2026	2027	Metsä Board Roce %	50	Not known yet			
		Metsä Group Roce %	50				
2025–2027	2028	Metsä Board Roce %	50	Not known yet			
		Metsä Group Roce %	50				

¹⁾ The three-year average ROCE of Metsä Board Group and Metsä Group. 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.
²⁾ The gross reward includes the shares to be transferred as well as the share of taxes.
³⁾ Rewards for the 2023–2025 performance period will not be paid as the performance criteria fell below the minimum level.

THE BREAKDOWN OF THE CEO'S REMUNERATION INTO A FIXED BASE SALARY, SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVE IN 2025, ESA KAIKKONEN



THE BREAKDOWN OF THE CEO'S REMUNERATION INTO A FIXED BASE SALARY, SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVE IN 2025, MIKA JOUKIO



The cost of the CEO's supplementary pension arrangement in 2025

CEO Esa Kaikkonen has been covered by a supplementary defined contribution pension scheme since 1 May 2025, with a retirement age of 62. 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 79,505.

CEO Mika Joukio was covered by a supplementary defined benefit pension scheme with a retirement age of 62. The payment for the supplementary defined benefit pension arrangement in 2025 was EUR 442,016. In addition, Joukio was paid a severance payment of EUR 544,536 and as a special reward in accordance with Metsä Board Remuneration Policy a non-compete compensation of EUR 108,907 upon termination.



Growth, with a future

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