

Responsibility policy

1. Scope and objectives

This responsibility policy defines the principles and operating methods by which we ensure that Metsähallitus' activities are responsible. The responsibility policy also outlines our principles related to environmental issues and human rights. The responsibility policy applies to the entire Metsähallitus Group, and it is confirmed by Metsähallitus' Board of Directors.

The objective of our work is to create added value for nature, people and society across generations. Corporate responsibility has been integrated into Metsähallitus' strategy, management and development as a key part of our activities. To us, responsibility means goal-oriented work and joint development for a more sustainable, responsible and equal future. In all our activities, we strive to reconcile the ecological, cultural, social and economic needs of state-owned land and water areas.

We operate as a responsible organisation and take the impacts of our actions into consideration wherever they reach. We are an active societal agent and develop our activities together with customers, partners and stakeholders throughout our value chain.

2. Key principles

Our work is underpinned by compliance, which means complying with all laws, commitments, rules and principles applicable to Metsähallitus. We are directed by the state's ownership policy steering. Our work is also guided by internationally recognised responsibility guidelines and principles, including the UN Agenda for Sustainable Development (Agenda 2030), the UN Universal Declaration on Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGP), the UN Declaration on the Rights of Indigenous Peoples, the ILO Declaration on Fundamental Principles and Rights at Work and the due diligence process based on the OECD Guidelines for Multinational Enterprises.

At Metsähallitus, responsibility is a strategic value, and responsibility targets are part of the strategic objectives. The key principles, responsibilities, goals and operating methods of corporate responsibility are described in Metsähallitus' responsibility policy, strategy and Code of Conduct. For key responsibility themes, the goals and measures are specified in comprehensive action plans, such as the Climate Programme. The responsibility targets and tools of Metsähallitus have been compiled into a responsibility programme that clarifies the whole.

The focus areas of our responsibility work are based on a double materiality analysis conducted in line with EU sustainability regulation, which has identified and assessed the impacts of our activities on the environment and society as well as the risks and opportunities related to the activities. The double materiality analysis has also taken into account the most significant sustainability impacts, risks and opportunities in our value chains.

We work to strengthen our positive impacts on the environment, people and society. In keeping with the mitigation hierarchy, we primarily strive to prevent any negative impacts

from our activities. If harm is unavoidable, we mitigate and address it.

We draw on research evidence and make informed decisions. We engage in open dialogue with our stakeholders and communicate about the impacts of our activities and our responsibility measures in a transparent and comprehensible manner. We work together to develop responsibility and encourage our stakeholders to promote responsibility with us.

For example, we require our suppliers and partners to commit to our Code of Conduct. We identify the environmental, climate and human rights impacts of our supply chain and reduce negative impacts through sustainability criteria and procurement sustainability targets.

Environmental responsibility

Metsähallitus' role as the manager, user and steward of state-owned land and water areas makes environmental responsibility a central part of our mission. In line with ownership steering, Metsähallitus promotes climate change and biodiversity goals to which Finland as a state has committed. For Metsähallitus, climate change and biodiversity are also key strategic themes and sustainability topics identified as the most essential. Alongside strategy objectives, climate and environmental work is steered by separate action plans. Mitigating climate change, adapting to it and safeguarding biodiversity are included in all our activities.

The management of environmental issues at Metsähallitus is underpinned by a certified ISO 14001 environmental management system. In environmental issues, Metsähallitus' business is guided by social obligations imposed on Metsähallitus by legislation. Our operations in multiple-use forests are additionally guided by forest certification and an environmental guide for forestry. The management of protected areas is directed by not only legislation and decrees but also the principles of managing and using protected areas.

Following the principle of continuous improvement, we work systematically to protect the environment and promote sustainable use of natural resources. Every Metsähallitus employee is expected to take environmental matters into account in their daily work and act for the benefit of our shared environment. We promote the development and deployment of environmentally friendly operating methods and technologies. We evaluate the environmental aspects and risks of our activities each year.

To manage our environmental impacts and to continuously improve our environmental management, we set annual environmental targets that concern Metsähallitus as a whole.

Social responsibility

We respect all human and fundamental rights, including language rights. We recognise existing or potential impacts on human rights in Metsähallitus' activities. We do not accept any form of child labour, forced labour, trafficking in human beings or any other form of modern slavery in our own activities or our value chains. We manage risks and prevent and mitigate impacts in accordance with the due diligence process.

We ensure that we act fairly and equally towards our personnel, customers, partners and stakeholders alike. We do not tolerate any form of harassment, bullying or discrimination in our activities, services, work community or value chain.

In our role as an employer, we promote the realisation of diversity, equality and non-discrimination and develop the accessibility of our services following our diversity,

equality and non-discrimination plan. We take care of the safety of our personnel and customers. We address shortcomings where necessary and ensure that occupational safety practices are up to date. We also require our procurement and contracting partners to address social responsibility considerations as set out in our Code of Conduct.

Our work is based on successfully reconciling a wide range of needs and wishes in collaboration with our stakeholders. Our activities in state-owned land and water areas are based on natural resource plans drafted in cooperation with local communities, customers and other stakeholders. These plans outline the long-term use of land and water areas owned by the state and ensure the economic, ecological, social and cultural sustainability of the activities across generations. We work to promote people's health and well-being in Finland.

Metsähallitus safeguards the preconditions for practising the Sámi culture when managing, using and protecting the natural resources under its stewardship in the Sámi Homeland. We secure the Sámi people's right to maintain their language and culture through agreements and negotiation procedures and by supporting Sámi-language communication. We rely on the Akwé: Kon operating model in all significant projects, including natural resource planning and planning the management of nature and wilderness reserves.

Good governance

Metsähallitus ensures good governance in keeping with the principles of the government's ownership steering. Good governance defines our decision-making structure and practices as well as our relationship with stakeholders. Our strategy, values and Code of Conduct have a cross-cutting influence on our governance system. We develop our activities transparently as a comprehensive set of measures covering good governance and the management system, risk management and compliance (Governance, Risk and Compliance).

We operate productively and effectively, managing and developing corporate responsibility following best practices. We ensure compliance, ethical action and non-discrimination in our work. Metsähallitus has procedures for preventing corruption, bribery and conflicts of interest. Our goal is to gain our stakeholders' trust through successful reconciliation and cooperation. We strive for continuous improvement of the stakeholder and customer experience and for expanding responsible and ethical practices throughout our value chain.

3. Main roles and responsibilities

Metsähallitus' Board of Directors is responsible for arranging the management of responsibility and environmental issues and their integration with the strategy and operation as well as sustainability reporting in keeping with the Rules of Procedure. The Board of Directors approves Metsähallitus' responsibility policy, decides on the principles for the environmental management system certification, and approves the double materiality analysis that defines Metsähallitus' material sustainability topics.

The Director General oversees the management and implementation of responsibility and environmental issues at Metsähallitus. The directors of business units and subsidiaries are responsible for achieving responsibility and environmental targets and for implementing thematic action plans integrated into the strategy in their respective areas of responsibility in their unit/company.

Each year, Metsähallitus' Management Group sets common environmental targets. The Management Group reviews the environmental management system annually to ensure that it is suitable, appropriate and effective. In addition, it processes and approves Metsähallitus' environmental review.

The Director of Communications oversees the responsibility process and the coordination of the environmental processes at the Group level. The General Counsel is responsible for compliance processes and procedures.

The responsibility group provides the Director of Communications with expert support in carrying out responsibility work. The group is responsible for the coordination, development and communication of responsibility at Metsähallitus, including the maintenance and development of the ISO 14001 environmental management system. The group is composed of experts appointed by the business units and Group units.

Each Metsähallitus employee is responsible for implementing responsibility and environmental matters in their work.

The business unit directors ensure that the principles of Metsähallitus' responsibility policy are followed in our operations with customers, partners, suppliers and other stakeholders. The business units are also responsible for achieving environmental goals in their respective areas of responsibility.

Our responsibility policy is re-evaluated at least once every strategy period and updated whenever necessary.

4. Monitoring and reporting

We identify areas in our operations that are essential in terms of responsibility as well as their attendant risks, which we manage as part of our risk management system. We develop processes and indicators for monitoring compliance with and implementation of responsibility. Should we notice any shortcomings, we take corrective action.

The level of environmental protection and effectiveness of the environmental management system as well as the realisation of social responsibility are assessed annually in internal and external audits.

Metsähallitus reports annually on responsibility progress and measures in a responsibility report published in connection with the financial statements. The reporting is based on sustainability topics identified in the double materiality analysis and draws on the requirements of the EU Sustainability Reporting Directive and the related standards.

The Board of Directors receives reports on the attainment of the responsibility targets as part strategy monitoring and on other responsibility issues, including impact and risk management, as necessary.

The members of the Metsähallitus' Management Group report to the Director General on the key sustainability impacts of the business units and Group units they represent and the risks related to responsibility.

Each Metsähallitus employee reports significant impacts and risks related to responsibility to their supervisor. Metsähallitus also has a whistleblowing channel that Metsähallitus employees or stakeholders can use to report deviations under their name or anonymously.