

Values guide responsible business

Metsäliitto Group reviewed its corporate values in 2006. The Group has four corporate values: responsible profitability, reliability, cooperation, and renewal.

Metsäliitto Group produces high-quality products and services that suit the customers' needs. Metsäliitto's aim is to strengthen its efficiency and financial results, and to increase the value of its owners' assets. The Group's activities are based on sustainable forestry and the continuation of family ownership of forests from generation to generation.

Profitability is a necessary precondition for the continuous development of operations to benefit customers, owners, employees and partners. The Group's work is long-term, sustained and responsible. To ensure success in business activities and forestry, Metsäliitto Group bears responsibility for its partners and its own employees, and for the environment.

Reliability means that Metsäliitto acts in a reliable manner and bases its success on long-term cooperation with its partners. By acting consistently and predictably Metsäliitto strengthens its owners' confidence in the Group. We try to maintain a frank and open dialogue with our stakeholder groups. Everyone in Metsäliitto has the right to a safe and healthy working environment. We in Metsäliitto value each others' work and skills, and respect cultural and individual differences.

Cooperation includes the development of business activities in collaboration with customers and owners. For Metsäliitto itself, working as a united Group means sharing information, know-how and best practices with each other, circulating resources within and amongst the companies in the Group and having confidence in common benefits. Metsäliitto also cooperates in transparency with, for example, officials and public authorities.

Renewal is achieved by having the courage to open-mindedly question old ways of working. We want to provide ever better products and services to support our customers' businesses. By emphasising research and development, we aim to strengthen our own competitiveness in

the future as well. Employees are encouraged to learn continuously, practise job rotation and take their own initiatives. We are also aware of environmental challenges in our work, and try to find solutions to them.

Principles of corporate responsibility

The Metsäliitto Group companies have approved a voluntary commitment to corporate responsibility based on the UN's Global Compact initiative. On the basis of this commitment, the Group has specified its principles of corporate responsibility.

In accordance with the principles of corporate responsibility, Metsäliitto conducts its business activities responsibly, and develops them in sustained cooperation with its stakeholders. Frank and open dialogue between employees and employers is encouraged in Metsäliitto. We recognise the environmental impacts of our operations, and try to reduce them. In Metsäliitto, we proactively prepare for coming environmental challenges. Energy efficiency in production processes is continuously improved, and efforts are made to increase the use of energy from renewable sources to reduce carbon dioxide emissions. We try to develop and adopt technologies and ways of working that put as little strain on the environment as possible. Raw materials are used efficiently.

Another important Group guideline is the Code of Conduct.

The commitment to corporate responsibility and principles of corporate responsibility are available in full on the Group's website at www.metsaliitto.com. The Global Compact initiative has a website at www.globalcompact.org.

Reporting principles

For the first time Metsäliitto Group has made a joint corporate responsibility report concerning all our business areas and units as well as their operations. It reports the facts about the economic, social and environmental impacts of our operations.

In the reporting of corporate responsibility information, Metsäliitto follows, where appropriate, the new G3 version of the international reporting framework GRI (Global Reporting Initiative), published in October 2006.

Extent and quality of information

As a general rule, the presentation of corporate responsibility information covers all the Group's business areas and units where the Group's holding exceeds 50%. The information concerning these areas of social, economic and environmental responsibility is reported in its entirety. Joint ventures or associated companies in which the Group, or a business area representing it, has a holding of 50% or less are not included.

Economic responsibility

The indicators presented concerning economic responsibility cover Metsäliitto Group within the accounting limits noted. The indicators are based on the accounts and approved financial statements.

Social responsibility

The indicators presented concerning social responsibility cover Metsäliitto Group within the accounting limits noted. Metsä-Botnia's Svir Timber sawmill and Finforest Romania, the Romanian unit of Wood Products Industry, are excluded from the calculations.

The personnel information is based on business area specific information collected at the production plants and units. The accuracy of this information has been confirmed by the heads of human resources in the business areas. They have also been responsible for combining and presenting the information in this report.

Environmental responsibility

The environmental information presented covers all of the Group's production plants within the accounting limits noted. The St. Petersburg planing plant in Russia and the Schütte-Lanz coated blockboard unit in Germany have been omitted from the calculations of the Wood Products Industry.

In combining the materials balance, emissions and energy consumption at the Group level, the Group's share has been defined in the same way as in the consolidated balance sheet. For example, the Group as a whole includes 53% of Metsä-Botnia.

The environmental information is based on the business area specific information collected at the production plants. The accuracy of this information has been confirmed by the environmental specialists in the business areas. They have also been responsible for combining and presenting the information in this report.

Economic impacts

The main task of the Metsäliitto Group is to process the wood grown by its forest owner members into profitable products and services. Metsäliitto aims to ensure its long-term profitability by improving the efficiency of its operations and focusing on its core business. Metsäliitto's operations have significant impacts on local economies.

The Metsäliitto Group provides markets for its owners' wood raw material, and brings its owners economic added value by processing their wood raw material into a great variety of products. The Group aims to consolidate its position as one of Europe's leading forest industry groups, and to be known in its core business areas as a supplier of outstandingly high-quality products and services. The Group strengthens its competitiveness by means of long-term research and development activities and strategic investments.

The Metsäliitto Group's operations have many direct and indirect economic and social impacts. The Group creates jobs, and thereby brings tax income for municipalities and the state. Metsäliitto also uses its resources in investment projects and enhancing the expertise and vocational skills of its employees.

In 2006, Metsäliitto Group's sales totalled EUR 9.3 billion. Income from sales to European countries accounted for nearly 90%, i.e. EUR 8.2 billion, of the turnover (Euro-countries 4.2 billion, the United Kingdom EUR 1.5 billion, Sweden, Norway and Denmark EUR 1.3 billion, other European countries EUR 1.2 billion). Sales outside Europe accounted for some 12%, or EUR 1.1 billion.

The Group's total annual production volume was 4.1 million tonnes of paper, 1.1 million tonnes of board, 4.3 million tonnes of pulp and CTMP, 0.5 million tonnes of tissue and cooking papers, 3.9 million cubic metres of sawn timber, 1.8 million cubic metres of other processed products, and 0.3 million cubic metres of plywood.

The Group's gross capital expenditure in 2006 totalled EUR 744 million. Through its investments, the Group secures and improves its long-term profitability. Investments in research and development in 2006 totalled EUR 32

million. There were a total of 18 patent applications.

Cash flows to stakeholders

The Group's main raw material, wood, is of great importance for the vitality of rural areas and mill communities. For example, in Finland one family in five owns forest land. In most cases this is passed on from one generation to the next, and harvesting is usually planned in such a way that each generation receives a fair share of the forest income.

The Metsäliitto Group's parent company, Metsäliitto Cooperative, has more than 131,000 members who together own approximately half of the private forest area in Finland. The average size of a forest holding is approximately 40 hectares. The income from sales of wood to Metsäliitto is a significant source of income in rural areas. In 2006, the value of wood purchased from the members totalled EUR 349 million.

Finland is Metsäliitto's most important supply area, and almost 90 per cent of the wood purchased from Finland comes from the forests of its members. Metsäliitto is the market leader in wood supply from privately-owned forests in Finland.

In 2006, Metsäliitto Cooperative paid its owner-members a total of EUR 37 million as interest on share capital and EUR 11 million in membership bonuses and price guarantees associated with membership-benefit agreements. The shareholders of M-real were paid EUR 24 million in dividends, and financial institutions and other capital investors were paid EUR 213 million in interests.

The Metsäliitto Group's activities also have major impacts on the local economies in areas where its mills and other production units are located. For example, Metsä-Botnia started up the Svir Timber sawmill in the Rus-

sian town of Podporozhye at the beginning of 2006, and the mill now employs about 150 people. In addition to this, the local partners of Svir Timber employ some 200 people. Local transport companies transport the products of the sawmill. At the regional level, these transports have a significant impact on employment, as the sawmill despatches about one hundred lorryloads of products a week. In addition to its direct impact on employment, the mill also creates jobs indirectly by purchasing services from external companies. For example, Svir Timber is an important user of accommodation services in the town area.

The Metsäliitto Group's most important strategic investment is the pulp mill in Uruguay. Its socio-economic impacts are reported in more detail on page 24.

The Metsäliitto Group's procurements and purchases from suppliers and subcontractors totalled EUR 6.0 billion. Of this, raw materials and other supplies accounted for EUR 5.1 billion and external services for EUR 0.9 billion. (Raw materials include wood, pulp, recyclable waste paper, pigments, adhesives - see also the materials balance sheet on page 28).

In Finland, for example, Metsäliitto paid a total of EUR 193 million to entrepreneurs responsible for wood harvesting and transportation to the Group's production units.

Metsäliitto employs about 25,000 people in 30 countries. Salaries and fees paid to employees totalled EUR 1,012 million, and other personnel costs, such as pension costs, totalled EUR 438 million.

Like other large corporations, the Metsäliitto Group promotes well-being in the areas where it has a presence, particularly through its tax payments. Metsäliitto Group paid the appropriate authorities of various countries, mostly in Europe, a total of EUR 79 million in income and corporation taxes.

Risk management and corporate security

The Metsäliitto Group pays consistent and systematic attention to risk management.

Metsäliitto's risk management work involves the implementation of an enterprise risk management process in support of business operations, and also includes the protection of assets, the safeguarding of business continuation, the ensuring of corporate security and its continuous development, and crisis management, with its associated planning for continuity and recovery.

Risk management policy

The purpose and goals of risk management work are specified in the risk management policy confirmed by Metsäliitto's Board of Directors as follows:

- to ensure that all identified risks affecting employees, customers, products, property, intellectual capital, environment, information assets, the company image, social responsibility and the company's ability to operate are always attended to as required by law and otherwise justifiably in the light of the best available knowledge and the prevailing economic conditions.
- to promote and ensure the achievement of the targets set for the company.
- to meet stakeholder's expectations.
- to protect assets and property and ensure that operations continue without disturbance.
- to optimise the upside/downside ratio.
- to ensure the proper management of the company's total risk exposure, and minimise the overall risk.

Metsäliitto operates in accordance with the principle of sustainable development, so its daily activities, investments and longer-term development plans pay particular attention to risk factors relating to environmental protection, occupational and company security, and sustainable development. To be aware of risk factors and pay proper attention to them is more important than ever in

today's increasingly complex and demanding operating environment.

Metsäliitto Group's risk management policy, risk management activities as well as key risks have been presented in the risk management section of this annual report.

Promoting a common culture of corporate security

The aim of Metsäliitto Group's work in the field of security is to create a good uniform culture of security for the Group as a whole. Regular information and training is arranged for employees in order to help achieve this goal.

The protection of corporate security interests is an integral aspect of Metsäliitto Group operations. Besides preventing security threats and reducing any impacts, work to promote corporate security helps the Group achieve its business targets, as it plays an important part in allowing business activities to go on without disturbance or interruption.

In 2006, systematic work to create a common corporate security culture was carried out in Metsäliitto. A positive attitude to security matters was promoted by the new corporate security policy, backed by instructions covering the different areas involved in corporate security, commitment by company managements, and the adoption of new best practices in security matters. In addition, standards and guidelines were established for the Group's security protection procedures and basic levels of security protection, as well as for the practices to be observed with regard to personal and workplace security, and for the allocation of duties and responsibilities with regard to combating risks of crime and abuse. Furthermore, as part of their normal business activities the individual companies in the Group are responsible for ensuring that the services and operational arrangements they make use of do not involve unpredictable risks.

The corporate security policy that was approved by Metsäliitto Group's Executive Management Board creates the basis for well-

planned and systematic management of security issues throughout the Group. The security policy provides the lines of approach whereby the Group's employees and other important stakeholders, as well as services, information, assets and operating environments, and the Group's reputation, will be shielded from damage, abuse and criminal activity.

New Group rules concerning competition

Conformity with laws and regulations on competition is one of the key principles of Metsäliitto Group companies' business operations. In 2006, Metsäliitto revised the competition rules which every employee in the Group has to follow, and made them more precise. The new rules came into use in November 2006.

The rules were revised because legal regulations concerning competition have recently been tightened, and their applications in practice – and particularly the consequences of violations – have changed significantly.

Metsäliitto's competition rules combine comprehensive information about the provisions of competition law with concrete instructions and guidelines for various situations. The rules advise, for example, how to act if matters whose discussion is forbidden by competition law arise in a meeting attended by representatives of different companies, or at an event arranged by a professional organisation in the sector concerned.

Employees who are in key positions in Group companies with respect to questions of competition law received special training in the second half of 2006.

Research and development

Innovative research and development work ensures Metsäliitto Group's future competitiveness and profitability. R&D work is not only focused on large investments and product development, but forms part of the daily operations of the Group companies. In 2006, Metsäliitto Group's R&D costs were EUR 32 million, about 0.3% of sales.

In 2006, the Group took an active part in implementing the EU's Forest-based Sector Technology Platform research strategy and the related creation of a national research strategy. The purpose of this strategic research and technology project is to improve the forest industry's long-term competitiveness through innovations and sustainable development. The representative of Metsäliitto Paper and Board business area acts as the chairperson of the project's advisory committee representing industrial stakeholders.

During the year under review, Metsäliitto and other important actors in the forest industry sector committed themselves to strengthening the Finnish forest industry's research and development organisation.

Product development in cooperation with customers

Metsäliitto's Paper and Board business area continued its R&D work to improve the overall competitiveness of the whole value chain of paper and board products, and to create new solutions for the business needs of its customers.

The development project at M-real's Simpele board mill was completed. A new metal belt calendar was installed, which increased the production capacity and running speed of the machine and simplified the board-manufacturing process.

The new EuroArt Plus fine paper was introduced to the markets in 2006. It was developed by combining M-real's pulp expertise and know-how on coating optimisation. The product is more opaque and enables higher running speed on the printing machine, thus improving production economy.

Development work on the new Stars security board was completed and deliveries to customers could start. This special board uses product-security technology that enables quick and easy identification of genuine brand products and makes it possible for publishers of copyright materials to protect their products against counterfeiting and pirating.

The British Periodical Publishers Association (PPA) awarded M-real the title of Magazine Paper Supplier of the Year, for the second time in succession. The awards committee expressed its appreciation for M-real's work, including the continuous programme of research into readers' experiences and the effectiveness of advertisements and magazines.

Research into consumer experiences and preferences regarding the appearance of paper, printing quality and packaging continued in M-real's Publishing and Consumer Packaging business lines. M-real cooperates with its customers to develop solutions that support and promote their particular images, and has been working with the University of Helsinki in the development of research methodology ever since 1998. Research concerned, for example, magazine advertisements and cosmetics packaging.

Work on reducing raw-material and energy costs continued in all M-real production units. The work of the R&D technology unit focused on lowering costs by optimising the composition of coating colours.

Development work on the mechanical pulp refining process also continued in 2006. During the year, a breakthrough was made regarding the design of the pulp refiners which made it possible to reduce electricity consumption in the reject refining process by 25%.

Innovative service solutions

Long-term target-oriented research and development work constitutes an essential part of the operations of Metsäliitto's Wood Products business area. Product development supports operational business activity and works to safeguard its profitability as well.

Metsäliitto Wood Products Industry has created a network of cooperation with small and medium-sized businesses in Finland, through which it plays an active part in its partners' product development. One of its aims is to make sure that wood-products know-how continues to be preserved and developed in Finland.

The Building Solutions business line continued its work on turning processed raw material into finished products and innovatively developed systems and service solutions for the use of business partners and customers. Activities were to a large extent based on creating special applications from Kerto® products for particular market areas. Such innovative products include glued building elements, for example, the Kerto®-based ribbed and box slab systems that were developed in collaboration with VTT Technical Research Centre of Finland and Helsinki University of Technology.

The basis of Solid Wood's sawmilling business line is quality management of the wood raw material, and its optimal utilisation in the processing chain, taking into account the needs of the customers. Metsäliitto Wood Products Industry and Metsäliitto Wood Supply continued their long-term work to develop log quality and length management. Some of the sawmills are now able to utilise shorter logs with smaller diameters.

The Plywood business line developed new product applications based on particular coating and treatment technologies. The product range in this area was considerably reinforced in certain segments.

The activities of the Upgrading and Distribution business line focused particularly on making improvements in supply chain management.

Product development based on the wishes of customers

Metsä Tissue, which is responsible for the Metsäliitto Group's tissue and cooking paper business, continued to develop its products

according to customers' requirements and in cooperation with retail chains. A number of new products were introduced in the markets, including, for example, Lambi Satin toilet paper. Metsä Tissue also continued its work on the development of products based on recycled pulp and related processing technologies.

Operational efficiency is being developed according to the principle of continuous improvement, with targets being set for each unit's key indicators. The areas to be monitored include product safety, reliability of delivery, quality, production efficiency, occupational safety and environmental indicators.

Fibre know-how provides a competitive edge

Metsäliitto Group's pulp company Metsä-Botnia has gathered know-how on pulping technology and the properties of various wood fibres. Based on this, the company tailors its products to meet the needs of specific end-uses and turns its know-how into value-adding service products for the customers' benefit.

Preparations for producing a new eucalyptus pulp were continued by building up know-how about the total value chain, from seedling improvement to the customers' paper-making processes, and eucalyptus pulp test runs were started up at customers' paper mills.

Metsä-Botnia's other short-fibre product is birch pulp. New possibilities were actively sought to use birch pulp in products where its special properties provide a competitive advantage for customers. Birch pulp has proved itself to be an excellent raw material for board-making.

The start-up of the Rauma mill after a renewal project in the summer of 2007 will significantly increase Metsä-Botnia's production capacity of reinforcement pulp. R&D work on softwood pulp is mainly targeted at enhancing the properties of reinforcement pulp, which yields better quality and cost-efficiency in the manufacture of wood-containing printing papers and thus provides customers with a competitive edge. The key elements in the development of reinforcement pulp are runnability and other functional properties in the paper-making process.

FMO Tapiola – a forerunner in building with wood

Completed in September 2005, the office building FMO Tapiola in Espoo displays the results of Finnforest's product development efforts and wood products skills and know-how. It is the highest wood-built office building in Europe. In autumn 2006, FMO Tapiola achieved great success in building-trade competitions in Finland.

FMO Tapiola incorporates several innovations and product applications developed by Metsäliitto Wood Products Industry (Finnforest). The five-storey building's versatile use of wood has been combined with stone, glass and steel to add sophistication to its modern looks. It is built of wooden modular elements and, due to its advanced design, is a pleasant and light environment in which to work.

"When we commissioned FMO Tapiola, our initial aim was to demonstrate the versatile possibilities of how to use prefabricated wooden products in an exceptional way," says Mika Kallio, Head of Building Solutions, Metsäliitto Wood Products Industry, and continues: "Furthermore, wood has been used in a very innovative way, for example, in demanding connecting solutions."

The design and construction of the building was carried out with special attention to the requirements concerning eco-efficiency, life cycle measurement and easy adaptability of the office premises. The building's environmental properties are of high quality.

In September, FMO Tapiola won the 2006 Wood Award presented by Puuinformaatio ry, an association promoting Finnish wood architecture. The annual award honours high-quality Finnish wood architecture or structures where wood has been used in a manner that promotes construction engineering.

Pekka Helin, the primary architect, is confident about the popularity of wood in modern projects: "A modern wooden office building shows how wood can meet today's architectural demands for more 'human' and environmentally-friendly structures. Kerto® LVL, used in the building's frame and visible surfaces, represents wood's novel possibilities in high-tech applications. I see a bright international future for such buildings as the wood renaissance continues."

In autumn 2006, FMO Tapiola shared second place in the 2006 RIL Award, too. The RIL Award is one of the most prestigious building awards in Finland and is given annually by the Association of Finnish Civil Engineers. The award recognises projects where expertise has been used in a creative manner when designing the structure, either by developing new solutions or applying existing know-how, and where special attention has been paid to technological, economic, social and environmental aspects.

- Five storeys (incl. foundations): floor space 13,300 m²
- Wood-based solutions (frame, facades, partition walls) and materials supplied by Metsäliitto Wood Products Industry (Finnforest)
- Wooden frame and facades constructed of prefabricated wooden parts; installed on-site
- Cladding elements made of split glulam beams and ThermoWood lattices
- Wooden intermediate floor elements made of Kerto® box slabs
- Modular (easily modifiable) partition walls based on the Kerto® frame
- FMO Tapiola has been given the excellent B rating of the PromisE environmental classification system developed by Motiva (Motiva Oy promotes energy efficiency and the uptake of renewable energy sources), RAKLI (Finnish Association of Building Owners and Construction Clients), Finland's Ministry of the Environment and TEKES (Finnish Funding Agency for Technology and Innovation)
- Building schedule: 15 months
- Address: Tuulikujja 2, Tapiola, Espoo, Finland

- Primary architect: Helin & Co Architects, Pekka Helin and Peter Verhe, Helsinki
- Structural designer: WSP Suunnittelu-KORTES Oy, Jukka Ala-Ojala, Helsinki
- Building services (HVAC) design: Air-lx Suunnittelu, Tampere
- Building consultant: CM-Urakointi Oy, Helsinki
- Main Contractor: Peab Seicon Oy, Helsinki
- Owner: Tapiola Group, Espoo

Finnforest's split glulam panels and heat-treated wood cladding are used in the facades, while the building's intermediate floors feature stressed skin panels and framework structures made of Kerto®.



Uruguay pulp mill project

The Metsäliitto Group strengthens its long-term profitability through strategic investments. In 2006, the Group's gross investment totalled EUR 744 million. The most significant strategic investment was the Uruguay pulp mill project in South America.

The Group's pulp company, Metsä-Botnia, is building a mill in Fray Bentos, Uruguay, with an annual production capacity of one million tonnes of bleached eucalyptus pulp. The estimated total cost of the project is USD 1.1 billion. The project is the largest Finnish private industrial investment abroad. The mill will use Best Available Techniques (BAT) and is scheduled to start operating in the third quarter of 2007.

The aim of the pulp mill project is to safeguard the availability and sufficiency of competitive short-fibre raw material. The mill's production will be sold mainly to the paper mills of Metsä-Botnia's owners, Metsäliitto Group's subsidiary M-real and Metsä-Botnia's minority owner UPM-Kymmene, in Europe and Asia. Eucalyptus pulp is a good alternative in terms of quality, particularly as raw material for uncoated fine papers and tissue papers. When working at full capacity the mill will use some 3.5 million cubic metres of wood a year. About 70% of the wood raw material required will be supplied from the plantations of Metsä-Botnia's subsidiary, Forestal Oriental. The rest of the wood raw material will be purchased from private forest owners, funds, foundations and cooperatives on the basis of long-term contracts.

Funding decision by the World Bank

In November 2006, the World Bank made a favourable decision with regard to the financing of the pulp mill project. The boards of the International Finance Corporation (IFC), and of the Multilateral Investment Guarantee Agency (MIGA) have approved financing amounting to USD 170 million and a guarantee for up to USD 350 million. After analysing the project IFC and MIGA were convinced that the mill will bring significant economic benefits to Uruguay, and it will not cause damage to

the environment or to sources of livelihoods in the region.

Significant socio-economic benefits

The Fray Bentos pulp mill project is the biggest industrial investment in the history of Uruguay. The Uruguayan government has for years supported development of the forest industry in the country, and the pulp mill is a natural next step in this development. The industry focus is moving from roundwood exports to products that are higher up in the value chain, creating new industry in the country and thus providing development opportunities for the whole region.

The socio-economic effects of the mill project were analysed as part of the environmental impact assessment. In addition, Metsä-Botnia commissioned a study that went beyond the requirements for environmental permits, in order to analyse the project's financial significance for the region. The effects on the economy and employment for the region and the whole of Uruguay will be considerable: it is estimated that as a result of the mill project Uruguay's gross national product will rise by 1.6%.

Thanks to the investment, annual tax returns in Uruguay will go up by some USD 25 million. During the construction period, the project is employing up to 4,500 people. When completed, the mill will employ about 300 people, and its other impacts on employment will mean the creation of 8,000 jobs in Uruguay - 5,000 directly and 3,000 indirectly. Together with the trade unions and the local authorities, Metsä-Botnia has been involved in the arrangement of vocational and business training for people living in the area.

Thorough assessment of environmental impacts

Under Uruguayan law, all significant projects require an environmental permit to be granted in advance. This is a multi-stage process, involving a public hearing of local residents. Metsä-Botnia arranged several public hearings to make sure that everyone who was inter-

ested in the project had an opportunity to participate. For the assessment of environmental impacts required by the permit procedure, the first step was to analyse the current situation. After that, the possible impacts of the mill's construction and those of its operations were assessed, both under normal circumstances and in case of exceptional situations.

The mill will have only minor adverse impacts on the environment. Possible malfunctions, or stopping and restarting of the mill, may create unpleasant odours, but these will not cause any health risks. The major visible impacts will be an increase in traffic and changes in the landscape. Metsä-Botnia has launched a traffic safety campaign with schools and local authorities.

The pulp mill received its environment permit in February 2005. Metsä-Botnia has stated that it is willing to treat the waste water of the town of Fray Bentos in its waste-water treatment plant.

Production of bioenergy

The Uruguayan pulp mill will be more than self-sufficient in terms of power and steam production. As part of the mill project, Metsä-Botnia will start up production of bioenergy in order to reduce greenhouse emissions and promote sustainable development in Uruguay. The project makes use of black liquor created in the pulp-making process and meets the Clean Development Mechanism conditions set by the Kyoto Protocol to the UN Framework Convention on Climate change.

Metsä-Botnia has also announced its willingness to burn the black liquor produced by the Pamer company's pulp and paper mill in the nearby town of Mercedes in its own recovery boiler. The Pamer mill uses older technology and does not have a recovery system for black liquor. This arrangement would have significant favourable environmental impacts in the region. Expert estimates indicate that this would reduce biological oxygen demand in the Uruguay River by about 8,000 kg per day.

Customer satisfaction surveys

Metsäliitto supplies high-quality wood raw material for the Group's mills, which convert it to products and services that meet their customers' needs. Metsäliitto works closely with its owner-members, customers and other partners, and the Group companies carry out regular customer surveys in their specific business areas to be able to orientate their product development according to market needs.

Feedback from members

The Group's core business is based on sustainable private forestry and the continuation of family forest ownership over generations. The services offered to Metsäliitto's owner-members are developed continuously, and the members have access to a variety of specialised services and advice concerning timber sales, management of forest assets and investment of timber revenue. Metsäliitto's wood purchasing experts also help to plan harvesting according to good forest management practices.

Metsäliitto regularly monitors its owner-members' satisfaction with their timber sales through feedback questionnaires. The questionnaires are sent to timber sellers who have sold at least 100 cubic metres of wood as stumpage sales or at least 50 cubic metres delivered to roadside. More than 10,000 sellers answer the questionnaires each year.

The feedback obtained gives a reliable picture of the members' satisfaction on Metsäliitto's performance on such issues as price levels, the quality of harvesting work, measurement methods, and the operation of Metsäliitto's purchasing foremen. The results of the surveys are reported to Metsäliitto's wood procurement organisation and then passed on to the purchasing foremen.

In recent years, average results (overall satisfaction ratings) concerning stumpage sales have been on the level of 83–84, the maximum being 100. Most of the wood is purchased through stumpage sales.

The satisfaction of customers using Metsäliitto's forest management services is also monitored through questionnaires every year. A total of 1,803 questionnaires were sent out

in 2006, and 38% of these were returned. Customers gave the services a rating of 4.6, the maximum possible being 5.0. Satisfaction with the service prices was on the level of 4.0, and satisfaction with their quality on the level of 4.8.

The percentage of customers renewing their orders for services for the next two years is also monitored each year. Some 50.7% of the customers using the services in 2004 renewed them during 2005–2006. This percentage has shown a steady increase, indicating rising confidence in the services offered. Feedback from customers provides Metsäliitto important information on future trends, helping the company to develop its forest management services and estimate what new services would be required.

Regular customer satisfaction surveys

M-real's Consumer Packaging business line regularly gathers feedback from its customers concerning the packaging materials they produce. Customers are asked to assess the quality of the products, the accuracy of deliveries, and the service and technical support provided by the Consumer Packaging business line. According to a market survey carried out in autumn 2006, the Consumer Packaging business line has improved its performance in most of the areas surveyed.

The results reveal that customers consider the most important characteristics of a packaging raw material supplier to be the accuracy of deliveries and the consistency of product quality. Customers have indicated that the quality consistency of M-real's products is at the highest possible level.

Customer satisfaction in the Group's pulp business area is monitored through customer meetings and annual customer satisfaction surveys. Telephone interviews collect the customers' views on the reliability of Metsä-Botnia's operations, and on the communication and contacts involved, as well as on product quality and the technical support offered.

The results of the customer surveys are analysed at the mills and competence centres.

In addition, special working groups study the results in detail and plan development measures to be taken in the coming year. These procedures have made development of products and services more effective and improved customer satisfaction.

Growing importance of service

Metsäliitto's tissue and cooking paper company, Metsä Tissue, was rated the best in its field in customer satisfaction surveys conducted among retail chains in Finland and Sweden. The strengths of the company were considered to lie in its strong product brands, brand advertising and know-how in marketing to retail chains. Appreciation was also expressed with regard to Metsä Tissue's effective campaigns, its know-how about markets and customers, and the work of the sales representatives.

Catering customers praised Metsä Tissue not only for its high-quality products and deliveries but also for its high standard of business ethics.

The supply chain of Metsäliitto Wood Products business area has been designed to meet customer needs. Its various business lines and marketing organisations in different countries carry out customer surveys with the aim of developing customer service and cooperation. According to the results, customers appreciate the product quality, competitive pricing and the accuracy of deliveries, and, increasingly, the company's innovative product development and service.

Product safety

The Metsäliitto Group's mills pay special attention to product safety in all their manufacturing processes. Developments in applicable legislation are monitored closely, and active preparations are made for the mills to be able to meet any new legislation about to come into force.

The mills of Metsäliitto Group's paper and board, pulp as well as tissue and cooking paper industries have established hygiene management systems, which include Hazard Analysis and Critical Control Points (HACCP) and Good Manufacturing Practices (GMP). HACCP is a systematic approach to process hygiene. The mills' hygiene experts assess all phases of production and identify critical points. The principles of Good Manufacturing Practices include precautions designed to avoid product contamination, or minimise the risk of it occurring. Internal and external audits are carried out to monitor the performance of the system.

The Metsäliitto Group has been preparing for the coming into force of the new EU law on chemicals, the REACH (Registration, Evaluation and Authorisation of Chemicals) regulation, in the spring of 2007. REACH requires EU member states to use chemicals that have been registered and evaluated in accordance with the provisions of the regulation. With the introduction of the new law, responsibility for risk assessments and the safe use of chemicals will shift from the authorities to the manufacturers and users of chemicals.

All Metsäliitto Groups plants operate in accordance with currently applicable legislation with regard to the choice of chemicals, on-site storage and usage in manufacturing processes. Chemicals that have been officially registered and evaluated in accordance with the REACH regulation are expected to come into use starting in 2010.

Policy ensures product safety

M-real's Consumer Packaging business line manufactures packaging materials mainly for the needs of the food, pharmaceuticals,

cosmetics, cigarette and consumer electronics industries. Nearly all customers involved in these businesses have legally regulated or customer-specific product safety requirements. M-real's own network of experts processes customer feedback concerning product safety, and communicates information on legal requirements throughout the company and the whole of the Group.

M-real has drafted a specific product safety policy for packaging boards and papers to ensure that these packaging materials are safe for people and the environment when used properly.

During 2006, M-real made an internal assessment to find out how well its product safety policy is being carried out. The outcome of the assessment was that the policy had been implemented well. Particular praise was given to the expertise of the people responsible for product safety at the mills, and to raw material procurement. Good headway is being made on taking product safety into account in investment projects, and extending the hygiene system to subcontractors.

The European Union promotes the development of safe packaging materials for food products. M-real plays an active part in preparing the new legislation and is actively involved in the research projects connected with it.

M-real has begun to conduct supplier assessments to ensure the availability of important raw materials and the safe use of chemicals, both now and in the future. The preliminary results of these assessments show that the most important raw materials are likely to remain available on the market.

Customised quality systems

It is essential to pay close attention to product safety issues and the fulfilment of product safety requirements in the manufacture of tissue and cooking papers. For example, Metsä Tissue's Mänttä mill has a quality control system that fully meets the requirements of SFS-ISO 9001 and SFS-EN ISO 14001 standards. The mill also has a certified HACCP system, which requires a functioning self-monitoring system.

The self-monitoring carried out by companies is required by law, and it aims to ensure that foodstuffs, and the materials and supplies that come into contact with foods, comply with all legal regulations. Baking and cooking papers come within the remit of the legislation, but tissue papers do not. However, as some tissue paper products do come into brief contact with foodstuffs, the HACCP system has been introduced also at the Mänttä tissue paper mill.

Production at the Mänttä mill meets strict environmental requirements, and the mill's products have been granted the right to display the Nordic Swan ecolabel as a sign of their high environmental standards.

The suitability of baking and cooking paper products for use with foods is tested at an independent laboratory. Passing these tests means that the products will also be granted approval for food use by, for example, the German Bundesinstitut für Risikobewertung (BfR) and the United States Food and Drug Administration (FDA).

Conformity with official regulations

Metsäliitto Wood Products Industry takes product safety aspects into account at all stages of the manufacturing process: in the development of new products, in production and marketing, and in the instructions and guidance given to end-users. Official regulations and market-specific requirements for product approval provide the starting point. The products that are developed, manufactured and delivered to customers conform to the applicable regulations.

In manufacturing products, special attention is paid to occupational safety and to proper and safe working procedures at the mills. The product standards that form part of manufacturing processes require samples to be taken at regular intervals, for example to check the strength of wood products. Quality-control testing is carried out by an independent external research institution.

Environmental impacts

The Metsäliitto Group's environmental work is based on the principle of continuous improvement and the minimisation of environmental impacts. Raw materials are utilised as efficiently as possible, and Best Available Techniques (BAT) are used when investing in new production facilities. Most of the production units have adopted ISO 9001 and ISO 14001 quality and environmental management systems.

The Metsäliitto Group's products are manufactured from wood, which is a renewable and recyclable raw material. Metsäliitto also produces biofuels, which can be used to replace fossil fuels and thus reduce greenhouse gas emissions.

Environmental impacts arise from wood harvesting and forest management, the use of fuels, pulp bleaching, deinking of recovered paper, the use of coating agents and fillers in paper and board, and from the production processes.

Environmental impacts include emissions to air and effluents to waterways as well as the generation of waste. The Group's production units have adopted new technologies that have helped to reduce adverse environmental impacts considerably. Waste volumes have been reduced by looking for new ways of utilising the by-products of production processes.

Topical environmental issues

Many of the Group's mills and production units were granted new environmental permits during 2006.

The most important environmental investments made in the Group's Pulp Industry business area in 2006 were related to Metsä-Botnia's pulp mill project in Uruguay. The bleaching process at the Rauma pulp mill was renewed, and the capacity of the mill's effluent treatment plant was expanded. These investments will be recorded in the 2007 accounts.

M-real's "Paper Profile" environmental product declarations are a useful tool for conveying environmental information about the company's products. Customers have given M-real favourable feedback concerning its

transparent reporting about wood origins.

M-real's mills successfully completed many projects aiming at reducing emissions. In Austria, the completion of Hallein's bio-power plant reduced the mill's carbon dioxide emissions. In Germany, the efficiency of the Stockstadt mill's effluent treatment process was improved. In Finland, the Kirkniemi and Kyro mills improved the efficiency of their raw material utilisation, and Kyro also reduced the noise caused by the mill.

Metsä Tissue's mills in Sweden and Germany made use of deinking waste, for example in closing up old landfill sites and in energy production, which considerably reduced the quantity of waste to be landfilled. Process water circulation systems at the Warsaw and Stotzheim mills were further closed up, contributing to lower effluent loads.

Several of Metsäliitto Wood Products Industry's production units made investments to reduce their environmental impacts. For example, the Kolho Upgrading plant improved its waste management, and the Kyröskoski sawmill increased the efficiency of its raw material utilisation by reducing wastage. Noise was reduced at the soaking facility at the Kerto® LVL production unit in Punkaharju by using new stoppers in the log handling device.

In 2005, a project was started up in cooperation with Vapo Oy to find a sustainable solution for the energy needs of M-real's Kyro board mill and Metsäliitto Wood Products Industry's Kyröskoski sawmill. The intention is to build a waste combustion plant and give up the use of natural gas. The environmental impact assessment of the project was completed in 2006, and it was found that the combustion plant would not have any

significant adverse environmental impacts.

A similar environmental impact assessment process was started up at M-real's Kirkniemi mill with a view to further developing energy production. The aim of this project, too, is to replace natural gas by fuels based on wood and waste materials.

Materials balance

The Metsäliitto Group's materials balance illustrates the material and energy flows to and from the Group companies' production units.

The main raw material in Metsäliitto Group's operations is wood, 60% of which is used in producing the pulp, paper and paperboard, and 40% in the manufacture of wood products. The wood rawmaterial is almost entirely utilised.

In pulp production, the chemicals in the cooking liquor are recovered for reuse, and the lignin dissolved in the cooking liquor is used for energy production.

In Metsäliitto's Paper and Board business area, the proportion of recycled fibre in the fibre raw material is relatively low due to the strict quality requirements of the finished products. In tissue paper production, recovered fibre accounts for more than half of the fibre raw material.

Pigments, such as kaolin and calcium carbonate, are used as fillers and coating materials in paper and paperboard production. Adhesives used to bind these together

include for example potato and maize starches, latexes, resin sizes obtained as by-products from chemical pulping, as well as carboxy methyl cellulose (CMC), which is made from chemical pulp.

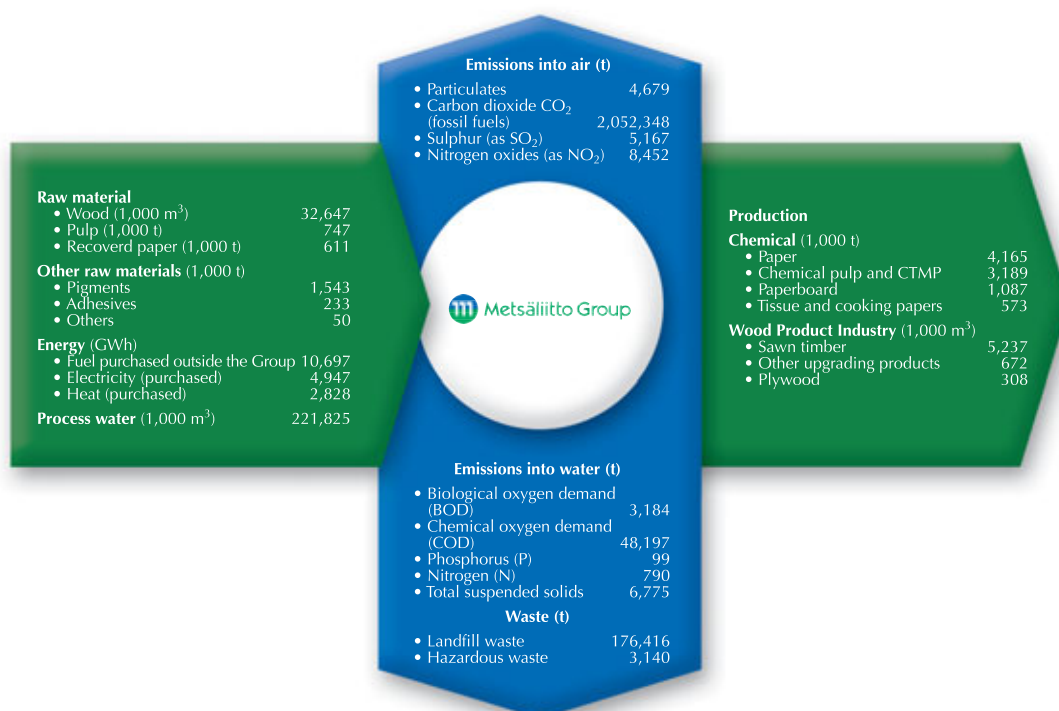
Metsäliitto Wood Products Industry uses not only wood but also glues, resins, coating films, and edge paints. By-products, such as woodchips, sawdust and bark, are used as raw materials for chipboard and pulp production or in heat generation.

67% of the energy requirement of the Group's mills is produced from wood-based fuels. Most of the thermal energy required for production is generated at the Group's own or outsourced power plants at the mill sites. According to the consolidation principles of accounting, part of the outsourced energy generation falls within the calculation limit and is included in the materials balance. The reported fuel consumption does not contain black liquor and bark derived from wood used as raw material, which cover a significant portion of the total fuel demand.

Carbon dioxide emissions indicated in the materials balance only include carbon dioxide originating from fossil fuels that add to the greenhouse effect. Other emissions to air include sulphur and nitrogen oxides that cause acidification of water and soil, and particulates, which have a harmful impact on the quality of breathing air.

Chemical oxygen demand (COD) in waste water describes the amount of organic substance in water, while biological oxygen demand (BOD) refers to the part of this substance that decomposes easily in natural biological processes. In a water system, BOD consumes oxygen, while phosphorus and nitrogen cause eutrophication.

Waste quantities have been reduced through efficient utilisation of by-products and parallel products. For example, fibre sludge from the paper and board mills and ashes left after energy production are used for soil improvement as such or composted. Wood ash is used as a fertiliser.



Metsäliitto Group total *	2006	2005
	tonnes	tonnes
Environmental impacts		
Greenhouse effect (CO ₂ equiv.)	2,052,348	1,996,893
Acidification (SO ₂ equiv.)	11,084	10,417
Eutrophication (P equiv.)	274	275
Emissions		
Particulates	4,679	4,424
Carbon dioxide (CO ₂)	2,052,348	1,996,893
Sulphur (as SO ₂)	5,167	5,032
Nitrogen oxides (as NO ₂)	8,452	7,919
Chemical oxygen demand (COD)	48,197	43,050
Biological oxygen demand (BOD)	3,184	2,466
Phosphorus	99	115
Nitrogen	790	762
Total solids	6,775	4,034
Landfill waste	176,416	216,291
Hazardous waste	3,140	2,942

*) includes 53% of Metsä-Botnia

Metsäliitto Cooperative	2006	2005
Wood Product Industry	tonnes	tonnes
Environmental impacts		
Greenhouse effect (CO ₂ equiv.)	1,620	1,620
Acidification (SO ₂ equiv.)	55	55
Eutrophication (P equiv.)	3	3
Emissions		
Particulates	2,994	2,994
Carbon dioxide (CO ₂)	1,620	1,620
Sulphur (as SO ₂)	14	70
Nitrogen oxides (as NO ₂)	58	205
Chemical oxygen demand (COD)	70	106
Biological oxygen demand (BOD)	47	194
Phosphorus	0.1	1
Nitrogen	0.3	1
Total solids	8	36
Landfill waste	8,518	7,192
Hazardous waste	201	363

Metsä-Botnia	2006	2005
	tonnes	tonnes
Environmental impacts		
Greenhouse effect (CO ₂ equiv.)	297,000	276,000
Acidification (SO ₂ equiv.)	5,892	4,862
Eutrophication (P equiv.)	99	91
Emissions		
Particulates	1,709	1,265
Carbon dioxide (CO ₂)	297,000	276,000
Sulphur (as SO ₂)	1,926	1,655
Nitrogen oxides (as NO ₂)	5,666	4,582
Chemical oxygen demand (COD)	30,107	24,942
Biological oxygen demand (BOD)	714	689
Phosphorus	30	27
Nitrogen	280	283
Total solids	1,584	1,400
Landfill waste	44,348	33,619
Hazardous waste	373	85

M-real *	2006	2005
	tonnes	tonnes
Environmental impacts		
Greenhouse effect (CO ₂ equiv.)	2,013,938	1,969,216
Acidification (SO ₂ equiv.)	8,803	8,563
Eutrophication (P equiv.)	243	246
Emissions		
Particulates	1,348	1,138
Carbon dioxide (CO ₂)	2,013,938	1,969,216
Sulphur (as SO ₂)	3,911	3,936
Nitrogen oxides (as NO ₂)	6,989	6,610
Chemical oxygen demand (COD)	44,246	40,220
Biological oxygen demand (BOD)	2,933	2,072
Phosphorus	91	106
Nitrogen	695	678
Total solids	6,577	3,797
Landfill waste	86,890	83,084
Hazardous waste	2,393	2,064

*) includes 39% of Metsä-Botnia

Metsä Tissue	2006	2005
	tonnes	tonnes
Environmental impacts		
Greenhouse effect (CO ₂ equiv.)	396,000	395,000
Acidification (SO ₂ equiv.)	1,323	1,259
Eutrophication (P equiv.)	18	18
Emissions		
Particulates	87	83
Carbon dioxide (CO ₂)	396,000	395,000
Sulphur (as SO ₂)	901	872
Nitrogen oxides (as NO ₂)	603	553
Chemical oxygen demand (COD)	1,017	1,002
Biological oxygen demand (BOD)	137	145
Phosphorus	4	5
Nitrogen	70	63
Total solids	136	177
Landfill waste	74,799	121,948
Hazardous waste	493	495

Use of energy

The Metsäliitto Group companies cooperate closely together to make efficient use of synergy advantages in energy issues. Collaboration is coordinated by a steering group whose aim is to maximise the utilisation of the Group's resources and expertise in this field.

The companies belonging to the Metsäliitto Group hedge a considerable part of their electricity and fuel prices to ensure predictability and to minimise the effects of unfavourable price fluctuations.

Calculated at the fuel level, the fuels consumed by the Group companies amounted to 27.0 TWh in 2006. Of these some, 66.5% were wood-based fuels. Purchased electricity amounted to 5.3 TWh and purchased heat to 3.4 TWh. Total energy consumption amounted to 44.3 TWh.

Most of the wood that is not converted into products is utilised either in energy production at Metsäliitto's own production units or as biofuel sold outside the Group. Metsäliitto owns 49.9% of Vapo Oy, a Finnish producer and distributor of biofuels and electricity produced from biofuels.

Increasingly efficient utilisation of wood is being developed by, for example, collecting harvesting residues and stumps for fuel use. Metsäliitto's goal for 2007 is to increase stump lifting five-fold compared with 2006. At the same time, the volume of harvesting residues collected will increase by 10–20%.

Wood-based products such as tall oil and sawdust are also sold as raw materials for further processing.

Metsä-Botnia and Metsäliitto Wood Products Industry are both more than self-sufficient with regard to wood-based fuel, and in M-real the proportion of energy produced by wood-based fuels is about 65% of total energy consumption. The proportion of wood-based fuels of total fuel consumption is lowest in Metsä Tissue, about 15%, because the company does not buy wood raw material but obtains its fibre from ready-made pulp and recycled fibre.

Profitability through Energy Efficiency Optimisation

An Energy Efficiency Optimisation (EEO) project was started up at the Metsäliitto Group mills at the beginning of 2006, and is still under way. The purpose of the project is to improve energy efficiency at the Group's mills. The EEO project focus on enhancing cooperation in energy issues between the Group's production units by encouraging them to share the best practices and development ideas.

The project will continue at all Metsäliitto Group production units until the end of 2007.

Energy-related investments

The upward trend in energy costs continued during the year under review. As a result, many energy-saving investment plans that were previously considered to be unprofitable have now become economically feasible. For example, Vapo Oy is going to build a wood pellet factory at the Vilppula sawmill in cooperation with Metsäliitto. Wood pellets are manufactured from wood-based by-products, such as cutter chips, sawdust and bark.

A power plant using biofuels started up at M-real's Hallein pulp and paper mill in Austria in spring 2006. The new plant replaces about 35% of the natural gas used as the primary fossil fuel energy source at the mill.

Of the Group companies, M-real, Metsä-Botnia and Metsä Tissue are in the sphere of the EU emissions trading scheme. Each of these companies has specified its own emissions trading policy, and, based on this, makes its own decisions on possible trading transactions. External emissions trading at Group level is executed by Metsä Finance.

Metsäliitto Group's energy usage 2005-2006

	2006 GWh/a	2005 GWh/a
Metsäliitto Group 4)		
Use of wood-based fuels	17,985	16,287
Use of fossil fuels	9,032	8,884
Purchased electricity	5,299	4,689
Purchased heat	3,401	3,157
Total energy 1)	44,265	40,608
Wood Product Industry		
Use of wood-based fuels	573	570
Use of fossil fuels	24	68
Purchased electricity 3)	543	521
Purchased heat 3)	956	895
Total energy 1)	3,079	2,993
Metsä-Botnia		
Use of wood-based fuels	15,914	13,510
Use of fossil fuels	1,326	1,225
Purchased electricity 2)	-751	-549
Purchased heat	-1,281	-1,172
Total energy 1)	13,855	11,984
M-real 5)		
Use of wood-based fuels	15,100	13,947
Use of fossil fuels	8,011	7,877
Purchased electricity	4,056	3,469
Purchased heat	1,948	1,796
Total energy 1)	35,543	32,609
Metsä Tissue		
Use of wood-based fuels	72	76
Use of fossil fuels	812	795
Purchased electricity	805	761
Purchased heat	689	626
Total energy 1)	3,707	3,510

1. Total energy is shown in terms of fuel, i.e. the quantities of heat and electricity purchased have been converted to the corresponding amount of fuel that would be required to produce them.

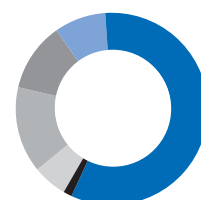
2. A large part of the energy that Metsä-Botnia produces in excess of its own needs is sold. Metsä-Botnia is a net seller of heat and electricity, and also sells part of its bark.

3. Almost 100% of the heat purchased by Metsäliitto Wood Products Industry is produced from the wood material by-products of its production plants. In 2006, 2,973 GWh of heat energy was produced from by-products.

4. Includes 53% of Metsä-Botnia

5. Includes 39% of Metsä-Botnia

Fuel used in Metsäliitto Group's production units in 2006



■ Wood-based fuels ■ Oil
■ Natural gas ■ Peat
■ Coal ■ Other

Wood supply

Metsäliitto supplies high-quality wood raw material for the Group’s mills, while advancing the principles of ecologically, socially and economically sustainable forestry. Wood is not supplied from conservation areas or any other areas where logging is prohibited.

Metsäliitto’s wood supply is guided by the Group’s environmental policy for wood supply and forest management and its principles of corporate responsibility, which are implemented through certified quality and environmental management systems and Metsäliitto’s environmental programme. The environmental programme includes measurable development targets which are reviewed annually. In 2006, the most important targets in Finland included enhanced protection of small water bodies and better quality of retention trees. These targets were reached well, but they still need to be monitored.

Metsäliitto’s wood purchasing contracts include detailed criteria on environmental issues. Wood harvesting is carried out conforming to the local legislation and the regulations issued by relevant authorities, and Metsäliitto expects the same from its partners. Forest biodiversity and endangered species are to be preserved as specified in local legislation and the criteria of the forest certification system applied. Metsäliitto carries out regular inspections at both its own harvesting sites and those of its subcontractors. Training

in environmental issues and safety at work is provided for the personnel of Metsäliitto and its subcontractors.

In 2006, Metsäliitto launched an environmental training programme tailored for its wood supply organisations and business partners in Russia. Good environmental practices in wood harvesting and safety at work were among the key themes. The training programme will continue in 2007, and it will be expanded to the Baltic countries.

Ensuring that wood originates from legal sources is an important issue for Metsäliitto. For example, the company has contributed to the Europe and North Asia Forest Law Enforcement and Governance (ENA FLEG) process and the EU Action Plan for Forest Law Enforcement, Governance and Trade (EU FLEGT). Metsäliitto has also taken part in drafting the joint position of the Finnish Forest Industries Federation and the WWF to advance the legal sourcing of wood.

Metsäliitto continuously develops its wood origin management systems, realising that they are effective tools for ensuring the legal origin of wood.

Metsäliitto knows the origin of the wood it supplies

Each year, Metsäliitto supplies about 35 million cubic metres of wood raw material. About 77% of the wood is used in Finland,

which also is the Group’s biggest wood supply area. Most of the wood delivered in Finland is bought from the private forests of Metsäliitto’s owner-members.

Metsäliitto’s certified quality and environmental management systems, which include a wood origin management system, enable Metsäliitto to know the origin of the wood it supplies, whether it originates from a certified forest or not. In most of its wood supply countries, Metsäliitto has a certified chain of custody in place. This enables official authentication of the proportion of certified wood in the total wood volume supplied.

In Finland, wood origin tracking is based on contract numbers. Each purchase contract is given a unique number. This number is entered into Metsäliitto’s information system and accompanies each batch of wood from the harvesting site to the mill gate. The origin of the batch can thus be identified when it arrives at the mill.

In Russia, Metsäliitto operates through a network of its subsidiaries and subcontractors.

Metsäliitto’s wood procurement by area (Mill. m ³)	
Finland	23.1
Russia	3.4
Baltic countries	2.7
Western Europe	5.6
Total	34.8

Metsäliitto’s certified management systems			
	Quality Management System	Environmental Management System	Chain of Custody
Metsäliitto Cooperative	ISO 9001	ISO 14001	PEFC/FFCS
*) Foresta			FSC
Wood supply areas			
Austria			PEFC
Estonia	ISO 9001	ISO 14001	PEFC/FSC
Finland	ISO 9001	ISO 14001	PEFC/FSC
France		Covered by Alizay mill’s system	PEFC
Germany			PEFC
Latvia		Covered by Metsäliitto’s system	PEFC/FSC
Lithuania		Covered by Metsäliitto’s system	PEFC/FSC
Russia		Covered by Metsäliitto’s system	
Sweden	ISO 9001	ISO 14001	PEFC/FSC

*) Foresta is a fully-owned subsidiary of Metsäliitto Cooperative. The certificate covers wood exports from the Baltic countries to Finland and Sweden. FFCS = Finnish Forest Certification System. PEFC = Programme for the Endorsement of Forest Certification schemes). FSC = Forest Stewardship Council.

The purchase contracts include an environmental clause, according to which the wood supplier is committed to acting legally and to supplying the wood in accordance with the terms of the harvesting permit. The supplier must also report the exact location of the harvesting site. This information is entered into Metsäliitto's information system and the location can be visualised on a digital map. The digital mapping system reports cases in which there is reason to check the validity of the information on wood origin. The system thus helps to ensure that the wood does not originate from areas where logging is prohibited. Special attention is paid to logging carried out in the vicinity of protected areas.

Metsäliitto regularly audits its wood suppliers and their harvesting sites. Logging site audits include, for example, checking the validity of harvesting permits and the proper fulfilment of their terms. Special attention is paid to the quality of nature management and social aspects, such as employee training and safety at work. In 2006, the wood suppliers audited in Russia accounted for 65% of Metsäliitto's imports to Scandinavia. The corresponding figure for audits in the Baltic countries was about 60%.

Metsäliitto selects its wood suppliers in Russia with the help of its own classification system. The selection process favours long-term partners who have long-term forest leases and harvesting operations of their own, and whose operations meet the criteria for sustainable forestry (Class A). In case a wood supplier is found guilty of serious violation of Metsäliitto's environmental policy or principles of wood supply (Class D), Metsäliitto has the right to stop deliveries immediately and terminate the wood purchasing contract. Two agreements had to be terminated in 2006 due to serious violations. In addition, 10% of the harvesting sites were the subject of some sort of comment, mainly concerning occupational safety or the condition the sites were left in after harvesting.

During the year, Metsäliitto tightened up its auditing practices in Russia. Specific atten-

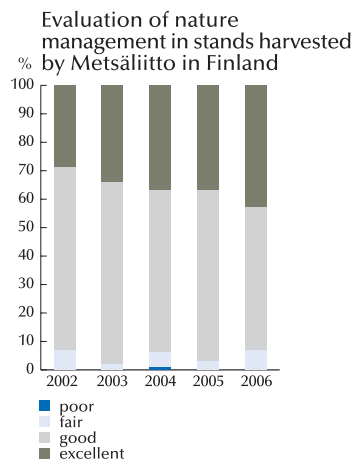
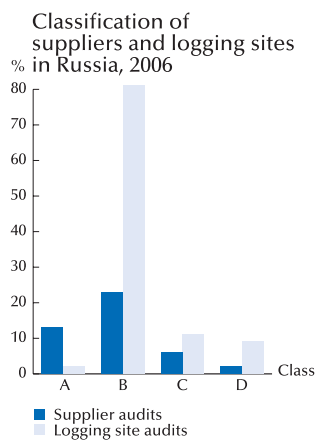
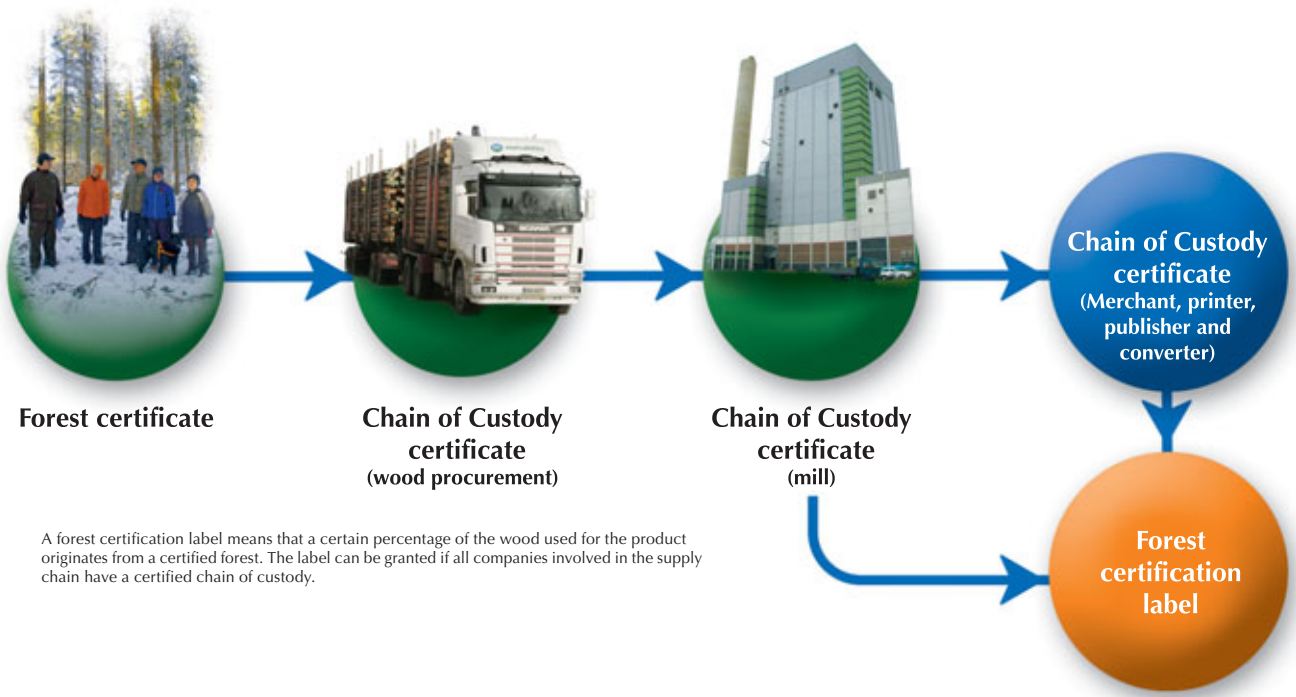
tion was paid to better management of the whole supply chain by, for example, focusing more resources on auditing the sub-suppliers used by Metsäliitto's subcontractors. In addition, the development possibilities of the Geographic Information System (GIS) programme were investigated, with a view to ensuring that the latest cartographic material and reliable information are always being used, for example with regard to conservation areas.

Metsäliitto supports forest certification

Metsäliitto Group supports forest certification based on independent third-party verification. The Group companies aim to increase the share of certified wood in their products and to introduce more products with forest certification labels to the markets.

Most of the Metsäliitto Group's production units have certified chains-of-custody. Several products supplied by Metsäliitto Wood Products Industry have been granted a forest certification label. During the year under review, deliveries of certified paper and paperboard products to customers commenced. Metsä Tissue's range of baking and cooking papers as well as tissue paper also include products that have forest certification labels.

The forest certification systems applied in Metsäliitto's wood supply countries are PEFC (Programme for the Endorsement of Forest Certification schemes) and FSC (Forest Stewardship Council). In some of the supply countries both systems are used. In 2006, about 75% of the wood supplied by Metsäliitto originated from certified forests. Over 90% of it was certified according to PEFC, which is the predominant system for small, privately-owned forests.



Non-compliance and liabilities

In 2006, the permit levels for effluent discharges were exceeded at M-real's Alizay, Husum, Kirkniemi and Kyro mills as well as in Tako Board BCTMP mill. The exceedings were mostly short-term and emissions have returned to normal levels. Corrective actions have been planned for the effluent treatment plants at Husum, Alizay and Kirkniemi. Permit levels for air emissions were exceeded at Alizay mill. The permit level for noise was exceeded at the Zanders Reflex mill.

The permit levels for biological and chemical oxygen demand at the waste water treatment plant of Punkaharju plywood mills' soaking facility were temporarily exceeded. Particle emissions from Vilppula sawmill's power plant exceeded the permitted level, and a decision on corrective measures has been taken.

Liabilities at Metsäliitto's industrial sites

Metsäliitto Group companies still have 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. These liabilities mostly concern soil contamination, or the closing and inspection of landfill sites.

The number of the Group's environmental liabilities relating to past activities has declined in recent years, as measures have been taken to clean up contaminated areas. The most significant of these measures was the cleaning up of the site of Metsäliitto Wood Products Industry's Upgrading plant and closed-down sawmill at Kolho. Soil and other ground materials were removed from the area and placed in a specially sealed capsule, because they had been contaminated by creosote and heavy metals used at the impregnation plant, and by dioxins and furans from the chlorophenols used at the sawmill. Contaminated soil materials from two other closed-down sawmills that used to belong to the Group were also taken to the same sealed capsule.

Extensive inspection work has been carried out to detect areas with possible soil

contamination at the Group's production sites during 2005–2006. According to present information, there are only three significant cases where Metsäliitto Group is liable for cleaning up sites where its operations have caused soil contamination. All these are closed landfill sites used by M-real. The measures that need to be taken relate to the closing and post-closure treatment of the sites. On the basis of preliminary investigations, no significant cleaning up of soil needs to be carried out at Metsäliitto's sawmill sites. Financial provisions have been made in cases where Metsäliitto's commitment has been defined.

Transportation

Transportation is an important phase in a product's life cycle. The environmental impacts of transport depend on the distance involved and the method of transport, as well as on the product that is being transported and the quantity concerned. All transport methods have an adverse impact on the environment, mostly by consuming fuel and causing emissions to air. It is important to minimise the harmful environmental impacts of transport by planning routes and utilising the transport capacity as efficiently as possible.

The Metsäliitto Group mainly uses road, rail and vessel transportation. To minimise adverse environmental impacts, Metsäliitto favours rail shipments whenever possible, because of their large transport capacity.

In sea transport, the Group uses modern vessels specially designed for the transportation of forest industry products. The shipping companies actively monitor fuel consumption and emissions in relation to the quantity of goods being transported.

The Metsäliitto Group carries out very little transport work of its own, so it is extremely important to create long-term cooperative arrangements and competitive transport solutions with reliable partners. A significant proportion of Metsäliitto's partners have certified environmental management systems and occupational health and safety management systems.

The proper lashing and securing of cargo is of prime importance. To eliminate possible accidents and damage to the products during transportation, Metsäliitto actively participates in the development and harmonising of a Europe-wide standard for cargo lashing and securing and in the creation of "Best Practice Guidelines" for cargo securing.

continue their journey to the customer either by rail or by road. The most distant markets are located in North and South America, the Far East and Australia.

Metsäliitto Wood Products Industry and M-real have distribution centres at the most important ports, enabling them to provide customers with flexible service by delivering products quickly and even in small quantities when required.

The wood raw material constitutes a major part of the total volume of raw material transported, but on average the transport distances involved are shorter than for other raw materials. For example, in Finland the average distance wood raw material is transported by road is 86 km, and by rail 215 km. The longest transport distances for raw materials are for the pigments imported from the United States and South America. However, the quantities involved are rather small.

Mode of transport according to the country and product involved

The Metsäliitto Group's main market area is continental Europe. Products are usually transported by vessels from the Group's Nordic mills to regional entry ports in mainland Europe and the UK. From these ports, they

Human resources management

The Metsäliitto Group employs a total of about 25,000 people in 30 countries. One third of the employees work in Finland. The emphasis in personnel development projects in 2006 was on multi-skilling, developing versatility of skills. In the field of occupational health and safety, "near-miss" reporting of potential accident situations was further developed, and there was a focus on supporting change management as a means of improving well-being at work.

Human resources management in the Metsäliitto Group companies is mainly handled at the level of individual companies, countries or units. At Group level, the corporate HR Management Team coordinates human resources matters. Its tasks are to share information within and between the Group companies and to harmonise procedures and practices.

The HR Management Team guides human resource management in the Group, aiming at making it more efficient, creating opportunities for job rotation and, at the same time, reducing costs. The integration of the human resource management of Metsäliitto Wood Supply, Metsäliitto Wood Products Industry and M-real, which was started during the year under review, is an example of Metsäliitto moving toward a more centralised operating model.

The Metsäliitto Group's human resource management principles provide assistance in achieving the strategic targets that the management sets for the various business areas. The aim of human resource leadership is to improve business performance. The most important tools include effective and motivating leadership, good supervisory skills and well-functioning relationships between supervisors and subordinates, the development of personnel skills, and advancing well-being and safety at work.

Organisational changes

One of the most significant organisational changes in 2006 was the merging of Finnforest (Metsäliitto Wood Products Industry) into Metsäliitto Cooperative at the end of March. At the same time, Tehdasmittaus Oy, another subsidiary of Metsäliitto, was merged into the parent company. Thomesto Ltd. also became part of the organisation of Metsäliitto Cooperative. The change took place gradually, start-

ing at the beginning of 2006. The merger was completed and became official at the end of September.

Metsäliitto Wood Products Industry focused on its core business and divested units that did not belong to its core activities. The most significant divestment was the sale of Metsäliitto's shareholding in Moelven Industrier ASA in December 2006. As a result, the number of employees in the Group fell by 3,200.

The sales network and the sales and customer service personnel of Metsäliitto's Paper and Board Industry (M-real) were integrated into the company's four strategic business lines in 2006. Management efficiency continued to be improved. The development of the business structures particularly affected mill personnel: the number of M-real employees was reduced by 1,500 through restructuring programmes, most of the personnel concerned being from the mills in Finland, Germany and Austria. In addition, the Pont Sainte Maxence mill in France was sold. Plans for closing down the Sittingbourne mill in the UK and the Wifsta

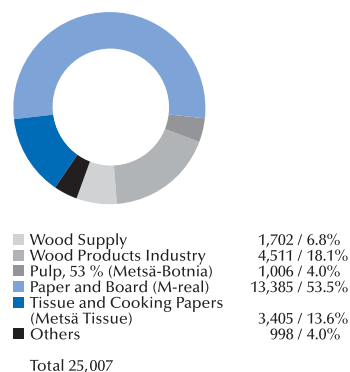
mill in Sweden were launched in the autumn. The decision to close down the Sittingbourne mill was taken in December, and production ceased at the end of January 2007.

The payroll administration for Metsäliitto Group personnel in Finland was moved to the city of Jyväskylä. In Finland, too, the process of merging the support functions of M-real, Metsäliitto Wood Supply and Metsäliitto Wood Products Industry was started up in October. A Group-level project for centralising support functions was launched in the UK.

Development projects at Group and company level

Many personnel development programmes were carried out in 2006. Particular attention was paid to safeguarding the continuity of

Personnel by business area 31 Dec. 2006



Personnel	31 Dec. 2006
Finland	8,696
Germany	3,715
United Kingdom	2,601
Sweden	2,191
Russia	976
Austria	809
Poland	755
Romania	659
France	649
Switzerland	573
Slovakia	529
Hungary	510
Belgium	368
Latvia	343
Estonia	313
Uruguay	313
Netherlands	302
Spain	126
Other countries	579
Total	25,007

operations, and development projects largely focused on ensuring management potential for the future.

Management succession planning was implemented in practice by improving employees' mobility, job rotation and learning opportunities in the Group, and by creating uniform working practices. In Metsäliitto Wood Products Industry, for example, a plan for succession was drawn up for all management team responsibilities.

Metsäliitto Group companies implemented many training and development projects specific to countries and units. For example, professional training is provided in Finland at M-real's personnel development unit M-Institute Silva. The services of this unit are utilised by other Group companies as well. The 18-month training programme is designed to help people acquire a professional paper industry qualification and a permanent job. Similar training programmes have been introduced in Metsäliitto Wood Products Industry and Metsä-Botnia.

Technical training organised in M-real in 2006 focused on the management of energy-economics and maintenance, as well as on understanding the paper and board production processes, customers' businesses, and printing and packaging processes. Over 150 people involved in sales and marketing took part in a training programme that gave them a deeper insight into the meaning and contents of key financial figures.

Metsäliitto Wood Supply arranged a logistics training programme for transport and planning supervisors. A corresponding training programme is being planned for the wood harvesting organisation as well. The adoption of new forest management guidelines and the revision of forest taxation in Finland at the beginning of 2006 required extensive training of all field personnel and harvesting and transportation contractors. The development of supervisor skills continued with an in-depth management programme.

Personnel development projects in 2006 focused on the development of multiple skills.

Multi-skilling was promoted particularly strongly at M-real's and Metsä-Botnia's mills with the aim of expanding employees' process expertise. Thus, for example, a maintenance training programme was arranged to develop skills in remedying malfunctions. This particular training programme aims to decrease machine downtime and thus improve the consistency of pulp quality.

Incentive schemes were harmonised in the Group's business areas. Incentive schemes include targets for the company, units and individual employees, and they are designed to motivate employees and guide them towards profitable cooperation.

Environmental training programme in Russia

In 2006, an environmental training programme was launched in Metsäliitto's wood supply organisation in Russia. The target groups included the employees of Metsäliitto Wood Supply Russia and Metsä-Botnia's Svir Timber sawmill as well as local wood suppliers. Training was also provided at Metsäliitto's head office in Espoo for approximately 170 key persons involved in wood supply from Russia, including members of the Group's senior management.

Responsible wood supply was the main theme of the environmental training programme. The topics that were dealt with included wood origin management, forest certification, sustainable forestry, and the combating of illegal logging, as well as forest administration and forest legislation in Russia, and safety at work. Those taking part in the training programme in Russia had the opportunity to visit a logging site

and observe a field audit being carried out.

A training programme to increase knowledge concerning wood supply in Russia was also launched in Finland. Its aim is to train purchasing managers who have Russian language skills for various wood supply positions in Metsäliitto Group subsidiaries operating in Russia.

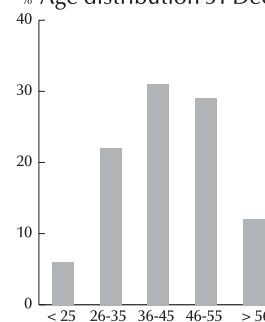
Open dialogue

The Metsäliitto Group aims to enhance the flow of information and promote successful dialogue between the Group management and the various personnel groups. The aim of the European Works Council (EWC) is to promote open communication between management and personnel. The personnel select their own representatives as members of the Council.

Metsäliitto Wood Products Industry, M-real and Metsä Tissue all participate in EWC activities.

Job satisfaction surveys were also conducted during 2006.

% Age distribution 31 Dec. 2006



Key figures by business area, personnel	Average age of the personnel	Average years served	Permanent employments (%)	Men/women (%)	Employee turnover (%)	Training days/person
Metsäliitto Group *	42.9	14.6	95	79/21	9.3	2.5
Wood Supply	41.9	10.8	97	75/25	20.1	2.8
Wood Products Industry	39.5	9.5	95	79/21	12.0	2.8
Pulp industry	45.0	18.5	94	80/20	3.1	3.0
Paper and board	44.2	16.2	96	80/20	8.7	2.4
Tissue and cooking papers	42.1	15.8	91	80/20	4.8	2.2

*) The figures include 97% of the Metsäliitto Group's personnel.

Occupational safety and well-being at work

The Metsäliitto Group is committed to enhancing employees' safety and well-being at work. Occupational safety and well-being are closely linked, and they are promoted simultaneously in ways that are target-oriented and based on research findings. This systematic approach aims at reducing the incidence of accidents and occupational diseases, and at promoting the physical, mental and social health of the employees. The aim of the whole Group is to reduce the number of work-related accidents and occupational diseases.

Trends in the occupational safety situation were monitored during the year by a Group-level working group, which supported the units in improving occupational safety and well-being at work, for example by distributing information on key safety indicators and best safety practices.

Practical activities aimed at improving occupational safety and well-being at work in Metsäliitto are mainly organised at the level of individual business areas and units, but cross-sector projects are carried out as well. Examples of these include the active participation of M-real and Metsä-Botnia in the Finnish Zero-Accidents Forum, and the implementation of safety and risk assessments in M-real and Metsäliitto Wood Products Industry. M-real's new occupational safety awards encourage continuous improvement of occupational safety and well-being at work, and provide a good example of a business-specific project. The award for the best achievement in 2006 went to M-real's Zanders Gohrsmühle mill and the

award for the biggest improvement from the previous year went to M-real's Biberist mill. Risks related to occupational safety are identified by reporting near-miss situations. Reporting was improved throughout the Group in 2006. The Finnish Occupational Safety Card system is widely used in the Group's business areas. For example, Occupational Safety Card training has been completed by the entire staff of Metsä-Botnia's Svir Timber sawmill in Russia, which began operation at the beginning of the year.

No fatal work accidents occurred in the Metsäliitto Group or its production units in 2006. Accidents at work resulting in at least one day of sick leave totalled 21.5 per million working hours. The number of work accidents per million working hours in the different sectors totalled 28.4 in Metsäliitto Wood Supply, 31.0 in Metsäliitto Wood Products Industry, 22.8 in Metsä-Botnia, 18.6 in M-real and 14.4 in Metsä Tissue.

Sick leave amounted to 4.0% of the potential regular working time.

Long-term promotion of well-being at work

Within the Metsäliitto Group companies, occupational safety and well-being at work are closely connected. The Group's approach to promoting occupational safety and well-being at work focuses on an integrated concept of 'Safety well-being', which combines the health of individual employees, the resources of the personnel and organisation, safe working practices and a safe working environment, and the

changes in working life. This Safety well-being is promoted in close cooperation with the personnel, the Group's occupational safety organisation, occupational health services, human resources management, line management, and company and Group management. Well-being at work is promoted in the Metsäliitto Group in a systematic and proactive manner.

Training in managing change for managers and organisations

The management of change and promotion of the organisation's internal performance are key focus areas in enhancing well-being at work in the Metsäliitto Group. This includes for example a new, work-related supervisors' training programme that was implemented in M-real's and Metsä Tissue's production units during 2006.

The Metsäliitto Group aims to conform with the rapidly changing business environment by actively reorienting its ways of working. This renewal of ways of working reflects the organisation's ability to change and develop its operations, abandon old routines, renew monitoring systems and adopt new practices of cooperation and collaboration. In Metsäliitto, organisational change management training is implemented according to the principle of cooperative work development, and it aims at improving the organisation's internal performance, well-being at work and meaningfulness and effectiveness of work.

Programmes and studies to promote well-being at work

Several programmes for promoting well-being at work were launched in the Group's business areas in 2006.

Metsäliitto Wood Products Industry started up a project for increasing the predictability of the working capacity of the units' personnel, and Metsäliitto Wood Supply carried out an extensive survey on the well-being at work of salaried forestry employees. The main themes in Metsä-Botnia's programme for well-being at work included leadership, health and well-being, and expertise.

Occupational safety and well-being at work		
	Sick leave (%)	Lost time accident frequency rate (per million working hours)
Metsäliitto Group*	4.0	21.5
Wood Supply	1.9	28.4
Wood Products Industry	3.1	31.0
Pulp industry	5.8	22.8
Paper and board	4.2	18.6
Tissue and cooking papers	4.7	14.4

*) The figures include 97% of the Metsäliitto Group's personnel.

Systematic promotion of well-being at work involves the Finnish "Getting fit for work" occupational health model. The model recommends that support measures to prevent any loss of working capacity should be provided at an early stage. Encouragement given by supervisors, and having discussions with one's supervisor, for example after any lengthy sick leave, are key components of the model. The model has been adopted in the production units of Metsäliitto Wood Products Industry, M-real and Metsä-Botnia.

The systematic health and well-being programme of the Metsäliitto Group involves the promotion of work capacity and health throughout each employee's whole career. It involves providing the opportunity for both early and longer-term rehabilitation and conditioning if an examination has shown that an employee's working capacity or health has declined, or is likely to decline. With regard to early rehabilitation, the Group has arranged health renovation courses, which aim to improve the ability of individual employees to assume the responsibility for looking after their own health. The Group also encourages employees to adopt healthier ways of life, by broadly supporting different kinds of sport and exercise.

Awards for safe practices

The Gohrsmühle and Biberist mills received the M-real safety awards, which were presented for the first time. M-real believes that an important part of professional competence is to know how to do your job safely.

The first M-real occupational safety awards, aiming at encouraging production units to share and continuously improve best practices, were presented in 2006. M-real's occupational safety and well-being policy was approved in December 2004. At the same time, indicators were developed for monitoring accidents at work and absences due to illness, and a network of country coordinators was created to ensure development work at mills and workplaces. The implementation of occupational safety is monitored quarterly at M-real.

The M-real Safety Award was given to the Zanders Gohrsmühle mill, which has the highest level of occupational safety and well-being of all M-real mills. At the Gohrsmühle mill, the frequency of accidents and their level of severity are less than one third of the M-real average. The Make Safety Work acknowledgement was given to the Biberist mill, which has made the greatest improvement in its own result in one year. At the Biberist mill, the number of accidents has decreased to one-third, and the level of severity has halved during the year.

The operating methods of the Zanders Gohrsmühle and Biberist mills were commended, because they enable everyone to participate in safety issues. Safety Talks and Safety Walks, for example, are organised at the mills. A Safety Talk means that the supervisor is obligated to discuss issues relating to safety and well-being with each employee at regular intervals. These units paid attention to safety training for supervisors and to the Occupational Safety Card training. The units were also encouraged to report dangerous and close-call situations. Attention was also paid to instructions, such as the security instructions concerning internal traffic and the loading and unloading of wood and other materials.

The number of absences due to illness is below the M-real average at both mills. Gohrsmühle, for instance, has established a practice where even a one-week absence is followed by a survey on whether there are factors that affect the employee's working conditions and possibly caused the absence.

Metsäliitto Cooperative Wood Products Industry

	Personnel		Management system				Chain of Custody			Pulp
	31 Dec. 2006	LTA FR	ISO 9001	ISO 14001	EMAS	OHSAS	DS 3027	PEFC	FSC	
Boston (UK)	329	17	x	x			x	x	x	
Bremen	117	61								
Eskola	12	0		x				x		
Finnforest Deutschland GmbH	107	111						x		
Finnforest France SAS	143	43						x	x	
Finnforest Romania	604	-								
Grangemouth	141	27	x	x			x	x	x	
Hull	24	0	x	x			x	x	x	
Karihaara	49	94						x		
Kaskinen Timber Components	85	47						x		
Kaskinen, Thermowood	5	0						x		
Kerto, Lohja	210	45	x					x		
Kerto, Punkaharju	163	85	x					x		
King's Lynn	41	22	x	x			x	x	x	
Kolho	10	0	x	x			x	x		
Kuningaspalkki	57	78	x					x		
Kyrö	82	99	x	x				x		
Kyröskoski	69	85	x	x				x		
Lappeenranta	84	91	x	x				x		
Leven BBH	8	-	x	x						
Merikarvia	76	56	x	x				x		
Modular Building, Hartola *	-	-								
Newport	25	-	x							
Punkaharju	382	85	x					x		
Renko	76	15	x	x				x		
Reopalu	35	17								
Soinlahti	72	61	x	x				x		
Suolahti birch plywood	389	48	x					x		
Suolahti softwood	221	64	x					x		
Teuva	37	51						x		
Tilbury	237	8	x					x	x	
Widnes	107	35	x	x			x	x	x	
Vilppula	172	47	x	x			x	x		
Moelven *	-	-								x

- Not reported

*) Sold during the year 2006

In the Wood Products Industry's emissions to water occur only in plywood production processes.

Emissions to air reported according to the ownership. Not included in the above: the Shütte-Lanz blockboard coating unit in Germany and the St Petersburg planing plant in Russia.

LTA FR: Lost time accident frequency rate (accidents / million working hours)

Metsä-Botnia

	Personnel		Management system				Chain of Custody			Pulp
	31 Dec. 2006	LTA FR	ISO 9001	ISO 14001	EMAS	OHSAS	DS 3027	PEFC	FSC	
Joutseno	185	47	x	x			x	x	x	571
Kaskinen	227	79	x	x			x	x	x	413
Kemi	228	24	x	x			x	x	x	533
Rauma	137	34	x	x			x	x	x	532
Äänekoski	229	32	x	x			x	x	x	471
Joint resources	135	0								
Svir Timber	148	-								

- Not reported

LTA FR: Lost time accident frequency rate (accidents / million working hours)

	Production 1 000 m ³ /a	Emissions to air t/a				Emissions to water t/v					Waste t/a	
		Wood products	Particulates	CO ₂ (fossil)	Sulphur (as SO ₂)	Nitrogen (as NO _x)	COD	BOD	Phosphorus	Nitrogen	Total Solids	Landfill waste (as dry)
further processing	208	-	0	0	0	-	-	-	-	-	598	0
further processing	4	-	0	0	0	-	-	-	-	-	209	0
sawn timber	56	-	0	0	0	-	-	-	-	-	2	0
further processing	18	1.5	-	-	164	-	-	-	-	-	0	0
further processing	89	-	0	0	0	-	-	-	-	-	29	0
block board	57	-	0	0	0	-	-	-	-	-	1,442	0
further processing	73	-	0	0	0	-	-	-	-	-	308	0
further processing	9	-	0	0	0	-	-	-	-	-	48	0
sawn timber	89	-	0	0	0	-	-	-	-	-	11	6
further processing	58	0	0	0	0	-	-	-	-	-	12	0
further processing	18	0	0	0	0.6	-	-	-	-	-	0	0
LVL production	105	-	0	0	0	3	1	0.01	0.02	0.27	165	33
LVL production	108	0.6	256	1.6	7.9	-	16	0	0.1	1	0	18
further processing	147	-	0	0	0	-	-	-	-	-	600	0
further processing	79	0	769	11	2	-	-	-	-	-	65	31
gluelam production	28	0	0	0	2	-	-	-	-	-	17	0
sawn timber	193	1,074	69	0	3	-	-	-	-	-	62	1
sawn timber	217	-	0	0	0	-	-	-	-	-	13	4
sawn timber	239	0	0	0	3.4	-	-	-	-	-	0	0.3
further processing	7	-	-	-	-	-	-	-	-	-	41	0
sawn timber	195	20	837	0.6	3.8	-	-	-	-	-	46	9
modules	10	0	0	0	0.3	-	-	-	-	-	21	4
further processing	25	-	-	-	-	-	-	-	-	-	36	0
plywood production	64	0.4	151	1	5.8	32	18	0	0.1	4	2,476	32
sawn timber	280	342	22	0	2.8	-	-	-	-	-	41	1
sawn timber	51	12	0	0.5	5	-	-	-	-	-	0	6
sawn timber	146	402	26	0	2.3	-	-	-	-	-	134	1
birch plywood	64	137	41	0.01	4.9	7	12	0.1	0.1	3	81	28
softwood plywood	180	389	118	0	12	-	-	-	-	-	81	27
sawn timber	89	0	0	0	1.6	-	-	-	-	-	6	0
further processing	138	-	0	0	0	-	-	-	-	-	1,670	0
further processing	74	-	0	0	0	-	-	-	-	-	139	0
sawn timber	482	0	126	0.8	6.5	-	-	-	-	-	165	0
sawn timber and further processing	2,642	-	-	-	-	-	-	-	-	-	-	-

	Production 1 000 t/a	Emissions to air t/a				Emissions to water t/v					Waste t/a	
		Particulates	CO ₂ (fossil)	Sulphur (as SO ₂)	Nitrogen (as NO _x)	COD	BOD	Phosphorus	Nitrogen	Total Solids	Landfill waste (as dry)	Hazardous waste
		143	84,000	334	944	6,248	101	3.5	67	128	12,860	79
		310	64,000	668	1,119	4,650	109	5.3	48	356	10,277	245
		64	73,000	206	1,645	7,957	158	6.9	69	414	5,938	15
		623	63,000	303	951	3,592	198	5.6	40	249	10,461	13
		502	13,000	415	978	7,065	148	8.7	57	437	4,812	21
sawn timber (1,000 m ³ /a)	165	68	400	400	29	-	-	-	-	-	1,600	0.2

M-real

	Personnel		Management system					Chain of Custody		Pulp
	31 Dec. 2006	LTA FR	ISO 9001	ISO 14001	EMAS	OHSAS	DS 3027	PEFC	FSC	
Alizay	419	32	x	x				x		253
Biberist	551	13	x	x			x	x	x	
Gohrsmühle	996	10	x	x			x	x	x	
Hallein	702	20	x	x	x		x	x		144
Husum	1,274	11	x	x				x	x	716
Joutseno BCTMP	54	35	x	x			x	x		258
Kangas	267	24	x	x	x		x	x		
Kaskinen BCTMP	46	35	x	x				x		239
Kemiart Liners	144	12	x	x			x	x		
Kirkniemi	722	31	x	x				x		226
Kyro	297	21	x	x				x	x	87
Meulemans	252	28	x	x						
New Thames	295	9	x	x	x			x	x	101
Petőfi	422	10	x	x						
Pont Sainte Maxence *	-	-	-	x				x		
Reflex	472	7	x	x			x	x		
Simpele	422	26	x	x			x	x		79
Sittingbourne	291	16	x	x	x			x	x	
Stockstadt	738	33	x	x	x			x		144
Tako Board	427	51	x	x			x	x		
Tako Board BCTMP***	-	-	x	x			x	x		99
Tako Carton	156	48	x	x			x	x		
Wísta **	-	-	x	x				x	x	
Äänekoski Board	183	35	x	x			x	x		
Äänekoski Paper	306	29	x	x	x		x	x		
Others	1,540	-						x		
Sales network	735	0								
Map Merchant Group	2,414	0								

- Not reported

*) Pont Sainte Maxence sold during the year 2006

**) Wísta's personnel figures are included in Husum's figures.

***) Tako Board BCTMP's personnel figures are included in Tako Board's figures.

LTA FR: Lost time accident frequency rate (accidents / millions working hours)

Metsä Tissue

	Personnel		Management system					Chain of Custody		Pulp
	31 Dec. 2006	LTA FR	ISO 9001	ISO 14001	EMAS	OHSAS	DS 3027	PEFC	FSC	
Katrinefors	658	11	x	x				x		
Krapkowice	327	-	x	x			x			
Kreuzau	484	8	x	x				x	x	
Mänttä *)	529	38	x	x			x	x		
Raubach	285	5	x	x				x	x	
Småland	594	9	x	x				x		
Stotzheim	306	9	x	x				x	x	
Warsaw	218	-	x	x			x			
Žilina	499	2	x	x						

- Not reported

*) Includes Tissue and Baking & Cooking business areas

LTA FR: Lost time accident frequency rate (accidents / millions working hours)

Production 1000 t/a Paper/ Board	Emissions to air, t/a				Emissions to water, t/a					Waste, t/a	
	Particulates	CO ₂ (fossil)	Sulphur (as SO ₂)	Nitrogen (as NO _x)	COD	BOD	Phosphorus	Nitrogen	Total solids	Landfill waste (as dry)	Hazardous waste
266	157	50,425	840	582	4,902	211	17	79	1,012	2,237	256
408	0	105,744	0	56	119	25	0.34	2.4	38	46	57
346	15	414,156	665	542	273	91	4.1	13	106	168	87
296	16	72,167	132	305	4,413	222	5.9	42	408	7,458	200
671	430	103,623	854	1,358	11,190	1,157	25	222	2,645	40,110	710
	20	29,120	5.1	64	498	5.3	0.17	3	6.8	25	45
263	0	14,113	0	6.2	224	55	0.83	6.9	47	210	23
	12	11,722	20	48	556	5	0.20	1.9	16	143	0
324	6	6,736	17	240	427	24	1.2	12	71	182	8
659	3.3	363,085	4	370	1,416	56	1.8	28	492	1,316	98
204	0	4,828	0	2.4	316	27	0.62	6.2	107	266	16
	0	563	0	0	0	0	0	0	0	268	109
179	0	0	0	0	278	12	0.73	8.8	37	6,507	41
	0	1,717	0	3	0.68	0.20	0.01	0	0.20	1,699	144
51	0	0	0	0	39	4.4	0.49	3	26	61	77
101	0	81,689	0	118	83	31	1.5	0	31	148	218
189	18	106,396	318	353	517	35	1.6	11	47	7,864	22
147	0	8,077	0	4	62	11	0.71	8.4	35	189	16
401	14	293,710	116	366	202	109	6.1	46	126	3	0
234	0	84,226	0	155	254	95	0.95	2.3	108	310	62
	0	26,975	0	24	1,054	70	1.3	20	96	104	7.8
	0	0	0	0	0	0	0	0	0	0	30
157	0	0	0	0	131	9	0.45	0	29	24	25
170	9.8	5,548	10	64	398	134	0.65	5.2	113	131	11
172	12	7,357	14	75	341	133	0.48	7.3	75	121	16

Production 1000 t/a Tissues and Cooking papers	Emissions to air, t/a				Emissions to water, t/a					Waste, t/a	
	Particulates	CO ₂ (fossil)	Sulphur (as SO ₂)	Nitrogen (as NO _x)	COD	BOD	Phosphorus	Nitrogen	Total solids	Landfill waste (as dry)	Hazardous waste
66	0	16	0	30	212	22	0.36	14	12	217	14
32	11	47	221	54	32	4.7	0.24	8.9	7.6	529	1.1
139	0	85	11	69	77	5.7	0.27	6.6	4.4	21	18
128	23	108	168	179	464	60	2.18	22	65	17,089	26
47	0	21	0	40	25	6	0.26	0	4.92	15	4.3
44	14	16	5	29	109	21	0.26	3.6	22	2,510	60
23	0	10	0	18	10	2.5	0.04	0.19	2.4	100	357
22	26	24	142	35	55	10	0.20	0.6	10.59	3,094	2.8
74	13	69	354	149	33	4.1	0.54	15	6.35	8,955	10

GRI content index

Code	Content	Report page	Title
Economic impacts			
EC1	Economic added-value produced	19	Economic impacts
EC8	Indirect economic impacts	21	Research and development
		24	Uruguay pulp mill project
Environment			
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EN 2	Recycled materials	28	Materials balance
EN 3	Direct energy consumption	30	Energy
EN 4	Indirect energy consumption	30	Energy
EN 5	Energy-saving measures	30	Energy
EN 6	Energy-efficiency improvement	30	Energy
EN 7	Improvement of energy-efficiency in indirect energy consumption	30	Energy-efficiency improvement
EN 8	Water	28	Materials balance
EN 11	Biodiversity	31-33	Wood supply
EN 12	Biodiversity	31-33	Wood supply
EN 15	Biodiversity	31-33	Wood supply
EN 16	Greenhouse gas emissions	28	Materials balance; emissions; statistical tables
EN 20	Other significant emissions to air	28	Materials balance; emissions; statistical tables
EN 21	Emissions to waterways	28	Materials balance; emissions; statistical tables
EN 22	Waste	28	Materials balance; emissions; statistical tables
EN 23	Leak-related volumes	34	Non-compliance and liabilities
EN 24	Hazardous waste	28	Materials balance; emissions; statistical tables
EN 26	Reduction of environmental impacts	27	Environmental impacts
EN 28	Deviations from permit terms	34	Non-compliance and liabilities
EN 29	Environmental effects of transport	35	Transportation
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Social responsibility			
LA1	Work force by region and proportion of permanent work relationships	36-39	Human resources management
LA2	Employee turnover	36-39	Human resources management
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PR1	Product safety	26	Product safety
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Glossary

Biological oxygen demand (BOD)

The quantity of oxygen consumed in the decomposition of organic matter in a water sample within a specified time under standard conditions.

Carbon dioxide (CO₂)

A product of the burning of organic matter. Chlorophyll in plants assimilates carbon dioxide and splits it into carbon and oxygen. The oxygen is released back to the atmosphere while the carbon is retained in the plant. A growing forest is thus a significant absorber of carbon.

Chemical oxygen demand (COD)

A measurement of the quantity of matter in the water that combines chemically with oxygen.

Delivery-to-roadside sales

Timber sales contract, according to which the seller fells the timber, prepares it as agreed with the buyer, and delivers it to the roadside for collection by a timber truck at the agreed time. The price of timber in delivered-to-roadside sales contracts is somewhat higher than the stumpage price because it also includes the costs of felling and delivery to the roadside.

ENA FLEG (Forest Law Enforcement and Governance in Europe and North Asia)

A declaration and action plan against illegal logging, signed by European and North Asian countries at a Ministerial Conference in St. Petersburg in November 2005.

EU FLEGT (EU action plan on Forest Law Enforcement, Governance and Trade)

A licensing system prepared by the European Commission, specifying requirements for the verification and tracking of the legality of logging.

Frequency of accidents at work

The number of accidents at work resulting in at least one day of sick leave, per million working hours.

FSC (Forest Stewardship Council)

Global Compact

The United Nations initiative for responsible business operations, with 10 principles concerning human rights, labour standards, the environment and anti-corruption work.

Global Reporting Initiative (GRI)

An internationally approved reporting framework for corporate social responsibility reporting (www.globalreporting.org).

ISO 14001

International Organisation for Standardisation's standard for environmental management systems.

ISO 9001

International Organisation for Standardisation's standard for quality management systems.

Nitrogen oxides (NO_x)

Chemical compounds of nitrogen and oxygen. Nitrogen oxides cause the acidification and eutrophication of soil and waterways.

OHSAS 18001

An assessment specification that provides a basis for companies' Occupational Health and Safety Management Systems. It has been developed from British Standard 8800.

PEFC (Programme for the Endorsement of Forest Certification schemes)

Percentage of sick leave

Sick leave as a percentage of the potential regular working time.

Phosphorus

An element which causes eutrophication if it is present in water to an excessive extent.

Reinforcement pulp

Strong long-fibred pulp which is used to add strength to printing papers containing mechanical pulp or recycled fibre.

Stumpage sales

Sales of wood from the forest in which the buyer acquires felling rights, meaning that the buyer fells the trees and transports the wood from the forest. Stumpage sales are a relatively easy way of selling for the seller.

Sulphur dioxide (SO₂)

An oxide of sulphur that forms when burning or processing sulphur or sulphur compounds. Sulphur dioxide causes the acidification of soil and waterways.

Suspended solids

Solid organic or mineral substances found in water.

Terawatt hour (TWh)

A unit for measuring energy. 1 TWh = 1,000 GWh = 1 million MWh = 1 billion kWh. For example, a 100 watt lamp uses 1 kilowatt hour (kWh) of energy in 10 hours.

Assurance report

To Metsäliitto Group's Management

At the request of Metsäliitto Group's Management we have performed the procedures agreed with you and detailed below concerning the Metsäliitto Group's Corporate Responsibility Report 2006 (the Report). Metsäliitto Group's Management has prepared the report, and is responsible for the collection and presentation of information within it. This independent assurance report should not be used on its own as a basis for interpreting Metsäliitto Group's performance in relation to its principles of corporate responsibility.

Scope of our work

The scope of our work consists of the HR and environmental indicators which are included both in the Report and the Report of the Board of Directors.

Criteria

As the basis of our work we have followed the International Standard on Assurance Engagements 3000 (revised) applicable to assurance engagements other than audits or reviews of historical financial information. The criteria are built upon the Global Reporting Initiative (GRI) G3 version, Metsäliitto Group's reporting guidelines, and the targets that the Group Management has set for corporate responsibility reporting.

Summary of the work performed

The procedures that we have performed are summarised as follows:

- We interviewed Group Management in order to ascertain the current targets for Metsäliitto's corporate responsibility as part of the business strategy and operations;
- We assessed the data management procedures used in compiling and reporting the quantitative data;
- We assessed the completeness, accuracy, and comparability of information presented in the Report.

Espoo, 21 March 2007

Göran Lindell
Authorised Public Accountant, Partner

PricewaterhouseCoopers Oy

Sirpa Juutinen
Director, Sustainable Business Solutions

We interviewed the persons responsible for the practices and procedures used for data generation, recording, and consolidating both at the Group Head Office and at the mill sites of the business lines of Metsä-Botnia, M-real, Metsä Tissue and Metsäliitto Cooperative Wood Products Industry. The assessment of the quantitative data is based on the samples of primary documentation received from the sites visited, together with the initial numeric data received from all the mill sites. This year we visited the mill site of Metsä-Botnia in Äänekoski together with Äänevoima, the mill sites of M-real Biberist (Switzerland), Äänekoski Board and Äänekoski Paper, the mill sites of Metsä Tissue Mänttä and Katrinefors (Sweden), and the production units of Metsäliitto Cooperative Wood Products Industry in Suolahti and Boston (UK).

Our conclusions

Based on our general review work described above, nothing has come to our attention that causes us to believe that the Metsäliitto Group's Corporate Responsibility Report for 2006 in all material respects, based on the aforementioned assurance criteria, is not giving a balanced and appropriate view of Metsäliitto Group's corporate responsibility. Additionally nothing has come to our attention that causes us to believe that the areas covered in prior years, are not comparable with those in the 2006 Report. Our assurance report should be read in conjunction with the inherent limitations of accuracy and completeness for corporate responsibility information.

Corporate Governance

General

The responsibilities of the various organs of the Metsäliitto Group (Metsäliitto) are determined in accordance with Finland's Cooperatives Act, the by-laws of the Cooperative, the Securities Markets Act, and other Finnish legislation.

Metsäliitto has prepared its financial statement for 2006 in accordance with the International Financial Reporting Standards (IFRS) and has published it in Finnish, Swedish and English.

The business operations of Metsäliitto Cooperative comprise the parent company Metsäliitto Cooperative and its subsidiaries (the Metsäliitto Group). The Cooperative's head office is located in Espoo.

According to its by-laws, Metsäliitto Cooperative's governing bodies are the Representative Council, the Supervisory Board, the Board of Directors, the President & CEO and the Senior Executive Vice President. The President & CEO has the primary responsibility for managing the parent company and the Group. The role of the Supervisory Board is mainly to provide owner-guidance and exercise oversight. The Representative Council is the highest decision-making body, comparable to the annual general meeting in an incorporated company. Both the day-to-day preparation related to matters that are submitted to the decision-making bodies and the decision-making related to matters concerning the entire Group are carried out by the Executive Management Team. Other day-to-day operative business and management is carried out in the subsidiaries. Business support functions in the Group have mainly been centralised in the parent company. In Finland, district committees serve as connecting links between the members and the wood supply organisation.

The duties and compositions of the decision making bodies

Members and the Representative Council

All private persons and entities owning at least three hectares of productive forest in Finland are eligible for membership in Metsäliitto Cooperative.

The owners' powers of decision in Metsäliitto Cooperative are exercised by the Representative Council, which is elected every four years by and from among the members of each electoral district. The Representative Council holds one Annual General Meeting a year, at which each representative has one vote.

The Annual General Meeting confirms the financial statements and decides on the distribution of the surplus, and it also determines the remuneration of the chairperson, members and auditors of the Supervisory Board. In addition, it appoints the Supervisory Board and the auditors. The Representative Council has 69 members.

Supervisory Board

The Supervisory Board comprises at least 20, and no more than 30, members who are elected from among the members of the Cooperative by the Representative Council. Additionally, the personnel may appoint a maximum of five members, and the Representative Council no more than three expert members, to the Supervisory Board.

The Supervisory Board's task is to oversee that Metsäliitto business operations are conducted in compliance with the relevant by-laws, rules and decisions, and that the decisions of the Representative Council are implemented.

Members of the Supervisory Board are appointed for three-year terms. At present, this body has 30 members and four representatives of the personnel.

The Nomination Committee, acting under the Supervisory Board, deals with the annual

election of the Board of Directors and prepares the decisions of the Supervisory Board on the composition of the Board of Directors and the remuneration of its members.

Board of Directors

The Board of Directors consists of at least five and at most eight members together with the CEO and president of Metsäliitto Group, if he or she has been separately elected by the supervisory Board according to the Rules, section 22. The term of office of a member of the Board is three years.

The Board of Directors is responsible for the proper arrangement of administration and operations in compliance with the applicable legislation and the Board's rules of procedure. The responsibilities of the Board of Directors concern matters of far-reaching importance in view of the scope and nature of the Cooperative's operations.

Currently the Board of Directors has nine members. The Board of Directors elects a chairperson from among its members. The Supervisory Board determines the remuneration for the members of the Board of Directors annually.

The Board of Directors appoints a Compensation Committee to assist it in evaluating matters related to the terms of employment and the income level of members of senior management. The aim of the Compensation Committee is to make the executive compensation systems motivating so that they promote commitment and are in line with the appropriate practices in the industry, both domestically and internationally. The Compensation Committee consists of the Chairperson of the Supervisory Board, the Chairperson of the Board of Directors, and the President & CEO.

President & CEO

The Metsäliitto Cooperative Group's President & CEO is Kari Jordan. According to the by-laws, the President & CEO also acts as President of Metsäliitto Cooperative.

In addition to the responsibilities set forth in the applicable legislation, the President & CEO is responsible for steering the operations of the parent company and the Group, and for chairing the boards of directors of the most significant subsidiaries, as well as acting as chairperson of the Executive Management Team.

The President & CEO's terms of employment are specified in writing in an employment contract approved by the Board of Directors.

Senior Executive Vice President

Martin Lillandt, M.Sc. (Forestry), started as Senior Executive Vice President of Metsäliitto Cooperative in February 2003. His responsibilities include developing and managing Metsäliitto's wood procurement and coordinating matters related to forest policy, social responsibility and the environment, as well as stakeholder relations.

Executive Management Team

The Executive Management Team consists of the Metsäliitto Group President & CEO (Chairman of the Executive Management Team), the CEOs of the most important subsidiaries, the Senior Executive Vice President of Metsäliitto Cooperative, and the Metsäliitto Group's CFO and Executive Vice President for Strategy. The General Counsel of the Metsäliitto Group acts as Secretary of the Executive Management Team. The task of the Executive Management Team is to aid the President & CEO in the operative management of the Group.

Auditing

Auditors

The Representative Council has selected Göran Lindell, APA, and the PricewaterhouseCoopers Oy firm of authorised public accountants as auditors, with Ilkka Haarlaa, APA, as main responsible auditor.

Internal auditing

The Metsäliitto Group's internal auditing has been performed by the Group's own internal audit function. Internal auditing focuses particularly on areas that are important for the Group's achievement of its objectives.

Risk management

The financial administration is responsible for developing and implementing Metsäliitto's risk management procedures, as well as for coordinating risk management measures. Metsäliitto employs a comprehensive method of risk assessment, which is implemented as a continuous process. The aim of risk management is to identify, measure, and control risks that could, if realised, threaten the company's operations and the achievement of the targets set. Operating principles for risk management in the Metsäliitto Group are described in the section of the Annual Report concerning risk management principles.

The Supervisory Board of Metsäliitto Cooperative comprised the following 34 members in 2006:

Chairman:

Lillandt Runar Councillor of Agriculture KRISTIINANKAUPUNKI Niiranen Martti Farmer VARPAISJÄRVI

Deputy Chairman:

Hedetniemi Aarne Farmer HAAPAJÄRVI Nikula Timo Agrologist LAITILA

Members: Aminoff Mikael Forester TAMMISAARI Ollila Juhani Farmer UTAJÄRVI

Autio Leo Agronomist HUITTINEN Paajanen Juha Farmer PUNKAHARJU

Isotalo Antti Farmer ALAHÄRMÄ Palojärvi Martti Farmer VIHTI

Jaakkola Antti Farmer ISOJOKI Parpala Juha Farmer SIMO

Jaakkola Erkki Agronomist KANKAANPÄÄ Reijonen Seppo Farmer POLVIJÄRVI

Jaakkola Matti Farmer PADASJOKI Saukkonen Timo M.Sc. (For.) RAUTJÄRVI

Juusela Ilkka Farmer ÄETSÄ Store Olav Farmer ROVANIEMI

Järvinen Hannu Agronomist JANAKKALA Tolonen Mikko Farmer SUOMUSSALMI

Kananen Lauri Farmer VIITASAARI Vainionpää Erkki Farmer TÖYSÄ

Kinnunen Esko Farmer PIEKSÄMÄKI

Kässi Timo Agrologist UURAINEN

Lappalainen Jukka Farmer PIELAVESI

Lassila Hannu Farmer VETELI

Lehtinen Ilkka Forestry engineer KUHMALAHTI

Linnaranta Jussi Agronomist KUOPIO

Mankki Teuvo Farmer VALKEALA

Personnel representatives:

Europaeus Tapio Logger LOIMAA

Hurskainen Jari Regional manager KEMI

Keskinen Matti Purchasing supervisor NASTOLA

Lehtonen Ritva Office supervisor ESPOO

In 2006, the Representative Council of Metsäliitto Cooperative consisted of the following 69 members elected for terms of four years:

Aikinen Ilmari	Farmer	MYNÄMÄKI	Leppänen Johannes	Agrologist	KANNONKOSKI
Alho Aimo	Farmer	LOPPI	Levänen Pasi	Farmer	PIEKSEMÄKI
Berg John	Forestry engineer	NÄRPIÖ	Lintula Paavo	Councillor of Agriculture	KEURUU
Björkenheim Karl Johan	Farmer	ISOKYRÖ	Luostarinen Päivi	Information officer	HELSINKI
Ekman Eero	Rural secretary	PAIMIO	Lövsund Bengt	Farmer	KRUUNUPYY
Enegren Stefan	Forestry engineer	VAASA	Mieskolainen Antti	Forestry technician	KANGASNIEMI
Eskelinen Arto	Agricultural entrepreneur	KUOPIO	Mikkola Antti-Jussi	Farmer	PÄLKÄNE
Haimi Hannu	Farmer	ANJALANKOSKI	Murto Pentti	Agrologist	ORIVESI
Halkilahti Jaakko	Farmer	SALO	Ollikainen Raimo	Forest-owner	LEPPÄVIRTA
Hatanpää Mikko	Farmer	NOORMARKKU	Parviainen Kosti	Farmer	LIPERI
Hatva Teuvo	Farmer	KAJAANI	Pirttijärvi Tauno	Forest-owner	ROVANIEMI
Havanka Pentti	Logger	RUOVESI	Pohjala Seppo	Farmer	PUNKALAUDUN
Helaakoski Erkki	Municipal manager	MERIJÄRVI	Pollari Jussi	Farmer	KAUHAVA
Hihnala Kauko	Farmer	KALAJOKI	Ruuth Mauri	Agrologist	MIKKELI
Hirvonen Ville	Agrologist	RÄÄKKYLÄ	Räsänen Tauno	Farmer	TUUSNIEMI
Hongisto Arto	Farmer	LIMINKA	Saarenkivi Anne	Forestry technician	RENKO
Honkajarju Anne	Farmer	KÄLVÄ	Sievänen Alpo	Rural entrepreneur	JOUTSA
Hytönen Heikki	Farmer	VESANTO	Simola Veikko K.	Forest-owner	HOLLOLA
Hyvönen Timo	Farmer	SOTKAMO	Sipilä Heikki	Farmer	ÄHTÄRI
Isomuotia Harri	M.Sc. (For.)	HÄMEENKYRÖ	Siponen Ahti	Bank Manager	KIURUVESI
Jokela Seppo	Farmer	KARVIA	Storsjö Bo	Farmer	KRISTIINANKAUPUNKI
Junttila Risto	Executive manager	KEMIJÄRVI	Tienhaara Asko	Farmer	ALAJÄRVI
Järvi-Laturi Heikki	Farmer	TEUVA	Tiilikainen Kimmo	Member of Parliament	RUOKOLAHTI
Jäänni Antti	Agricultural entrepreneur	SIMO	Tuomaala Rauno	Forestry engineer	PUDASJÄRVI
Kainulainen Matti	Farmer	JUUKA	Turtiainen Matti	M.Sc. (For.)	KERIMÄKI
Kalli Timo	Member of Parliament	KIUKAINEN	Unnaslahti Seppo	Farmer	KUHMOINEN
Kekkonen Jorma	Farmer	VIITASAARI	Uusitalo Sauli	Farmer	HAAPAVESI
Keskisarja Hannu	Farmer	NIVALA	Uutela Tuomo	Forestry entrepreneur	HAMINA
Kivenmäki Ari	Agrologist	KUORTANE	Vapaniemi Jukka-Pekka	Forestry engineer	NURMIJÄRVI
Korpijaakko Hannu	Farmer	LOHJA	Vinala Jukka	Entrepreneur	JALASJÄRVI
Kuokka Juha	Farmer	LAPPEENRANTA	Wasström Anders	Farmer	TAMMISAARI
Kurtti Aulis	Forest-owner	KUUSAMO	Yliaska Pauli	Forest-owner	SODANKYLÄ
Laiho Tapio	M.Sc. (For.)	JYVÄSKYLÄ	Ylitalo Matti	Farmer	PÖYTYÄ
Laitinen Markku	Development manager	HANKASALMI	Äijö Matti	Forestry engineer	IKAALINEN
Laukkanen Marjatta	Administrative director	PARIKKALA			

Board of Directors 2007

Arimo Uusitalo

Chairman of the Board,
Member since 1993
(Chairman since 1994)
M.Sc. (Agriculture and Forestry)



Kari Jordan

Vice Chairman of the Board,
Member since 2005
M.Sc. (Econ.) President and CEO,
Metsäliitto Group



Heikki Asunmaa

Member since 2000
Farmer



Martti Asunta

Member since 2005
M.Sc. (Forestry)



Arto Hiltunen

Member since 7 Nov. 2006
Managing Director of
Helsinki Cooperative Society Elanto,
SOK's Chief Executive
as from 1 Aug. 2007



Eino Halonen

Member since 13 Apr. 2006
President and CEO of Suomi
Mutual Life Assurance Company



Unto Kotipalo

Member since 2001
Entrepreneur in forestry



Saini Jääskeläinen

Member since 2005
Farmer, entrepreneur in
farming and forestry



Timo Saukkonen

Member since 7 Nov. 2007
M.Sc. (Forestry), Farmer



Esa Kaikkonen

Secretary of the Board of Directors
General Counsel for
Metsäliitto Group

Executive Management 2007

Metsäliitto Group

Kari Jordan *
President and CEO



Hannu Anttila *
Executive Vice President,
Strategy

Mikko Helander *
CEO, M-real



Esa Kaikkonen
General Counsel, SVP

Anneli Karhula
Senior Vice President,
Human Resources



Pekka Kivelä
Senior Vice President,
Public Affairs

Hannu Kottonen
CEO,
Metsä Tissue



Martin Lillandt *
Senior Executive Vice President,
Metsäliitto Cooperative

Juha-Pekka Ollila
Senior Vice President,
Internal Audit



Lauri Peltola
Senior Vice President,
Group Communications

Ilkka Pitkänen *
CFO



Ole Salvén *
Group Executive Vice
President,
Metsäliitto Wood
Products Industry

Erkki Varis *
CEO,
Oy Metsä-Botnia Ab



* Member of Metsäliitto Executive Management Team