CEO'S REVIEW

The year 2012 was a very important milestone for our company. The strategic review that was initiated in 2006 to transform our company from Europe's largest fine paper producer into the leading fresh forest fibre paperboard company was successfully finalized. The final measures were the closure of the Alizay mill in France and the discontinuation of the unprofitable businesses at the Gohrsmühle mill in Germany. As part of the transformation process, the company's business name was changed from M-real Corporation to Metsä Board Corporation. The new name and identity have been well received by our stakeholders.

PROFITABLE GROWTH OF THE PAPERBOARD BUSINESS CONTINUES

In late 2012, the EUR 120 million investment programme was completed when the bio-power plant at our Kyro mill was commissioned. As part of the programme we have increased our annual folding boxboard capacity from 785,000 tonnes to 935,000 tonnes. The new capacity will be fully available from early 2013 onwards. The share of modern folding boxboard of all consumer packaging raw materials is still rather low globally, especially outside Europe. We will do our utmost to replace the traditional less ecological packaging materials with our safe and ecological folding boxboards that is an excellent way for consumer goods companies to improve the sustainability of their operations. We will focus even more on cooperation with our customers in North America and Asia to strengthen our position in these big markets.

We will secure the availability of folding boxboard in order to support successfully our customers' growth. There is still very good potential to increase the capacity of our current folding boxboard machines with moderate investments. Our pulp self-sufficiency continues at a very high level which is an essential factor in meeting the growth potential.

Another important part of the investment programme was the upgrading of the coating section at the Kemi linerboard machine in Finland. In early 2012, we launched the new double coated white top linerboards, which has been a great success. We will gradually increase the share of coated grades in the Kemi mill's linerboard production.

GOOD PROFITABILITY TREND IN 2012 BUT THE FULL POTENTIAL NOT REALIZED YET

The year 2012 started in a rather uncertain macroeconomic situation and our results were curtailed by the paperboard inventory reduction in the delivery chain. Towards the summer the situation improved as expected and paperboard operating rates normalized. The profitability of our company improved at a similar pace. The efficiencies of the rebuilt paperboard machines developed well and month after month we had more capacity available. The demand in the main end uses of our paperboard, such as food, cigarette, pharmaceuticals and cosmetics, is stable by nature. All in all, the demand outlook for our paperboards continue to be very solid both in Europe and outside Europe.

As planned, the losses from the paper and market pulp units that were closed or restructured were reduced in 2012. It is expected that the measures in several countries and mills to eliminate losses will improve our annual operating results by approximately EUR 110 million in comparison to actual performance in 2011. This was realized mostly already in 2012 and the remaining losses are expected to be eliminated from the beginning of 2013.

STRONG FUTURE AS A PAPERBOARD FOCUSED COMPANY

Today, Metsä Board is very heavily focused on fresh forest fibre paperboard. Our current paper and market pulp operations are good cash generators for developing our paperboard business further. We have one standard paper mill left, Husum in Sweden, which is the largest unit in its field in Europe and definitely among the most competitive. We continue to be interested in participating the European-wide paper industry consolidation.

Sustainability and corporate responsibility are at the very core of all of our operations. Our business is run according to the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption. Work to develop our products in an even more ecological and safe continues together with our customers. We are also constantly searching for new ways to minimize the adverse environmental impacts of our operations.

HEAVILY FOCUSED ON FRESH FOREST FIBRE PAPERBOARD.

It seems that 2013 will be characterized by uncertainties in the general economy. The successful transformation from a fine paper company into a paperboard company has, however, stabilized our business materially. Our balance sheet has also been strengthened considerably. We are capable of succeeding in all macroeconomic situations. As a fresh forest fibre paperboard focused company, I am convinced that we have the prerequisites to be the most profitable company in our field in Europe. The main factors contributing to the improvement of our result making further in the future are the full utilisation of the expanded folding boxboard capacity and further productivity and cost improvements in all operations. We actively develop new products and innovations in our paperboard business.

I thank all our employees, owners, customers and other stakeholders for the year 2012. Together we can develop our business even more successfully in the future.

Mikko Helander
CEO

OPERATING ENVIRONMENT

PAPERBOARD HAS A VERY GOOD FUTURE OUTLOOK.

PAPERBOARD

The outlook for ecological and safe paperboards is very good. The share of modern folding boxboard is still rather low globally, especially outside Europe. Currently, folding boxboard accounts for about a third in Europe, a fifth in Asia and only a couple of per cents in North America of the total consumer packaging paperboard consumption. Safe and ecological folding boxboards offers consumer goods companies an excellent way to improve their sustainability globally. As the global economic situation is changing, changes in the inventory levels in different parts of the supply chain are affecting short-term delivery volumes. In 2012, the global economy continued to be weak, and customers exercised caution in inventory management. It is forecast by several external institutions that delivery volumes will grow nicely in the coming years.

Mineral oil residues from printing ink in recycled fibre board continue to be a central issue. The concern that mineral oils would be transferred from packaging to foodstuffs themselves has increased interest in fresh forest fibre based paperboard.

In China, the paperboard capacity has grown considerably in recent years. The new capacity is needed to satisfy the growing demand in China and its neighbouring areas. It is not expected that the Chinese capacity would challenge Metsä Board's main products, high quality and ecological consumer packaging paperboards for demanding end-uses.

PAPER

Restructuring of the paper market combined with the weak global economic situation created a challenging situation for paper suppliers in 2012. New media and information technology are increasingly competing with the traditional printed media.

The uncertain economic situation in Europe has weakened companies' confidence and resulted in cost savings. Advertising cost cuts and increasing unemployment have reduced demand for paper. Demand for uncoated fine paper has decreased slightly, but the demand decline in graphic papers has continued to be strong.

The paper industry has prepared for the changing environment by shutting down capacity, which is why the utilisation rates of uncoated fine paper mills were in 2012 higher than in the previous year. Average price of uncoated fine paper decreased slightly in 2012.

PULP

Year 2012 was challenging for the pulp industry as well. At the beginning of the year, prices started to increase, then took a downward turn in the summer and started to increase again in the last quarter of the year. The price increase at the end of the year was mainly due to low inventory levels, the seasonal increase in paper demand and a weaker US dollar. China is the leading driver of demand growth.

The market situation of short-fibre pulp was better than that of long-fibre pulp and the market price gap of the two pulp grades narrowed. Nevertheless, the outlook in the long-fibre pulp market is better than that of short fibre pulp where clearly more capacity will enter the market in the future.

Demand for fresh forest fibre was strengthened by problems in the availability of recycled fibre and its better product safety in food packaging.

Some high yield pulp capacity is about to be closed, which has improved market balance.

+ INCREASED PACKAGING
+ ECO-FRIENDLINESS
+ COST SAVINGS GENERATED BY LIGHTWEIGHT PACKAGES
+ PRODUCT SAFETY

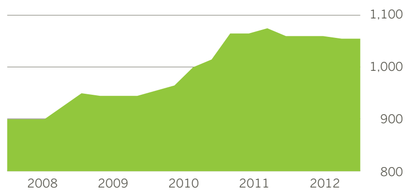
PRODUCTION CAPACITIES IN EUROPE: MILLION TONNES/YEAR

	EUROPE	METSÄ BOARD	METSÄ BOARD'S SHARE (%)
FOLDING BOXBOARD	2.8	0.9	33
WHITE TOP KRAFTLINER	1.7	0.4	22

SOURCE: PÖYRY MANAGEMENT CONSULTING, METSÄ BOARD

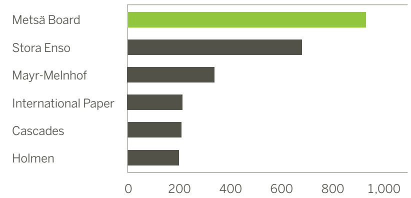
– ECONOMIC UNCERTAINTY

FOLDING BOXBOARD MARKET PRICE IN EUROPE: EUR/TONNE



SOURCE: PÖYRY MANAGEMENT CONSULTING

LARGEST FOLDING BOXBOARD PRODUCERS IN EUROPE: CAPACITY, 1,000 TONNES



SOURCE: PÖYRY MANAGEMENT CONSULTING

+ RESTRUCTURINGS AND MILL SHUTDOWNS REDUCE OVERCAPACITY
+ DEVELOPING PRINTING TECHNOLOGY

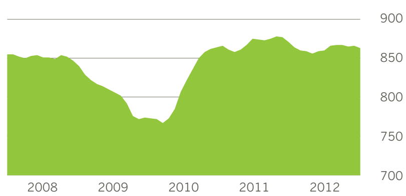
PRODUCTION CAPACITIES IN EUROPE: MILLION TONNES/YEAR

	EUROPE	METSÄ BOARD	METSÄ BOARD'S SHARE (%)
UNCOATED FINE PAPER	10.5	0.4	4

SOURCE: PÖYRY MANAGEMENT CONSULTING, METSÄ BOARD

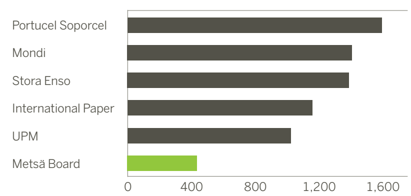
– ECONOMIC UNCERTAINTY
– INCREASING USE OF ELECTRONIC APPLICATIONS
– COST SAVINGS IN BUSINESS AND PUBLIC ADMINISTRATION FUNCTIONS
– DECREASED PAPER ADVERTISING

UNCOATED FINE PAPER MARKET PRICE IN EUROPE: EUR/TONNE



SOURCE: FOEX INDEXES LTD

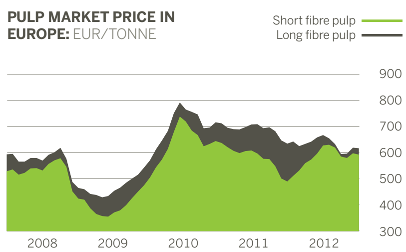
LARGEST UNCOATED FINE PAPER PRODUCERS IN EUROPE: CAPACITY, 1,000 TONNES



SOURCE: PÖYRY MANAGEMENT CONSULTING

+ STRONG ECONOMIC GROWTH IN CHINA
+ INCREASED CONSUMPTION OF TISSUE PAPER IN EUROPE
+ WEAK AVAILABILITY OF RECYCLED PAPER

PULP MARKET PRICE IN EUROPE: EUR/TONNE



SOURCE: FOEX INDEXES LTD

– ECONOMIC UNCERTAINTY
– DECREASE IN THE GRAPHIC PAPERS PRODUCTION IN EUROPE

METSÄ BOARD'S STRATEGY

Metsä Board is growing its paperboard business together with its customers in Europe, Asia and North America. Metsä Board's modern, safe and ecological paperboards replace traditional packaging materials globally that is an excellent way for consumer goods companies to enhance sales and sustainability. With regard to the paper business, the aim is to improve profitability and cash flow and potentially participate the European wide restructuring of the paper industry.

High self-sufficiency in pulp and energy, high productivity and its continuous improvement as well as skilfull personnel are significant competitive advantages for Metsä Board.

STRATEGIC TRANSFORMATION FROM A PAPER COMPANY TO A PAPERBOARD COMPANY HAS BEEN SUCCESSFUL.

MISSION

Metsä Board is Europe's leading fresh forest fibre paperboard producer and a major paper supplier. Metsä Board provides high performance, premium quality paperboards and papers for its customers in consumer packaging, communications and advertising end-uses among others.

VISION

Metsä Board will grow profitably, reaching an even stronger position as the world's leading supplier of high quality consumer packaging paperboards.

VALUES

Responsible profitability

Reliability

Cooperation

Renewal

FINANCIAL TARGETS

- Return on capital employed (ROCE) target set at a minimum of 10 per cent on average over the business cycle.
- Net gearing ratio not to exceed 100 per cent.

MOST SIGNIFICANT EVENTS IN 2012

January
The Premium Paper operations of the Reflex mill in Germany were sold to Hahnemühle FineArt GmbH and Hahnemühle's private shareholders. After the closing of the transaction, Metsä Board no longer has had operations in Reflex.

The company's management and reporting structure was renewed. As of the first quarter of 2012, the reporting segments have been Paperboard, and Paper and Pulp. Pasi Piiparinen was appointed Head of the Paperboard business area as of 20 March 2012.

February
Metsä Board established a new R&D Centre in Äänekoski, Finland. The centre conducts R&D into paperboard products, raw materials and printing technologies.

The unprofitable operations of the Gohrsmühle mill in Germany were discontinued. Metsä Board continues the Chromolux specialty paper and paperboard business operations as well as folding boxboard sheeting operations at the mill.

March
The Alizay mill in France was permanently shut down.

The Annual General Meeting resolved to change the company's business name from M-real Corporation to Metsä Board Corporation.

May
Metsä Board sold approximately 7.3 percentage points of its holding in Metsä Fibre Oy to the Japanese Itochu Corporation and approximately 0.5 percentage points of its holding in Pohjolan Voima Oy to Metsä Fibre.

Metsä Board signed an agreement on the refinancing of the EUR 500 million eurobond maturing on 1 April 2013.

The rebuild of the board machine at the Äänekoski mill in Finland was completed. The rebuild increased the mill's folding boxboard capacity by 30,000 tonnes per annum to 240,000.

October
Biopower plant at Metsä Board's Kyro mill in Finland was inaugurated. Built together with Metsä Board and two Finnish energy companies, the biopower plant increases the use of renewable fuels and reduces the carbon dioxide emissions of energy production.

PAPERBOARD

DEMAND FOR GOOD PACKAGING IS HEAVILY INCREASING.

IN BRIEF

The Paperboard business area is the leading manufacturer of innovative and high-quality folding boxboards in Europe as well as the world's leading manufacturer of coated white top kraftliners and wallpaper base. Lightweight paperboard made of fresh forest fibre is an excellent material for packaging foodstuffs, sweets, cigarettes, pharmaceuticals and cosmetics. The product range also includes cast-coated speciality paper and paperboard Chromolux. Furthermore, the business area offers versatile packaging services in Asia.

KEY FIGURES

	2012	2011
SALES, EUR MILLION	1,123	1,294
EBITDA, EXCLUDING NON-RECURRING ITEMS, EUR MILLION	157	172
OPERATING RESULT, EXCLUDING NON-RECURRING ITEMS, EUR MILLION	106	114
RETURN ON CAPITAL EMPLOYED, EXCLUDING NON-RECURRING ITEMS, %	16.0	15.8
DELIVERIES, 1,000 TONNES	1,188	1,388
PERSONNEL, 31 DEC	1,722	2,034

DEVELOPMENTS IN 2012

Investment programme to increase the folding boxboard production capacity by 150,000 tonnes annually was completed. The new capacity is fully available from early 2013.

The sheeting capacity of folding boxboard was increased to meet increased customer needs.

The unprofitable operations at the Gohrsmühle mill were discontinued.

SUPERIOR PRINTABILITY WITH KEMIART KRAFTLINERS

METSÄ BOARD'S KEMIART KRAFTLINERS ENABLE LIGHTWEIGHTING AND SMOOTH RUNNING ON CORRUGATORS AND IN PRINTING.

Metsä Board launched successfully new double coated Kemiart Graph+ and Kemiart Lite+ grades in the beginning of 2012, following a rebuild of the coating section and installation of a second coating unit at the Kemi mill in Finland. Kemiart Ultra completes the coated product range, which includes a suitable coated liner for each printing method.

The double coating provides a smoother and glossier surface, enhancing printability with improved ink laydown, brighter colours and more accurate detail. The new grades are ideal for retail-ready packaging, point-of-sale and promotional displays and other high-end packaging applications and they have been well received in the market.

Metsä Board's kraftliners are made of fresh forest fibres which ensure an excellent consistency for smooth running on corrugators and printing. Despite of their light weight, the liners are strong and flexible enabling the use of lower weight grades. That again, lowers the converter's production costs and improves sustainability. Kraftliners also provide excellent folding endurance compared to materials that are based on recycled elements.

The EUR 120 million investment programme in the paperboard business was successfully completed in 2012. The goal of the programme was to increase the availability of products and improve service. The paperboard machine rebuildings included in the programme were completed at the Äänekoski mill in 2012 and at the Kyro and Simpele mills in 2011. The investment programme also included the implementation of double-coating at the Kemi linerboard mill as well as the biopower plant constructed at the Kyro mill, which was commissioned in the autumn of 2012.

In 2011 and 2012, Metsä Board increased its folding boxboard capacity by a total of 150,000 annual tonnes. In accordance with the original goal, the new capacity will be fully available from early 2013.

The sheeting capacity of folding boxboard has also been increased to meet the increased customer needs. The new sheeting plant at the Äänekoski mill increased the mill's sheeting capacity to 70,000 tonnes per year. A new Express Board service for fast deliveries was established at the Gohrsmühle mill, with a sheeting capacity of 60,000 tonnes per year.

Certain folding boxboard sales and production resources were reallocated during the year in accordance with the strategy.

The unprofitable operations of the Gohrsmühle mill were discontinued in 2012. The Chromolux speciality paper and paperboard operations will continue at the mill. Measures to create a business park concept in Gohrsmühle continue in collaboration with employee representatives in order to create new jobs in the mill site.

The focus of the linerboard business on coated grades has proven successful, and the demand for the new double-coated kraftliners introduced at the beginning of the year has been good.

Prices of coated white top kraftliners were successfully increased in 2012. No significant changes occured in the prices of folding boxboards. The prices of wallpaper base and Chromolux products were stable.

In 2012, the profitability was weakened by the lower share of Metsä Fibre results, due to lower pulp price and reduced holding in the company.

GOOD DEMAND OUTLOOK FOR PAPERBOARD

Metsä Board strongly focuses on ecological and safe fresh forest fibre paperboard with a good outlook for demand growth. Paperboard has end uses in people's everyday life, and their demand is naturally stable. Safe and ecological folding boxboards offer consumer goods companies an excellent way to improve their sustainability globally.

The most important goal in 2013 is to fully use the additional 150,000-tonne capacity, which will be used to support the global growth of existing customers among others. Metsä Board will have good opportunities to further increase the capacity of its current folding boxboard and linerboard machines.

PRODUCTS AND SERVICES

Cartonboards
Carta Integra
Carta Elega
Carta Solida
Avanta Prima
Simcote
Tako grades

Graphic boards
Carta Integra
Carta Elega
Carta Solida

Coated and uncoated white-top kraftliners
Kemiart grades

Cast-coated speciality papers and paperboards
Chromolux

Wallpaper base
Cresta grades

Integrated Brand Packaging services (IBP)

DID YOU KNOW?

Demand for fresh forest fibre cartonboards has been in a rise. Metsä Board has responded by increasing its capacity by 150,000 tonnes per year. This 20 per cent growth corresponds to the size of an average European cartonboard machine.

METSÄ BOARD'S REMAINING PAPER AND PULP UNITS ARE TOP CLASS IN THEIR FIELDS.

IN BRIEF

Paper and Pulp business area produces, markets and sells high quality uncoated fine papers to office supply companies, office machine manufacturers and paper wholesalers. The business area also produces coated papers and is responsible for selling Metsä Board's market pulp.

KEY FIGURES

	2012	2011
SALES, EUR MILLION	907	1,132
EBITDA, EXCLUDING NON-RECURRING ITEMS, EUR MILLION	48	17
OPERATING RESULT, EXCLUDING NON-RECURRING ITEMS, EUR MILLION	-6	-39
RETURN ON CAPITAL EMPLOYED, EXCLUDING NON-RECURRING ITEMS, %	-0.9	-5.4
PAPER DELIVERIES, 1,000 TONNES	681	908
PERSONNEL, 31 DEC	982	1,471

DEVELOPMENTS IN 2012

Alizay paper mill was permanently closed down.

The production and cost effectiveness of the Husum and Kaskinen mills were further improved.

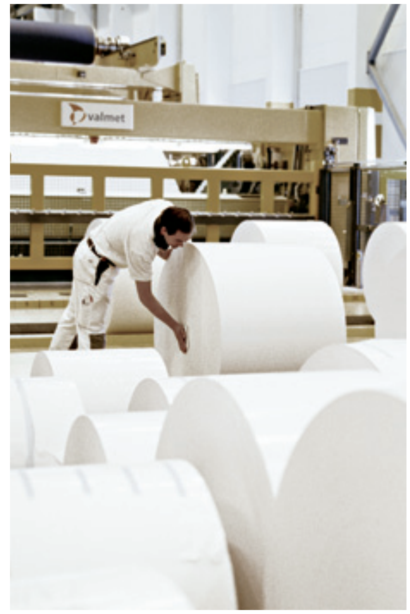
Metsä Board reduced its pulp surplus by selling approximately 7.3 percentage points of its shareholding in Metsä Fibre Oy to Japanese Itochu Corporation.

IMPROVED EFFICIENCY AT THE HUSUM MILL

AN IMPORTANT STEP TOWARDS REACHING THE FULL PRODUCTION POTENTIAL OF THE HUSUM MILL WAS TAKEN IN 2012.

Metsä Board's Husum mill in Sweden is the largest integrated fine paper and pulp mill in Europe which annual production capacity is currently over 800,000 tonnes of paper and 750,000 tonnes of pulp. The mill's competitiveness is mainly attributable to its large size but also to its efficient operations. In 2012, the efficiency and productivity at the paper mill was increased further by developing the existing machine and operation base.

During the annual mill shut, a new reeler on PM6 and a new unwind reeler on Winder 8 were installed, enabling use of the same reel spools for PM6, PM8 and the coater. Also a minor rebuild was done at the drying section on PM8. As a result of these minor investments and a major re-engineering of the production planning the production of different basis weights can be better focused on selected paper machines. PM6 and PM8 produce both office paper products and base papers for the coater. Thanks to these changes the grade switches reduce and a material amount of additional production volume potential is released.



The strategic review of the paper business, launched in 2006, was completed successfully in 2012.

In recent years, Metsä Board has made considerable investments in the production and cost-effectiveness of its remaining paper units. Paper manufacturing has been centralised to the Husum mill in Sweden. The mill's paper and pulp capacity has been maximised to 1.6 million tonnes per year without additional investments.

Sales volumes of the high yield pulp (BCTMP) have increased and have been targeted to long-term contract customers in Europe. The mill is a good reserve for Metsä Board for growing the paperboard business in the future.

In spring 2012, a voluntary reindustrialisation project was launched in Alizay together with Metsä Board, employee representatives and local authorities. As a result of the project, Metsä Board divested the Alizay mill site, including the equipment and buildings, to Conseil General de l'Eure, representing the French government, in January 2013.

In accordance with its strategy, Metsä Board reduced its pulp surplus by selling a 7.3 percentage point shareholding in Metsä Fibre to Japanese Itochu Corporation. After the completion of the arrangement, Metsä Board's annual pulp net surplus decreased from approximately 0.5 million tonnes to 0.3 million tonnes. Metsä Board's shareholding in Metsä Fibre is now 24.9 per cent.

In 2012, the result was improved by considerably lower losses of the units closed and restructured as well as increased pulp deliveries. The result was weakened by the reduced prices of pulp and office papers as well as the strengthening of the Swedish krona.

SMALLER BUT HEALTHIER PAPER BUSINESS

Metsä Board's papers are primarily sold to the Western European market, where overall paper demand is estimated to decrease and the overcapacity situation to continue and, in many grades, worsen. Situation in uncoated fine paper is better than in other paper grades. The overall situation in paper manufacturing in Europe will require structural changes in the future.

Demand for pulp was reasonably strong in 2012, and the global demand and supply situation is estimated to continue to be good in long-fibre pulp, in particular. Overall, demand for pulp will decrease in Europe and increase in the emerging markets.

After considerable restructuring and successful divestments, Metsä Board now has a considerably smaller but materially healthier paper business, which is developed in parallel to the paperboard business. The smaller size provides opportunities to operate flexibly in the challenging market. The paper and pulp operations have good prerequisites for generating good cash flow.

PRODUCTS

Data Copy	**Short fibre pulp**
Logic	**Long fibre pulp**
Modo Papers	**High yield pulp**
SAVE!	**(BCTMP)**

DID YOU KNOW?

Paper and Pulp business area sells approximately 250,000 tonnes of A4 paper annually, that's a printing area equivalent to twice the size of The Netherlands – or four times if you print on both sides!

GOOD PROGRESS IN METSÄ BOARD TO REACH THE SUSTAINABILITY TARGETS

Presented targets are for the whole Metsä Group of which Metsä Board is part of.

WOOD

We support sustainable forest management. Our wood is 100% traceable and it always comes from sustainable sources.

In 2012, 4.8 million cubic metres of wood was used by Metsä Board's mills, 64% of which was from certified forests.

80%
CERTIFIED WOOD

CO_2
–30%

SUPPLY CHAIN

We are committed to sustainability throughout the whole supply chain. Our target is to have a Supplier Code of Conduct included in all new supplier contracts.

2012: Code of Conduct was included in total 71 contracts in 2012.

WELL-BEING

Work safety is our top priority. We strive for continuous development and our aim is to improve our lost-time accident rate by 10% each year. Our long-term target for lost-time accident rate is zero.

We work hard to ensure a healthy work environment. Our target is to keep sickness absenteeism rate at the best European level and below 3% at all times.

In 2012, Metsä Board's lost-time accident frequency rate was 13.2 and sickness absenteeism rate 3.9.

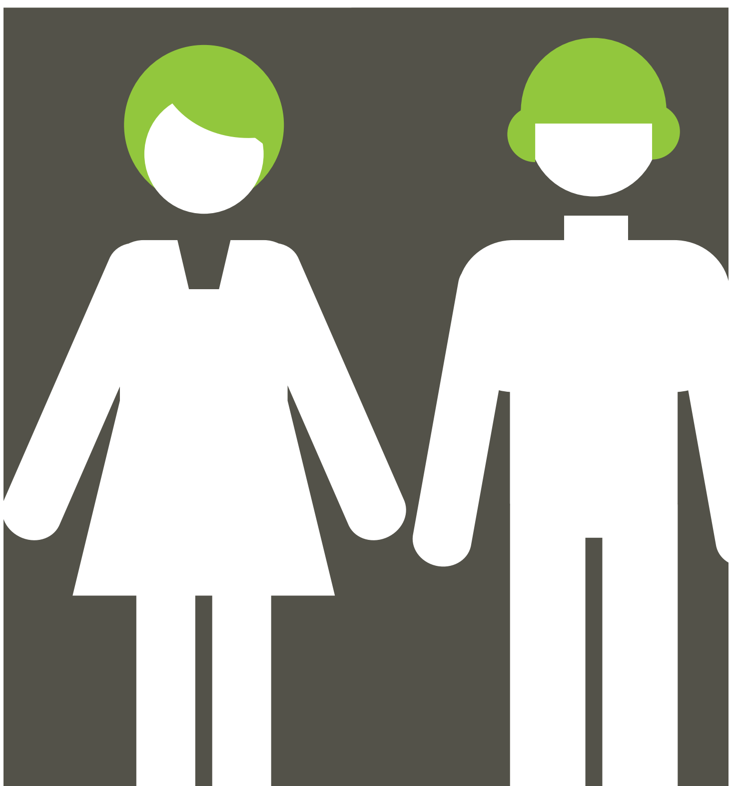
SICKNESS ABSENTEEISM RATE BELOW 3%

ENERGY AND CLIMATE

We focus on mitigating climate change. Our target is to reduce fossil CO_2 emissions in production by 30% per product tonne by 2020 from the 2009 level.

We ensure efficient energy consumption. Our target is to improve energy efficiency by 10% by 2020 from 2009 level.

Progress of reduction of CO_2 emissions and improving energy efficiency at Metsä Board's production units in 2009–2012:
CO_2 emissions -26%
energy consumption -5.2%



ETHICAL BUSINESS PRACTICES

Ethical business practices are the core of all our business operations. Our target is to have the whole personnel covered by the Code of Conduct training by the end of 2012.

Trainings started in Metsä Board in 2011 and were finished in 2012.

SUSTAINABILITY IS THE BASIS FOR METSÄ BOARD'S SUCCESS

METSÄ BOARD is committed to the principles of sustainability and takes the economic, social and environmental impacts of all its operations into consideration.

Metsä Board's main raw material is renewable and sustainably grown fresh forest fibre, the origin of which is always known. All products are recyclable and they are good alternatives in replacing many carbon-intensive products. Metsä Board's operations are located in areas with rich forest and water resources. Energy and material efficiency have high priority in Metsä Board – Metsä Board is a major user of biofuels and a large producer of bioenergy. The company is also a significant employer in many remote areas and always an active member of the local communities where it operates.

Metsä Board requires that its suppliers and customers operate responsibly, too and initiates a direct and transparent dialogue with all main stakeholders.

Metsä Board's sustainability approach is divided into four themes covering the whole value chain. Sustainability programmes and targets are guided by Metsä Group's Sustainability Agenda.
Read more about Metsä Group's sustainability at www.metsagroup.com/sustainability.

SUSTAINABILITY GUIDES ALL OPERATIONS

Metsä Board's sustainability management is guided by Metsä Group's Sustainability Principles which, in turn, are based on the UN Global Compact initiative and the employees' Code of Conduct. Metsä Group also has a set of policies and related instructions in place for all relevant topics, including Environmental, Human Resources, Equal Opportunities and Purchasing policies in addition to a Supplier Code of Conduct to guide supply chain operations.

The management of sustainability is part of the company's normal management with Metsä Board's CEO carrying the ultimate responsibility.

This Annual report covers Metsä Board's selected sustainability issues and indicators that are most relevant to its operations, products and stakeholders. Metsä Group's Sustainability Report 2012 provides more extensive reporting on the responsibility of both Metsä Group and Metsä Board. The report will be published in March 2013 at www.metsagroup.com/sustainability.

METSÄ BOARD PARTICIPATES IN A NUMBER OF ASSOCIATIONS AND ACTIVELY TAKES PART IN STEERING THEM:

- The World Business Council for Sustainable Development (WBCSD)
- The Confederation of European Paper Industries (CEPI)
- The Finnish Forest Industry Federation
- The Swedish Forest Industries Federation
- The Confederation of Finnish Industries
- The UN Global Compact Nordic Network
- Verein Deutscher Papierfabriken
- UN's CEO Water Mandate
- The forest certification associations:
  - Programme for the Endorsement of Forest Certification (PEFC®)
  - Forest Stewardship Council (FSC®)

METSÄ BOARD'S APPROACH TO SUSTAINABILITY

WE OFFER SUSTAINABLE CHOICES

Wood is an endlessly renewable resource. We turn wood into safe and recyclable products that improve your quality of life. Our products are a sustainable alternative for many non-renewable products and raw materials.

WE BRING FOREST TO YOU

Our fresh forest fibres come from sustainably managed forests. Together with our partners, we ensure that when trees are harvested, new ones get planted. We secure a sustainable supply of raw materials for our units and a supply of renewable products for our customers.

THE SMALLER THE ENVIRONMENTAL IMPACT, THE BETTER

All human activity leaves a mark on the planet – so does our production. What matters is using energy, raw materials and other resources efficiently while maintaining low levels of emissions and waste. We at Metsä Board have reached great results but we always want to do more.

WE CREATE WELL-BEING

We generate well-being at work, in local communities, and in society at large. We also commit to global sustainability principles. By behaving responsibly towards our employees and society, we can improve the quality of life of our stakeholders.

RESPONSIBILITY THROUGH THE SUPPLY CHAIN

Metsä Board requires that its suppliers operate in a responsible manner. It also supports them in adhering to high business ethics and committing to sustainable operating methods and good working practices. As part of Metsä Group, Metsä Board implemented a Supplier Code of Conduct in all new or renewed contracts in June 2011. The Supplier Code of Conduct emphasises respect for human rights and a safe working environment for all individuals as well as prohibits corruption and bribery. The supplier should ensure that its subcontractors also comply with the requirements.

The Supplier Code of Conduct is an integral part of any agreement documentation and has been taken into account in all new and renewed contracts during 2012.

KNOWING THE ORIGIN OF WOOD RAW MATERIAL

All the wood used by Metsä Board comes from sustainably managed commercial forests. Regardless of whether the wood originates from certified or non-certified forests, its origin is always known. The wood's origin can be traced by a Chain of Custody management system operated by Metsä Group's wood procurement organisation. The wood origin tracing system is in relation to the requirements of the EU Timber Regulation.

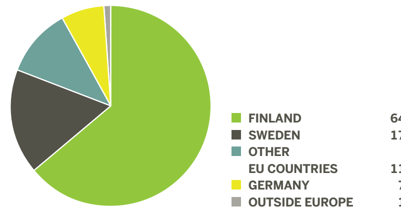
In 2012, Metsä Group defined five main environmental targets for wood supply: maintaining biodiversity, decreasing the impacts to water, decreasing operations' emissions, ensuring legal wood supply and ensuring the knowledge of its personnel and contractors. These targets were brought into practice via the Environmental Programmes of each country. The action plans included training, rationalising transportation and further developing internal control and instructions.

The majority of wood used by Metsä Board in Finland comes from forests owned by Metsäliitto Cooperative's members. The company's other wood procurement countries in 2012 were Sweden, Latvia, Russia, Estonia, Lithuania and Norway. Metsä Group has been one of the pioneers in developing wood origin tracing systems in Russia.

All Metsä Board's mills have both PEFC® and FSC® certifications. During 2012, 4.8 million cubic metres of wood was used by Metsä Board's mills, of which 64 per cent was from certified forests.

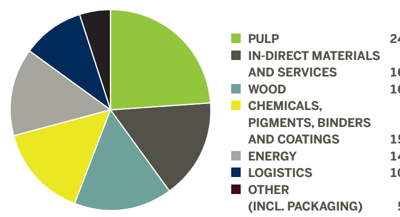
During the year, Metsä Board used approximately 1.3 million tonnes of various types of pulp, of which 1.2 million tonnes were produced by Metsä Board's own mills. Through its holding in Metsä Fibre, Metsä Board had access to 0.6 million tonnes of chemical pulp. Some 0.1 million tonnes of various types of pulp were bought from external suppliers and 0.5 million tonnes were sold outside the company. Metsä Board requires its pulp suppliers to comply with legislation as well as annually report the origin of the wood, forest certification and environmental data.

PURCHASES PER COUNTRY OF ORIGIN:
31 DEC 2012, % [1]



[1] THE FIGURES DO NOT INCLUDE WOOD SUPPLY.

PURCHASES PER CATEGORY:
31 DEC 2012, %



DID YOU KNOW?

The wood needed for one tonne of paperboard grows in less than one second in Finland.

WOOD SUPPLY TO METSÄ BOARD'S MILLS BY PROCUREMENT AREA 2012

	1,000 M³	SHARE (%)	CERTIFIED WOOD (1,000 M³)	CERTIFIED WOOD (%)
SWEDEN	2,102	44	1,456	69
FINLAND	1,193	25	1,102	92
BALTIC COUNTRIES	1,075	22	271	25
RUSSIA	433	9	245	57
NORWAY	3	0	0	0
TOTAL	4,806	100	3,074	64

SUSTAINABLE CHOICES

Consumers are increasingly interested in the sustainability throughout the supply chain of the products they purchase. Metsä Board's lightweight paperboards and papers consume less raw materials and have fewer environmental effects in production and transport, as well as generating less waste than average.

Metsä Board's business development is based on customer-oriented packaging solutions, creating added value for customers, as well as Super Productivity, i.e. superior product and production efficiency.

In 2012, a new R&D Centre focusing on the research and development of paperboards, raw materials and printing was established in Äänekoski. The objective of the centre is to support customers by means of product development and innovation, to survey applications based on new raw materials, and to ensure that Metsä Board's paperboard products continue to suit the rapidly developing printing and processing methods.

Metsä Board's R&D costs remained at the previous year's level in 2012, amounting to approximately EUR 5 million, or 0.2 per cent of sales. The company has invested heavily in improvements in the quality and efficiency of products and production machinery, which is not included in the items categorised as research and development in accounting.

SAFE AND SUSTAINABLE PACKAGING

Metsä Board's products are safe throughout their life cycles. The traceability of raw materials is especially important in paperboards that are in contact with food. Metsä Board knows the origin of all the main raw materials, wood, pulp and chemicals it uses.

The requirements and regulations for materials in contact with food are only a starting point. Metsä Board's products meet even the strictest international standards and often surpass the requirements of national legislation. Metsä Board's paperboards do not contain compounds that are harmful, such as mineral oils.

The fresh forest fibre Metsä Board uses in its paperboards is a premium raw material: it is highly functional, light and strong, while also being cleaner than recycled fibre. The lightweight of the board reduces emissions generated by transport, saving both the environment and costs. In addition, lightweight packages generate less waste. At the end of their life cycle, Metsä Board's paperboard can be recycled, burned or composted.

All mills in Metsä Board's Paperboard business area have received the international ISO 22000 food safety certification. Subcontractors are also required to adhere to the same strict hygiene requirements to ensure that paperboard is protected against contamination until the end of its life cycle.

Metsä Board does not use genetically modified trees or GMO starch raw materials. Metsä Board does not approve of nanotechnology-based new substances until sufficient information regarding their safety becomes available.

Metsä Board continues the active follow-up and participation in the research to gain more knowledge about the risks and benefits related to these issues.

OPEN AND TRANSPARENT DIALOG

Metsä Board knows the environmental impacts of its products and will increase understanding of them among its stakeholders.

Since 2001, Paper Profile environmental product declarations have been provided for all Metsä Board's papers and boards. The Paper Profile is a standardised tool for paper and board products to communicate the environmental performance of the products.

The climate impact for individual products is reported on a customer-specific basis

DID YOU KNOW?

Metsä Board's folding boxboards are safe in food packaging. They are made of fresh forest fibres, which are by nature of very high purity. Mineral oils or other harmful compounds are not transferred from packaging to foodstuffs.

through carbon footprint calculations. Currently, as different corporations use different methods for carbon footprint calculations, they are not comparable from company to company. Metsä Board has reported carbon footprint calculations since 2007. The calculation adheres to the Carbon Footprint Framework for Paper and Board Products developed by the Confederation of European Paper Industries, CEPI.

In 2012, Metsä Board's Paperboard business area produced its first Environmental Product Declaration (EPD) on Simcote, a folding boxboard product. EPD is a standardised way of quantifying the environmental impact of a product. EPD is based on Life Cycle Assessment (LCA) calculations and, as such, aims to communicate the product's potential environmental impacts during its entire lifetime from cradle to gate. The calculation is presented in Metsä Group's Sustainability report 2012.

Eco-labels help consumers understand the environmental impacts of a product. Metsä Board's office papers have been granted the EU Ecolabel for its paper brands. To date, no such commonly agreed eco-label criteria exist for packaging products.

In 2012, Metsä Board's paper products were acknowledged in the WWF Environmental Paper Awards for listing the majority of its Uncoated Woodfree Papers in WWF's database of eco-rated papers, Check Your Paper.

Metsä Board has been participating in the Carbon Disclosure Project (CDP) since 2007. The CDP is an independent, non-profit organisation that encourages listed companies to carry out transparent reporting on greenhouse gas emissions and climate change strategies. The CDP has assisted Metsä Board in setting objectives to reduce emissions and improve its environmental performance. In 2012, Metsä Board was invited by customers to participate in the CDP Supply Chain.

In 2011, Metsä Board signed the CEO Water Mandate initiative which is a joint venture between the public and private sectors with the aim to improve the efficiency of and open reporting on water usage. The first report was completed in 2012.

DID YOU KNOW?

Good manufacturing practice (GMP) secures product safety at Metsä Board's production units. For example forklifts run on liquid gas or electricity and the paperboards are not exposed to exhaust gas.

THE SMALLER THE ENVIRONMENTAL IMPACT THE BETTER

Metsä Board works actively to minimise and manage all environmental impacts related to its own and its partners' operations.

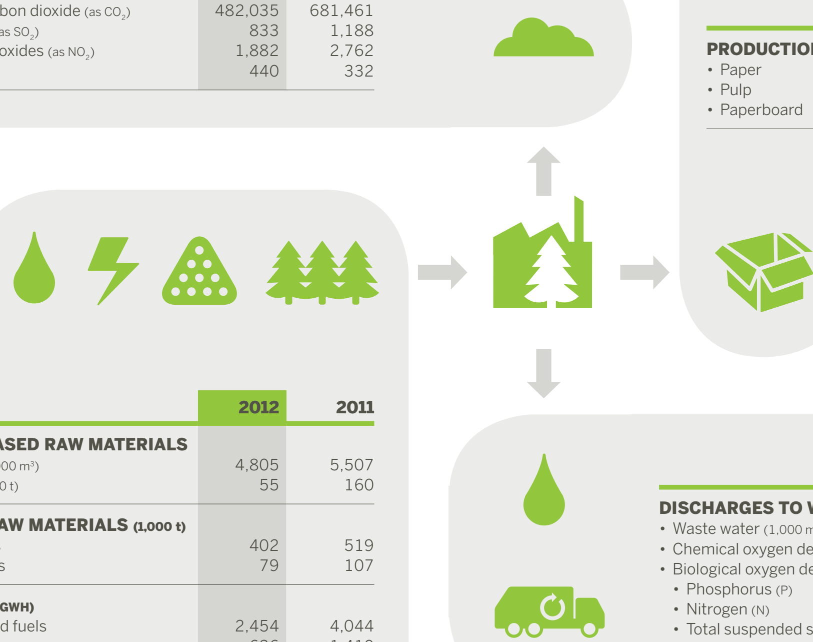
Landfill waste levels at Metsä Board's production sites have been considerably reduced through the efficient re-use of by products and residues. Sorting mill waste on-site for use as a raw material or for energy production as a normal practice increases the material efficiency and reduces the need for landfill disposal.

Metsä Board is continuously looking for new ways to reduce the consumption of fresh water in its production by re-using water efficiently. Wastewater is purified carefully before it is released back to waterways. The main wastewater impacts are eutrophication and oxygen demand caused by phosphorus and nitrogen nutrients and organic matter. Nevertheless, each mill has its own specific environmental permit which sets such limits for pollutants that insignificant harm to the environment occur.

METSÄ BOARD'S MATERIAL BALANCE

	2012	2011
EMISSIONS TO AIR (1,000 t)		
• Fossil carbon dioxide (as CO_2)	482,035	681,461
• Sulphur (as SO_2)	833	1,188
• Nitrogen oxides (as NO_2)	1,882	2,762
• Particles	440	332

	2012	2011
PRODUCTION (1,000 t)		
• Paper	786	1,255
• Pulp	1,234	1,202
• Paperboard	1,090	1,029



	2012	2011
WOOD-BASED RAW MATERIALS		
• Wood (1,000 m³)	4,805	5,507
• Pulp (1,000 t)	55	160
OTHER RAW MATERIALS (1,000 t)		
• Pigments	402	519
• Adhesives	79	107
ENERGY (GWH)		
• Purchased fuels	2,454	4,044
• Bio fuels	636	1,410
• Fossil fuels	1,818	2,634
• Purchased electricity	2,089	2,185
• Purchased heat	457	497
WATER USE (1,000 m³)	74,368	85,973

	2012	2011
DISCHARGES TO WATER (t)		
• Waste water (1,000 m³)	74,368	85,973
• Chemical oxygen demand (COD)	14,765	17,280
• Biological oxygen demand (BOD)	1,529	2,436
• Phosphorus (P)	20	43
• Nitrogen (N)	189	275
• Total suspended solids	1,605	1,683
WASTE (t)		
• Landfill waste	2,820	5,896
• Hazardous waste	853	344
• Recycled waste	144,101	173,452

Metsä Board's mills are mainly located in the Nordic countries where there is plenty of good quality fresh water and forests of native tree species. Forests play a crucial role in the region's natural water cycle. Forests filter and clean rainwater before it enters the groundwater system or flows into rivers and lakes thus maintaining high water quality. Sustainable forest management helps to preserve a significant part of the forested landscape and hence helps to maintain the services that forests provide to the ecosystems.

IMPROVEMENTS AT PRODUCTION UNITS

Metsä Board's production units are developed continuously in order to minimise the environmental load and risks.

In 2012, Kyro mill installed a new treatment system for the odorous gases emitted from the effluent treatment plant. The collection of odorous gases was also extended to cover the whole sludge treatment area. Several improvements were also made at the effluent treatment process, including the installation of more efficient aerators in the biological treatment and extensive maintenance of the bioreactor. Environmental noise was reduced with replacement and maintenance of three exhaust fans. Kaskinen mill installed equipment for screening bottom ash from the power plant boiler. The screened sand is re-used as bed material in the fluidised-bed boiler, reducing the amount of waste significantly. Simpele mill was able to reduce noise by insulating various pieces of equipment.

Environmental risk surveys were updated at Kyro and Simpele mills. Environmental authorities have approved the termination notification of Äänekoski paper mill. Kyro mill has submitted a renewal for an environmental permit.

ENVIRONMENTAL LIABILITIES

Metsä Board has environmental liabilities remaining from earlier operations at industrial sites that have been closed, sold or leased, and from landfill sites that are no longer in use. Metsä Board's latest actions have related to the rehabilitation of the Niemenranta area in Tampere, Finland, for residential and recreational use. The work on the site began in 2008 and is expected to be completed by autumn 2013.

ENVIRONMENTAL INCIDENTS

A small number of environmental incidents were recorded at Metsä Board's mills in 2012.

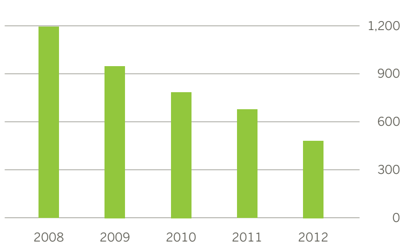
The permit limit for COD, phosphorous and nitrogen emissions to water were exceeded at the Kyro mill between February and May due to severe operational problems in wastewater treatment. Several corrective actions were taken, including new aeration units in the activated sludge plant, maintenance of the bioreactor and adjustments in the operation parameters. The emission limit for particles to air from the recovery plant Alrec were exceeded at the Kaskinen mill in May and June due to a broken bag filter in the flue gas treatment. The broken bag filter was replaced and the flue gas system checked.

Additionally, minor and short-term noncompliances with environmental permit requirements were reported at Metsä Board's Simpele and Husum mills. The authorities were informed and corrective actions taken in all cases.

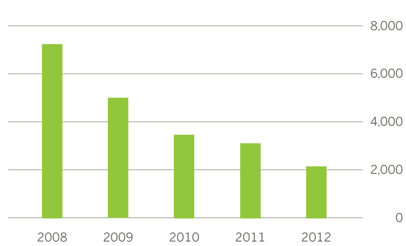
DID YOU KNOW?

The water used at Metsä Board's mills does not reduce the amount available for drinking water or food production.

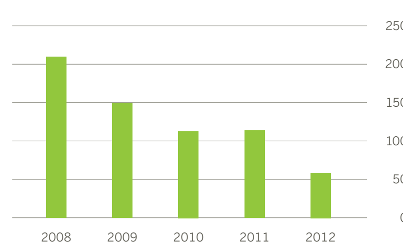
GREENHOUSE EFFECT: (AS CO_2) 1,000 TONNES



ACIDIFICATION: (SO_2 -EQV) TONNES



EUTROPHICATION: (P-EQV) TONNES



DEVELOPMENTS IN ENERGY EFFICIENCY

In 2012, Metsä Board continued to improve the energy efficiency of its production processes. The improvement work is supported by the Energy Efficiency Systems that have been in place since 2009. To be compatible with the latest standards, all paperboard mills and Husum mill in Sweden have been granted the certification for the new ISO 50001 Energy Management Systems standard. ISO 50001 is based on the management system model of continuous improvement also used for other well-known standards such as ISO 9001 or ISO 14001.

BIOENERGY COVERS 55% OF METSÄ BOARD'S TOTAL ENERGY USE.

The target of energy efficiency development is to reduce the specific energy consumption of manufactured products. In 2012, Metsä Board started a project to improve the follow-up of energy efficiency and energy costs. The new procedure will be implemented at all mills during 2013.

The main methods to improve energy efficiency are equipment and process modifications and optimising operations. Efficiency improvements are an integral part of all major investments in production capacity.

New energy efficiency improvement potentials are continuously studied by conducting energy analyses, cooperating with equipment manufacturers and developing procedures internally. As an example, mill energy analyses were conducted for Kemi mill in 2012.

In 2012, altogether 11 actions were completed that reduced electricity consumption by some 67 GWh and heat by 76 GWh annually.

FOCUS IN BIOFUELS

During 2012, wood-based bioenergy covered 55 per cent (48% in 2011) of Metsä Board’s total energy use, which was 12.6 TWh (14.7 TWh). The majority of this bioenergy is generated by using by-products from Metsä Board's own production such as bark and black liquor. The rest is generated from forest residues originating from wood sourcing. The majority, 91 per cent, of the total electricity purchased was CO_2 neutral. The total purchased electricity consumption was 2.1 TWh (2.2 TWh).

ENERGY SOURCES ON PRIMARY ENERGY LEVEL

	GWH	2012 (%)	2011 (%)	2010 (%)
WOOD-BASED	6,987	55	48	50
NUCLEAR POWER	2,862	23	13	21
NATURAL GAS	996	8	15	14
HYDRO POWER	621	5	8	4
COAL	549	4	12	7
OIL	442	3	2	2
PEAT	187	1	1	0

INVESTING IN BIOENERGY

A 55 MEGAWATT BIOPOWER PLANT, COMMISSIONED AT THE KYRO MILL, HALVES THE CARBON FOOTPRINT OF THE PRODUCTS MANUFACTURED AT THE MILL.

To increase the already high share of bioenergy, a new biopower plant was built at Metsä Board's Kyro mill. Inaugurated in October 2012, the plant was built together with Metsä Board and two Finnish energy companies, Pohjolan Voima and Leppäkosken Sähkö. The new plant produces electricity and heat and replaces the use of fossil natural gas at the mill. It also provides heating for the neighbouring district of Hämeenkyrö.

The biopower plant utilises wood-based raw material - mostly bark, whole tree chips, crushed stumps and other wood fragments together with other waste materials from Metsä Group's operations. Carbon dioxide emissions from the Kyro mill will be reduced by approximately 100,000 tonnes per year. The carbon footprints of the folding boxboards and wallpaper base produced at the mill will be reduced by half.

SUSTAINABILITY DATA PER PRODUCTION UNIT

	PERSONNEL		PRODUCTION	EMISSIONS TO AIR				DISCHARGES TO WATER						SOLID WASTE	
	NUMBER OF EMPLOYEES [1] 31 DEC 2012	ACCIDENT RATE [2] 2012	BOARD, PAPER AND PULP 1,000 t	CO_2 FOSSIL t	SULPHUR (AS SO_2) t	NO_x (AS NO_2) t	PARTICULATES t	COD t	BOD t	PHOSPHORUS t	NITROGEN t	TOTAL SUSPENDED SOLIDS, t	WASTE WATER 1,000 m^3	LANDFILL t [4]	HAZARDOUS t [4]
JOUTSENO, FIN	54	22.6	273	19,982	-	13	12	404	18	0.24	9.5	8.5	571	13	24
KASKINEN, FIN	77	32.3	252	4,959	75	170	24	2,005	147	1.5	18	236	3,169	1,055	-
KEMI, FIN	103	0.0	343	3,904	-	2	-	482	20	0.80	34	93	6,512	865	13
KYRO, FIN	254	16.8	209	53,449	0.024	52	-	543	110	1.2	20	196	4,438	45	14
SIMPELE, FIN	314	24.3	227	66,127	122	25	1.8	290	23	1.3	12	44	4,392	91	59
TAKO, FIN	211	20.0	192	75,996	0.034	74	-	143	62	1.0	0.93	31	2,458	332	63
ÄÄNEKOSKI, FIN	203	9.8	191	2,851	7.3	79	1.2	603	222	0.61	3.7	130	3,341	198	14
GOHRSMÜHLE, GER	507	13.2	41	126,798	310	208	3.0	50	17	0.70	5.8	34	2,742	2.6	50
HUSUM, SWE	856	9.9	1,383 [5]	119,086	298	1,229	398	10,244	911	12	86	834	46,745	218	616
OTHERS	700 [3]	-	-	8,882	22	31	0.4	-	-	-	-	-	-	1.2	-
METSÄ BOARD TOTAL	3,279	13.2	3,109	482,035	833	1,882	440	14,765	1,529	20	189	1,605	74,368	2,821	853

[1] FULL TIME EQUIVALENT (FTE).
[2] LOST TIME ACCIDENT FREQUENCY RATE (LTA FR): ACCIDENTS AT WORK PER MILLION WORKING HOURS.
[3] INCLUDES PERSONNEL FROM SALES AND LOGISTICS OPERATIONS, MANAGEMENT AND SUBSIDIARIES.
[4] REPORTED AS WET WASTE.
[5] OF WHICH APPROX. 709,000 TONNES PULP.

INVESTMENTS IN PERSONNEL'S WORK CAPACITY AND COMPETENCE

At the end of 2012, the number of Metsä Board's employees was 3,279. The number of employees was 791 lower than the year before. In 2012, the reorganisation of the paper business launched in 2011 was completed. This included closing the Alizay mill, discontinuing the unprofitable operations at the Gohrsmühle and Reflex mills as well as closing Äänekoski paper machine 2.

At the Gohrsmühle mill, Metsä Board will continue Chromolux specialty paper and paperboard operations and has started folding boxboard sheeting operations. In addition, Metsä Board has been developing a so-called business park concept with various parties from the city and ministry in order to create new jobs in the mill site. A good example of the successful implementation of the business park concept is the Reflex mill, where Metsä Board was able to divest business units to different companies, saving more than 200 jobs. Metsä Board has had no operations at the Reflex mill since February 2012.

Together with the local authorities, Metsä Board helped redundant employees find new jobs. As much as possible, the employees were offered new positions within the company or in Metsä Group's other business areas. For example, number of employees from the closed paper machine at Äänekoski were transferred to other Metsä Group units.

PROACTIVE WELL-BEING AT WORK

Metsä Board actively cares for the well-being and work capacity of its personnel, and addresses risks related to these proactively. During the year under review, the company continued to apply the early support model, implemented the year before, as part of the unified operating method. The model consists of operating models for early support and work capacity evaluation as well as a personal work capacity plan. The operating model will generate a more caring working environment and enable increasingly equal treatment of all employees.

Personnel surveys are one of Metsä Board's most important tools in identifying how the working environment supports personnel in their daily tasks. Follow-up of measures based on the personnel survey completed the year

OCCUPATIONAL SAFETY AND WELL-BEING

	2012	2011	2010
SICKNESS ABSENTEEISM (%)[1]	3.9	4.6	4.7
WORK INJURY ABSENTEEISM (%)	0.2	0.2	0.3
LOST TIME ACCIDENT FREQUENCY RATE (PER MILLION WORKED HOURS)	13.2	16.1	15.8
REPORTED NEAR MISSES (PER 100 EMPLOYEES)	22.9	24.7	38.0

[1] PER CENT OF POTENTIAL WORKING HOURS

PERSONNEL PER COUNTRY

	PERSONNEL 31 DEC 2012[1]	PERSONNEL 31 DEC 2011[1]	NET EMPLOYMENT CHANGE 2012	AVERAGE AGE OF EMPLOYEES 31 DEC 2012
FINLAND	1,536	1,648	-112	44.5
SWEDEN	887	888	-1	47.2
GERMANY	577	966	-389	47.0
OTHER COUNTRIES	279	568	-289	42.1
TOTAL	3,279	4,070	-791	45.4

[1] FULL TIME EQUIVALENT

HEALTHY AT WORK IN KEMI

KEMI MILL STARTED TO SYSTEMATICALLY PUT AN EARLY SUPPORT MODEL INTO PRACTICE.

At the end of 2010, Healthy at Work project was launched at Metsä Board's Kemi mill, aiming to solve issues related to work and well-being at work as early as possible and so prevent severe problems in personnel work capacity.

A new operating model was created for the mill in order to identify matters threatening performance at work, and cooperation was developed with the occupational health services and insurance companies. The project covered the entire Kemi paperboard and pulp mill integrate, or approximately 300 people, most of whom work shifts in production.

The project, which ended in January 2013, produced the expected results at the mill: sickness absenteeism was reduced, proactive monitoring of work capacity was activated, and, for example, the number of job trials increased. In addition, cooperation with insurance companies became closer, and an early support model was instilled in managerial work. Promoting well-being at work actively will continue in Kemi even after the end of the project.

before continued at various mills and sales locations in 2012. Based on the previous study, the decision was made to ensure opportunities for the entire personnel to participate more actively in the development of their working environment. The next survey, which will be the third one organised in the company, is scheduled for early 2013.

Sickness absenteeism and accidents at work are prevented with proactive actions and key figures related to them are followed up on monthly. Supervisors receive support in their work from local HR organisations. Thanks to the systematic and persistent work, sickness absenteeism has decreased considerably (3.9% in 2012 and 4.6% in 2011). An example of a successful local project in developing well-being at work is the Healthy at Work project completed at the Kemi mill.

SURVEYING AND IMPROVING COMPETENCE

Metsä Board systematically surveys the competence of its personnel. Competence surveys are based on self-evaluations performed by employees. Survey results can be used for the development of unit- and function-specific as well as personal competence. The competence survey is an effective and concrete tool for improving the quality of development discussions, among other things. In 2012, surveys were completed at the Kemi, Joutseno, Kaskinen and Simpele mills, among others.

Taking care of personnel competence is an essential factor in terms of the success of investment projects. In the extensive investment projects carried out at Metsä Board, the development of personnel competence was supported by machinery and process training as well as long-term training leading to a degree.

In 2011, Metsä Board, as part of Metsä Group, implemented common operating instructions to ensure that the entire company adheres to the shared ethical principles. In 2012, studying these operating instructions continued. Personnel used an online learning environment to study six key policies (Code of Conduct, equality policy, personnel policy, corporate safety policy, information security policy, and sustainable development principles). In addition to this, designated target groups studied policies and Codes of Conduct central to their own operations.

In 2012, the Simplifier programme focusing on the development of business and leadership skills of middle management was organised for the third time. Metsä Board's personnel also participated in Metsä Group's management development programme Challenger. In addition to these programmes, Metsä Board conducts other management coaching programmes, several programmes leading to vocational degrees and designs personal development programmes for personnel.

Metsä Board anticipates future resource needs by means of retirement forecasts. Based on these forecasts and personnel competence surveys, Metsä Board develops its recruitment training to meet future needs. The Production supervisor and specialist recruitment training programme organised in 2011–2012 was aimed at future managers. The programme, implemented in cooperation with Metsä Fibre, helped recruit skilled employees for managerial positions in production and maintenance. A recruitment programme was designed for production employees, which will be launched with Metsä Fibre in 2013.