



# ESG-reporting at Metsä Board

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# Topics covered

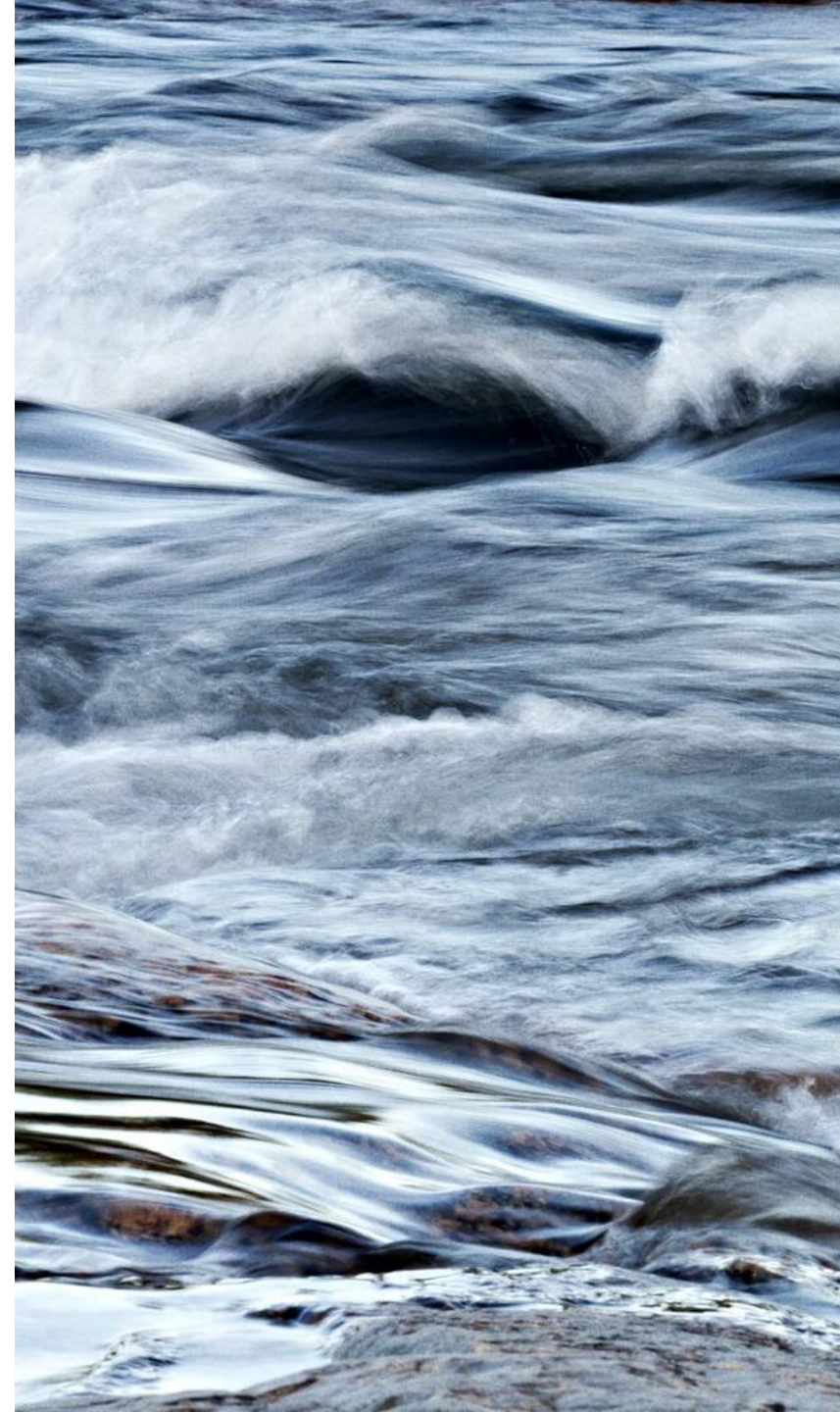
- History of ESG communication/reporting
- Towards CSRD
  - New governance model and actions made in 2023
  - Annual clock
  - Next steps for 2024





# ESG in Metsä Board's communication

- **~20 years ago:** "Sustainability story" included in Metsä Board's production and products -> more customer related communication
  - **~10 years ago:** Sustainability included in strategy and IR story, increased (ad-hoc) sustainability reporting
  - **~5 years ago:** main sustainability KPI's included in regular reporting, sustainability reports, NFI
  - **In 2023:** Sustainability reporting in accordance with CSRD, fully included in BoD's report
- > Sustainability reporting in sync with financial reporting with third-party assurance



# 2023 reporting carried out in accordance with CSRD

Corporate Sustainability Reporting Directive obliges companies to report on corporate responsibility in accordance with ESRS (European Sustainability Reporting Standards).

ESRS standards are categorized into following areas:

- **General Disclosures**
- **Environment**
  - E1 Climate Change
  - E2 Pollution
  - E3 Water and Marine Resources
  - E4 Biodiversity and Ecosystems
  - E5 Resource Use and Circular Economy
- **Social**
  - S1 Own workforce
  - S2 Workers in the value chain
  - S3 Affected communities
  - S4 Consumers and end-users
- **Governance**
  - G1 Business Conduct



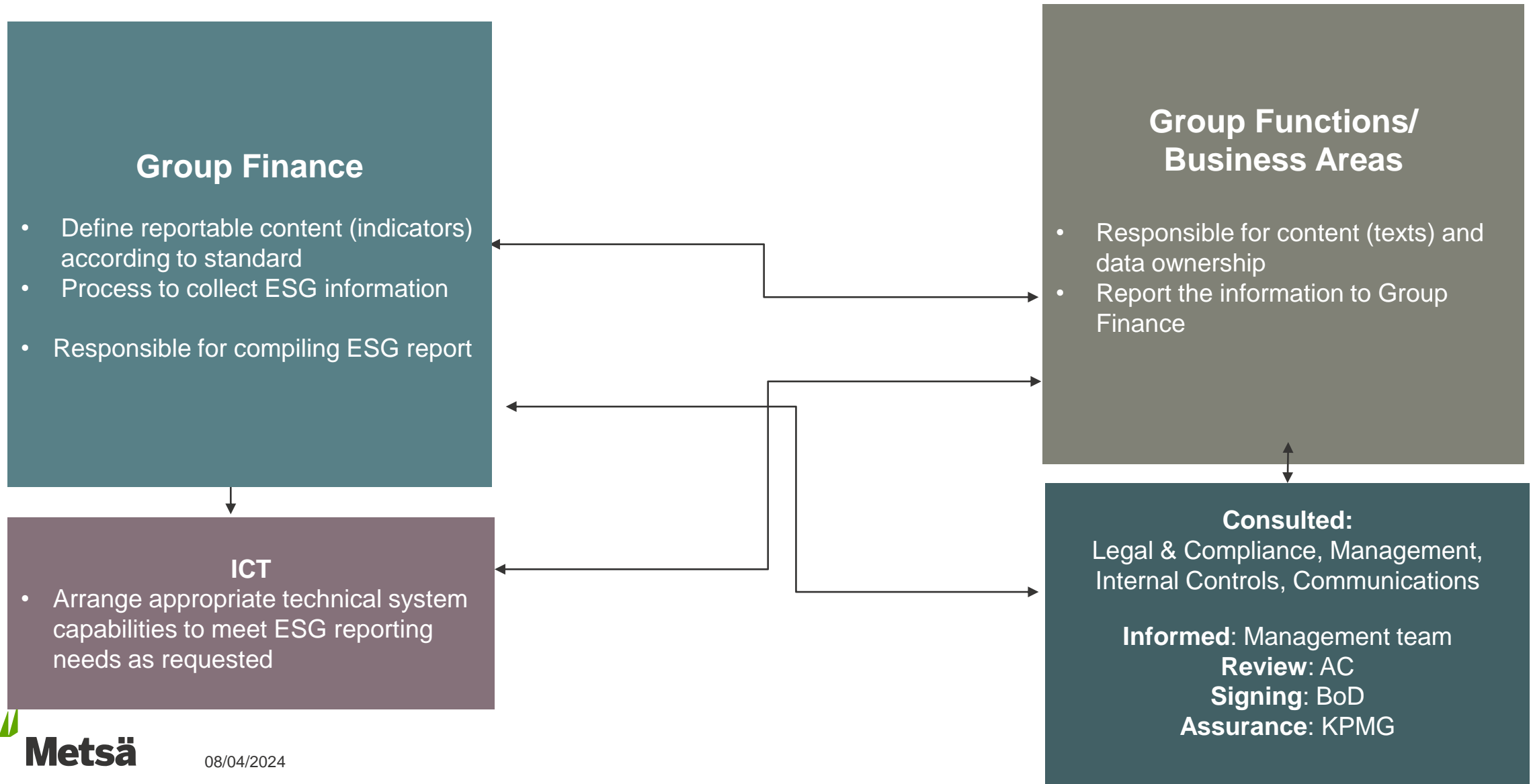
# Main actions and decision in 2023

- **New governance model** introduced and annual clock proposal for the renewed sustainability reporting to ensure robust process & control environment
- Target was to utilize **same ownership logic & processes as other operative practices** in the company
- **ESG controller was hired** in Metsä Group as a project leader
- **Group Finance** fully responsible for compiling ESG report
- **Operative business processes** responsible for the content
- Regular updates to **Audit committee**





# ESG reporting governance model



# ESG reporting implementation in 2023

## Q4 2023 (November-December)

- Assurance begins
- First draft of report sent to AC and Management team

## Q4 2023 (October)

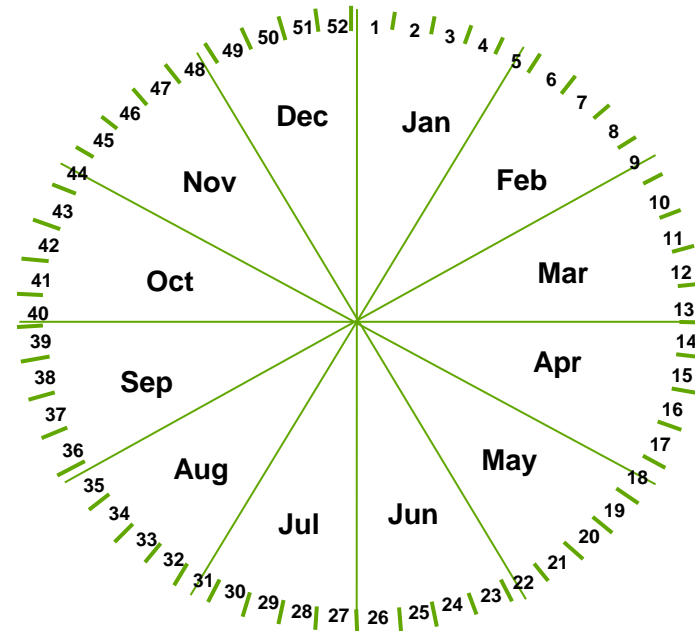
- First draft of sustainability report with Q3 data
- Content check by sustainability and communication

## Q3 2023

- First test run/draft on reportable information.
- Consolidation capability verified
- Content (texts) completed
- AC updated

## 2024 January

- Final version of report to AC, BoD, Management team, Auditors



## Q1 2023

- New ESG controller takes the lead
- Governance model communicated
- Roles stated

## Q2 2023

Workshops and trainings start:

- Building understanding on CSRD & ESRS requirements
- Process owners / data providers educated to collect data and produce content
- Preparation for data gathering starts
- AC updated

# Key actions for 2024

- Closing the remaining gaps against CSRD requirements, mainly in the content:
  - Developing climate reporting in “E” and human rights related themes in “S”
- Further development of data collecting, reporting processes (*documentation*) and audit trail
- Estimated that 2023 reporting provided ~70% readiness
- Finalization of ESG reporting “manual” to personnel
- Fully integrating the ESG data in current reporting system (HFM)

