

Metsähallitus Annual and  
Responsibility Report 2020

# Fostering our Future





**YEAR 2020 .....3**  
 Key events .....4  
 Key figures.....5  
 Director General’s  
 Review ..... 6  
 Key figures: business .....8  
 Key figures: Parks &  
 Wildlife Finland .....10

**THIS IS WHAT WE DO .....15**  
 Metsähallitus in brief.....16  
 Vision and strategy .....19  
 Value creation .....21  
 Operating environment.....23  
 Customers, partners and  
 stakeholders.....25

**RESPONSIBILITY .....29**  
**Leadership .....35**  
 Ethical and responsible  
 operation .....40  
 Ensuring compliance .....42

**Society .....43**  
 Reconciliation and  
 participation .....44  
 Vitality and value  
 creation .....47

Health and wellbeing.....56  
 Culture and fostering of  
 traditions .....61

**Environment.....66**  
 Climate change mitigation  
 and adaptation.....70  
 Safeguarding biodiversity..79

**People .....93**  
 Ensuring personnel  
 wellbeing.....94  
 Human rights.....100  
 Sámi culture.....103

**GOOD GOVERNANCE.....106**  
 Risk management.....110  
 Remuneration .....114  
 Management group .....116  
 Board of Directors .....117

**Reporting principles and  
 GRI Content Index.....118**

**Board of Directors’ Report and  
 Financial Statements .....124**



**Vision and strategy 19**



**Value creation**

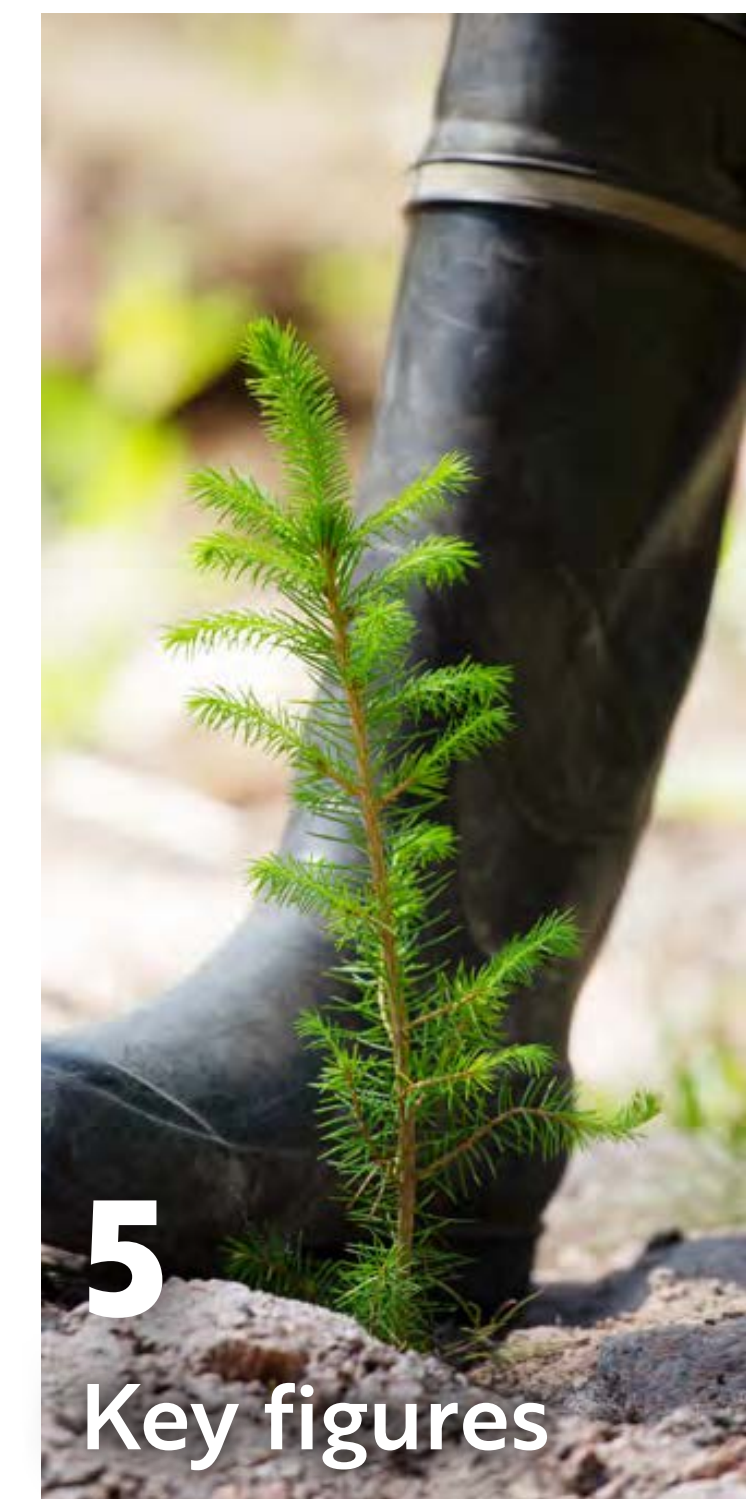
**21**

**Key events  
4**



**Climate  
Programme**

**70**



**5  
Key figures**



# Year 2020

---

The year 2020 was exceptional. It was strongly marked by the coronavirus pandemic, which affected Metsähallitus' activities in many ways. Even when faced with these challenges, we managed to take care of our customers, partners and personnel and develop our activities. We put Metsähallitus' purpose into words and updated our brand and strategy to meet the significant challenges posed by biodiversity loss and climate change as well as our stakeholders' expectations.

## Contents

Key events	p. 4
Key figures	p. 5
Director General's Review	p. 6



KEY EVENTS

# Key events in 2020



Photo: Katri Lehtola

**A relatively good year for business »**

**The coronavirus pandemic increased the popularity of nature excursions, fishing and hunting. »**



Photo: Johannes Sipponen

**We made greater inputs in safeguarding biodiversity in protected areas and multiple-use forests. »**



Photo: Jari Kurvinen

**We launched the planning process for the first offshore wind farm of our own in Korsnäs. »**

**We updated our brand and strategy. »**



Photo: Mikko Törmänen

**We restored entire catchment areas and had a special focus on rivers. »**

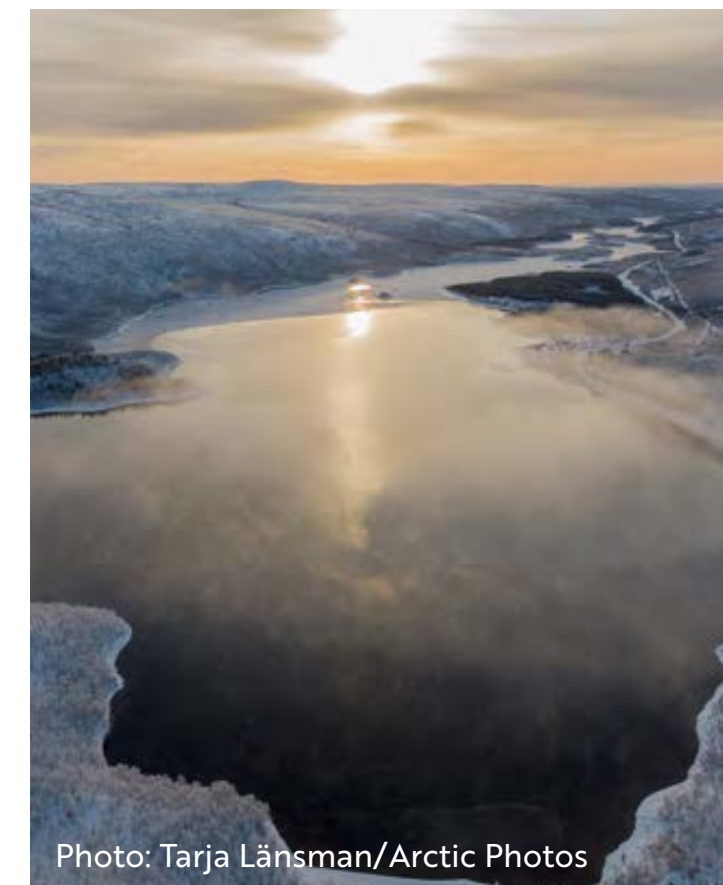


Photo: Tarja Länsman/Arctic Photos

**As part of our Climate Programme, we built up the carbon sink of multiple-use forests »**

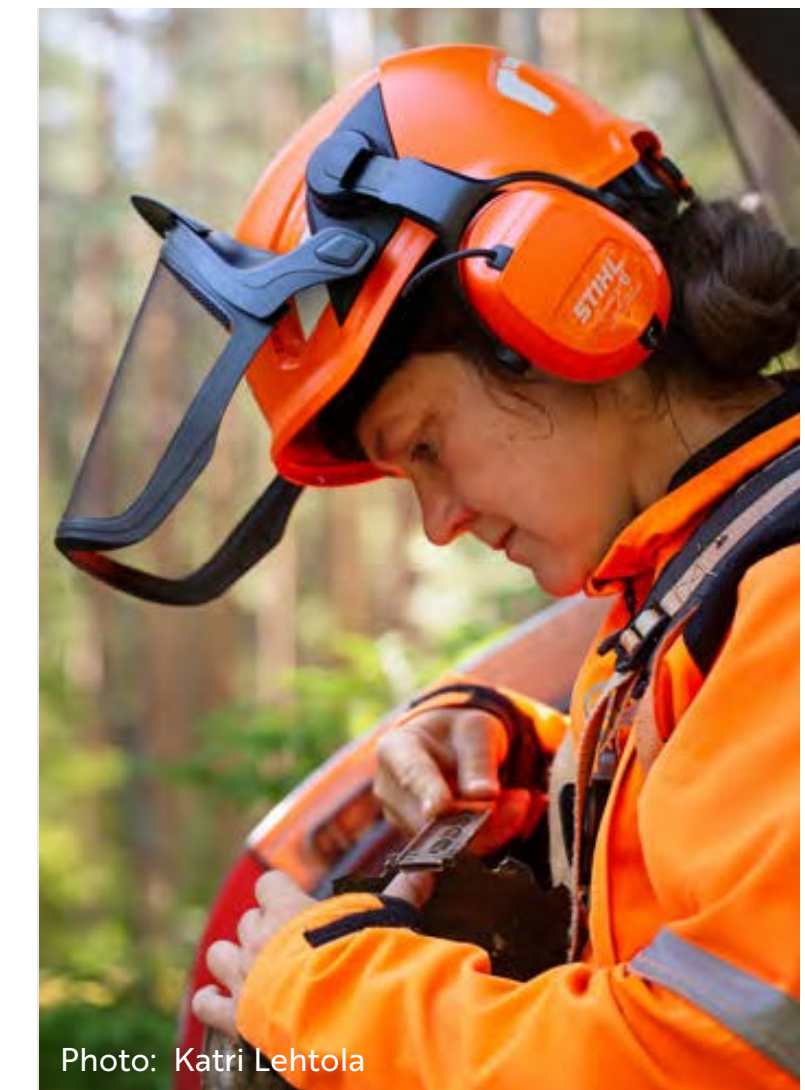


Photo: Katri Lehtola

**We launched natural resource planning in the Sámi Homeland in cooperation with the Sámi Parliament. »**



KEY FIGURES

# Key figures in 2020 (2019)

Turnover, EUR million	Operating profit, EUR million	Financial result, EUR million
<b>340.3</b> (368.5)	<b>127.6</b> (139.9)	<b>114.2</b> (129.2)
Contribution to state revenue from the previous year's result, EUR million	Central government budget funding, public administration services, EUR million	General social obligations, inputs, EUR million
<b>138.9</b> (102.9)	<b>55.5</b> (43)	<b>73.3</b> (77.6)

%	Share of operating profit in turnover, %	Share of investments in turnover, %
	<b>37.5</b> (38)	<b>6.3</b> (6)

## CO<sub>2</sub>

Carbon sinks in state-owned forests (NFI12)	Carbon storage in state-owned forests (NFI12)
<b>12</b> MtCO <sub>2</sub> e	<b>177</b> milj. t C
Metsähallitus' carbon footprint	Metsähallitus' carbon handprint
<b>0.08</b> MtCO <sub>2</sub> e	<b>3.3</b> MtCO <sub>2</sub> e

Metsähallitus' customer experience (scale of 1 to 5)

**3.52**  
(good)

A new indicator in 2020.

Metsähallitus as an employer (scale of 1 to 5)

**4.01**  
(3.90)

Biodiversity development, biodiversity index (scale of 1 to 5)

**3.91**  
(3.82)

Person-years at group level

**1 142**  
(1 153)



## DIRECTOR GENERAL'S REVIEW

# Fostering our Future

**In 2020, our work and the operating environment were strongly marked by the coronavirus pandemic. In the midst of rapidly changing situations, we managed to take care of our customers, partners and personnel. We updated our brand and strategy during the year to address such significant global challenges as biodiversity loss and climate change mitigation.**

Last year was a time of active development for Metsähallitus. We received our new ownership policy guidelines and reshaped our strategy for the years 2021–2024. Metsähallitus' strategy, Fostering our Future, meets our customers' and stakeholders' expectations and the challenges of the future while promoting the achievement of the objectives of international agreements, including the UN's Sustain-

able Development Goals. We also crystallised our purpose, clarified our brand and integrated the Responsibility Programme into our strategy.

Despite the pandemic, our business continued to be relatively stable. Metsähallitus Group's turnover was EUR 340.3 million and financial result EUR 114.2 million in 2020. In line with our target, we will transfer EUR 120 million of revenue to the state budget. As part of our business operations, we also made inputs in biodiversity, recreational use of nature, Sámi culture and reindeer herding amounting to EUR 73.3 million.

In the forest industry, the demand for timber declined in the early part of the year due to the pandemic and labour market disputes, only to increase again in late 2020. We expanded our wind power project development to offshore areas and, in late 2020, launched preparations for Metsähallitus' first own offshore wind farm project in Korsnäs. Growth in the popularity of domestic tourism and use of summer cottages had a positive impact on our real



Photo: Mikael Ahlfors



## DIRECTOR GENERAL'S REVIEW

---

estate and site sales. Siemen Forelia Oy obtain a good financial result from its sales of seeds in 2020. MH-Kivi Oy's turnover was EUR 1.2 million. Sales remained at a good overall level due to such factors as coronavirus recovery projects, which increased the volume of civil engineering work in domestic markets.

Outdoor activities have been highly popular for several years, and as a result of the coronavirus pandemic, record-breaking figures were reached. The number of visits to national parks reached nearly 4 million, with an increase of 23% on the previous year. The numbers of hunting and fishing permits sold were also the highest ever. The steep increase in visitor numbers also gave rise to some negative phenomena, including unauthorised lighting of fires, large crowds at some sites and behaviour that disturbed other visitors.

Our Climate Programme seeks for solutions that promote climate change mitigation and adaptation.

We have set our goal at a 10% increase in the carbon sink of multiple-use forests and the carbon storage of state-owned lands by 2035. The methods of achieving this goal include good forest management, including fertilisation, the use of improved seeds in silviculture, and better peatland forest management. We will also build up the wind power capacity on state land, aiming for a manyfold increase. So far, 91 wind power plants have been installed, whose total energy output is equivalent to the energy requirements of approx. 45,000 detached houses heated by electricity.

Last year, we stepped up active ecological management measures and restoration projects in multiple-use forests, and this work will continue in the coming years. Additional funding granted to both the HELMI programme and Metsähallitus' public administration services enabled us to carry out a significantly higher number of restoration and ecological management measures as well as nature inventories. The additional funding also made it possible to reduce the repair backlog of national parks and other popular hiking destinations.

### **We create added value for nature, people and society**

To gain a better understanding of the value created through our strategy and our responsibility work, we prepared Metsähallitus' first value creation model in connection with the strategy process. Recognising the effectiveness of our work helps us to implement our new strategy and provides preconditions for responsible collaboration of a new type with customers, stakeholder groups and partners.

Our stakeholders and partners regard know-how and expertise as some of Metsähallitus' greatest strengths. We are also an interesting partner. We are expected to engage in increasingly active development work with an expanding cooperation network. We pledge to develop more customer-centric forms of cooperation and build trust through open interaction. Reconciliation, listening and discussions will be our means of fostering our future.

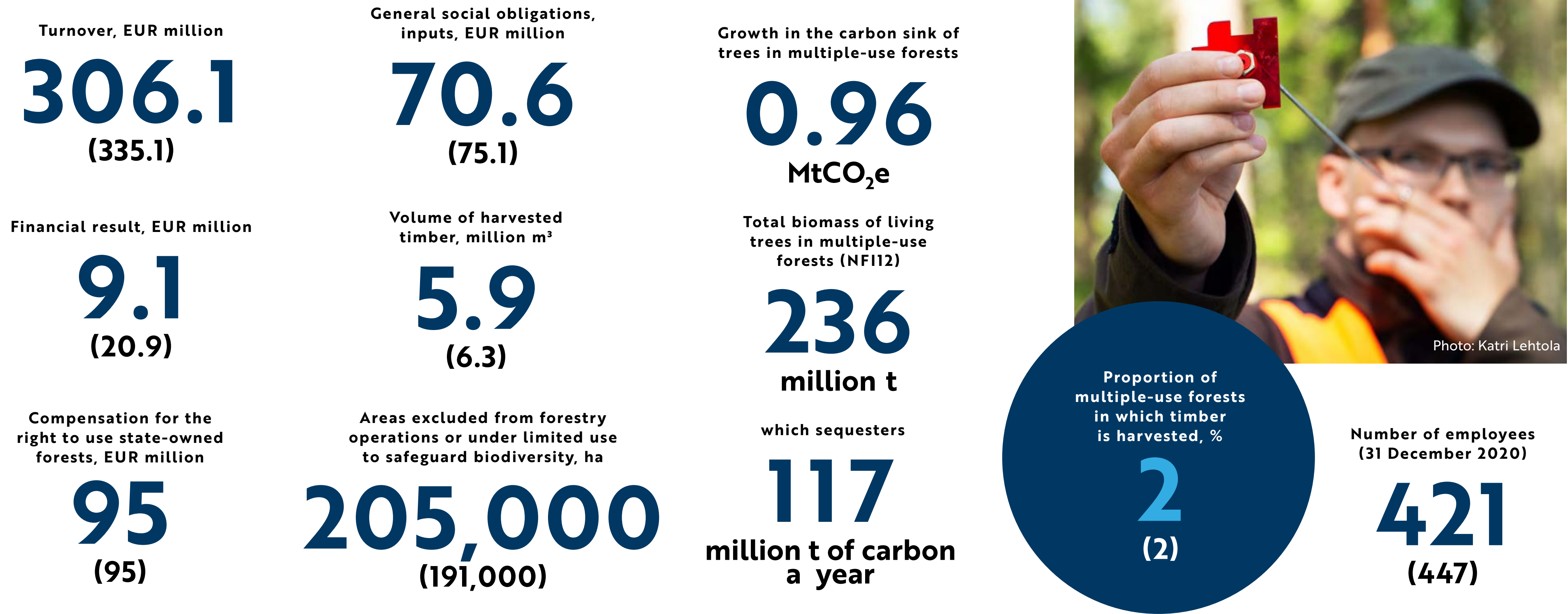
#### **Juha S. Niemelä**

Director General



KEY FIGURES: BUSINESS OPERATIONS IN 2020 (2019)

# Metsähallitus Forestry Ltd





KEY FIGURES: BUSINESS OPERATIONS IN 2020 (2019)

# Metsähallitus Property Development

Turnover, EUR million

**18.3**  
(17.6)

Operating profit, EUR million

**21.3**  
(22.9)

General social obligations, inputs, EUR million

**2.7**  
(2.5)



HOLIDAY HOUSE SITES

Leased	Sold
<b>1,419</b>	<b>134</b>

Number of wind power plants on state-owned land

**91**  
(91)

Wind energy produced on state-owned land, GWh

**870**  
(800)

Agreements with tourism entrepreneurs

**200**

Leased rock extraction sites

**200**

volume of rock extracted from these sites for construction

**2**  
million t

Number of employees

**40**  
(41)

Photo: Timo Veijalainen



KEY FIGURES: PARKS & WILDLIFE FINLAND / PUBLIC ADMINISTRATION SERVICES IN 2020 (2019)

# National Parks Finland



Photo: Katri Lehtola

Total number of visitors (national parks, state-owned hiking areas, historical sites, visitor centres and other popular destinations)

**9,179,000**  
(8,168,300) visits,

of which

**880,200**  
(802,300) to historical sites

Continuous management of traditional rural biotopes, ha

**5,406**  
(5,098)

Number of employees (31 December 2020)

**479**  
(480)

Number\* of Saimaa ringed seal pups born

**88**  
(88)

Customer satisfaction among users of visitor centres and off-road services (scale of 1 to 5)

**4.42**  
(4.38)

Habitat restoration and management in protected areas, ha

**9,016**  
(6,106)

Maintained hiking trails, km

**4,811**  
(4,959)

\*Due to difficult conditions, lair counts could not be carried out as in previous years, which is why the previous year's figure is used as the estimate for 2020: 88 pups.



KEY FIGURES: PARKS & WILDLIFE FINLAND / PUBLIC ADMINISTRATION SERVICES IN 2020 (2019)

# Wildlife Service Finland

PERMITS SOLD

Hunting

**85,188**  
(71,398)

Fishing

**117,233**  
(94,121)

Number of fisheries management fees paid

**215,983**  
(180,486)

Number of wilderness supervision inspections

**8,704**  
(8,683)

Number of employees (31 December 2020)

**75**  
(72)

Days spent hunting and fishing

**546,555**  
(487,559)



Photo: Aku Ahlholm



YEAR 2020

---

# An exceptional year had wide-reaching and varied impacts

The exceptional circumstances of year 2020 had wide-reaching and varied impacts on our different functions. The uncertainty and difficulty of anticipating the future created by the coronavirus pandemic were reflected in general market and consumption trends. The pandemic also affected the work, modes of working and training of Metsähallitus employees. Most Metsähallitus personnel switched to working remotely in March 2020 and still continued to do so in 2021.

## **Revised ownership policy guidelines and new strategy**

Metsähallitus' new ownership policy guidelines for 2020–2024 were adopted in April 2020. Their key objectives include achieving Finland's carbon neutrality targets and halting biodiversity loss.

These policies lay the foundation for our new strategy, which focuses on responsibility, customer orientation and promoting digitalisation. The new strategy period runs from 2021 until the end of 2024.

We restructured our organisation in late 2020 to support the new strategy. The reorganisation was geared to benefiting especially our customer work and stakeholder cooperation as well as creating synergy benefits by combining different functions.

## **A relatively good year for business**

Metsähallitus Forestry Ltd's turnover was EUR 306.1 million in 2020. There was a year-on-year decline in the turnover, which resulted from a labour dispute in the forest industry in early 2020 and the impact



## YEAR 2020

---

of the coronavirus pandemic on price trends in the market. Metsähallitus Forestry Ltd's business profit was EUR 9.1 million in 2020.

The turnover of Metsähallitus Property Development was EUR 18.3 million. Increased demand for real estate and sites in the private market and progress made in wind power projects had a positive impact on sales. Property development and wind power projects were promoted throughout the year. The financial result of Property Development totalled EUR 21.2 million.

Siemen Forelia Oy's turnover amounted to EUR 3.9 million and financial result to EUR 1.3 million. Good seed sales boosted the profit of Siemen Forelia Oy. MH-Kivi Oy's turnover was EUR 1.2 million. Sales remained at a good overall level due to such factors as coronavirus recovery projects, which increased

the volume of civil engineering work in domestic markets. MH-Kivi Oy's accounting period result was EUR 0.2 million.

### **First offshore wind project launched**

Last year, we expanded our wind power development to offshore projects, and in late 2020, a project to develop offshore wind power was launched with the municipality of Korsnäs. This project aiming to promote the use of renewable energy is significant on the national scale. In addition, we sold the rights to two wind farm projects and launched the project development of two new wind farms in Simo and Kajaani.

### **More basic funding for public administration services**

A significant increase in budget funding for Metsähallitus' public administration services (Parks

& Wildlife Finland) pledged in Prime Minister Marin's Government Programme had a major effect on the finances and performance of these tasks. The annual basic funding was increased by EUR 7.5 million, while EUR 20.2 million was allocated for future investments in 2020. Additional funding amounting to EUR 15.7 million was also obtained through supplementary budgets and the budget margin in 2020. We will use this funding to promote conservation measures and reduce the repair backlog of hiking destinations.

### **Exceptional situation drew people to nature**

The numbers of visits to destinations maintained by Parks & Wildlife Finland and fishing and hunting days went up significantly due to the coronavirus pandemic and the ensuing popularity of domestic tourism. Protected areas and customer service points were visited 9.2 million times.



## YEAR 2020

---

Fishing went up by 20% and hunting by 16%. This situation was also reflected in the number of permits sold by Wildlife Service Finland, and the accumulation of fisheries management fees was the highest ever. Fishing and hunting had significant impacts on local economies: EUR 54.4 million and 288 person-years. Due to the pandemic, sufficient visitor surveys could not be conducted in protected and hiking areas to assess the impacts on local economies by region. Interest in domestic tourism was also manifested as increased demand for real estate and sites in the private market.

### Court proceedings

In autumn 2020, the Office of the Chancellor of Justice dealt with complaints concerning the procedure used to determine the compensation for termination paid to the former Director General of Metsähallitus. In his decision, the Deputy Chancellor of Justice found that Metsähallitus Board of Directors

had not acted unlawfully or otherwise reprehensibly when concluding the agreement on terminating the Managing Director's contract. Both Metsähallitus and the Ministry of Agriculture and Forestry submitted a statement on the matter to the Deputy Chancellor of Justice.

Metsähallitus and Terrafame reached an agreement on an overall settlement in a liability case concerning Talvivaara mine. The case was heard by the Kainuu District Court in spring 2020 once the Supreme Court had issued its ruling in the environmental offence case in November 2019. Under this settlement, Terrafame buys properties and water areas from Metsähallitus at the market price in Kivijärvi area, which has been affected by damage caused by waste water discharges from Talvivaara mine. Metsähallitus also sold a forest holding in the vicinity of the mining patent to Terrafame. The settlement means that Metsähallitus waived its claims for damages and

Terrafame became a major owner of land and water areas in Kivijärvi. As the water area owner, Terrafame is also better placed to start examining the possibility of restoring the lake.

In November 2020, the Helsinki District Court rejected an action brought by Morenia Oy seeking to annul the ruling of the Arbitration Court. In its decision, the District Court found that the arbitrator was not disqualified from involvement in the arbitration procedure between Morenia on the one hand, and Metsähallitus and MH-Kivi on the other. The decision is not yet legally valid.



# This is what we do

Metsähallitus creates value from state-owned land and waters for the benefit of nature, people and society. We safeguard biodiversity and are responsible for protecting habitats, species and cultural heritage sites. We promote climate change mitigation and adaptation. We produce renewable raw materials from sustainably managed forests to replace fossil materials and enable citizens to enjoy nature by hiking, hunting, fishing and stays in holiday houses. Renewable energy and sustainable tourism create solutions for the future.

## Contents

Metsähallitus in brief	p. 16
Vision and strategy	p. 19
Value creation	p. 21
Operating environment	p. 23
Customers, stakeholders and partners	p. 25

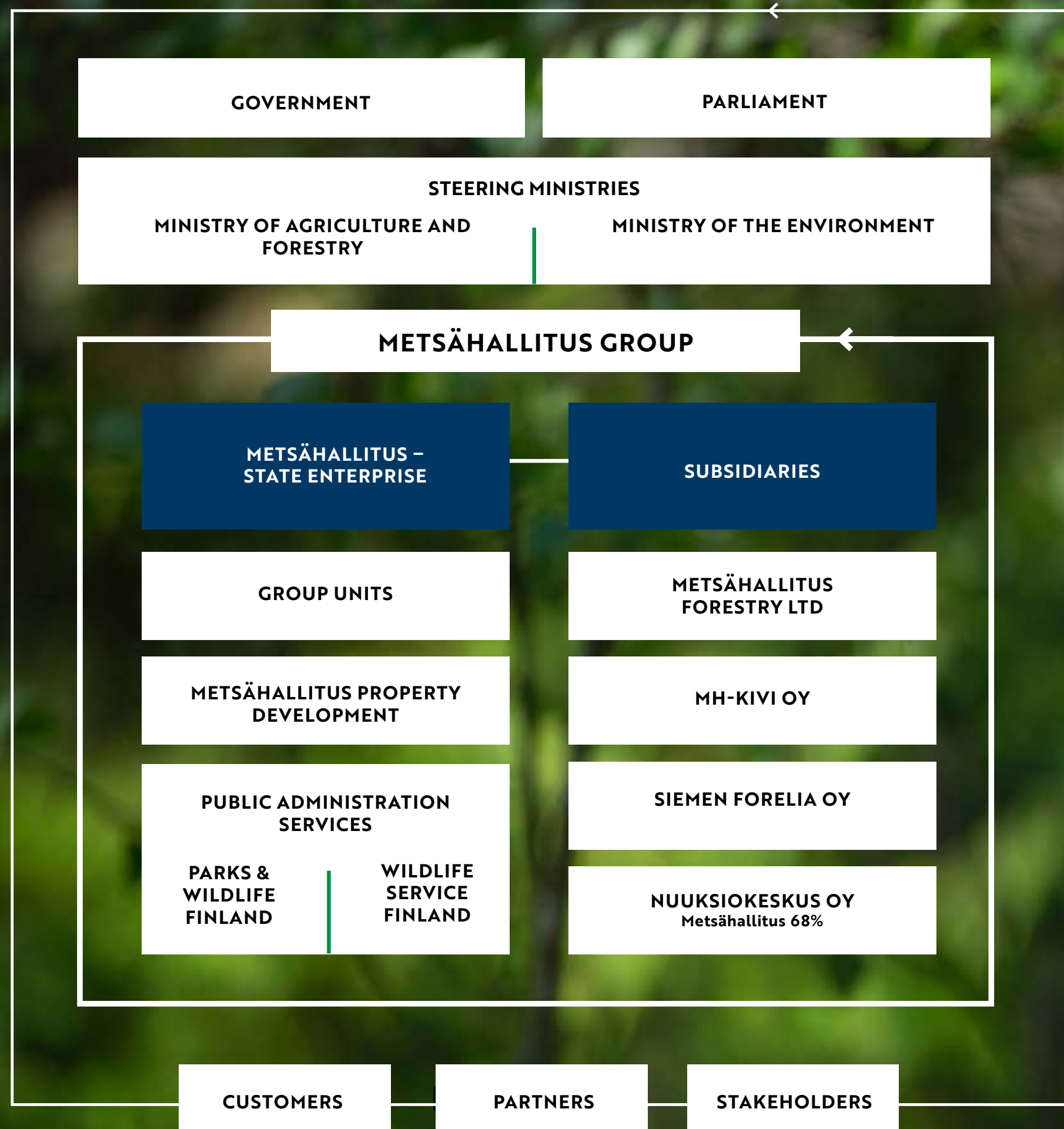


METSÄHALLITUS IN BRIEF

# We foster the value of nature and shared wealth responsibly

Metsähallitus is a state-owned enterprise that produces environmental services for a diverse customer base ranging from private individuals to major companies. We use, manage and protect state-owned land and water areas sustainably and reconcile the different goals of owners, customers and other stakeholders. Our efforts ensure that everyone – including future generations – will have the opportunity to enjoy nature and the value it creates.

We are committed to promoting the UN’s Sustainable Development Goals (2030 Agenda) and the UN Guiding Principles on Business and Human Rights in our work. As part of our sustainable management and use of natural resources, we see to the fulfilment of general social obligations by addressing the protection of biodiversity, facilitating the recreational use of nature and meeting the requirements of promoting employment. Additionally, we coordinate the management, use and protection of natural resources in the Sámi Homeland whilst safeguarding the prerequisites for pursuing the Sámi culture and in the reindeer herding area while fulfilling the obligations laid down in the Reindeer Husbandry Act.



Our annual targets are approved by Parliament as part of the central government budget. The Ministry of Agriculture and Forestry is responsible for our performance guidance. Within its remit, the Ministry of the Environment also steers the performance of Metsähallitus’ public administration services.



## METSÄHALLITUS IN BRIEF

---

# We promote the wellbeing of nature, people and society

### Responsible business

We conduct business through our subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy and Siemen Forelia Oy, as well as Metsähallitus Property Development, which is part of the Group.

Our business operations include the sustainable management and use of state-owned forests, production and sales of forest tree seeds, as well as leasing, sales and property development activities in state-owned land and water areas. We create diverse business opportunities on state-owned land and enable the replacement of fossil raw materials and fuels with sustainably produced wood and wind power.

### Public administration services

Metsähallitus' public administration services (Parks & Wildlife Finland) are handled by National Parks Finland and Wildlife Service Finland. Our tasks include managing almost all nature conservation areas and dozens of cultural heritage sites in Finland, protecting many endangered species, providing free basic services for hikers, offering opportunities for hunting and fishing by selling permits for these activities, and using the permit revenue to promote sustainable hunting and fishing. Our tasks also include wilderness supervision in state-owned areas.

The public administration services are managed separately from business operations and funded by appropriations allocated in the state budget and income from permit sales.

### Group activities

Metsähallitus Group's units both support the operation of the business units and guide strategy implementation and joint processes. They report and are accountable to Metsähallitus' Director General. Our Group units are Personnel, Legal Affairs and Compliance, Finance, Information Management and Communication, Strategy and Responsibility.



# We manage one third of Finland's surface area

Metsähallitus manages

**9,146,000**

hectares of land areas and

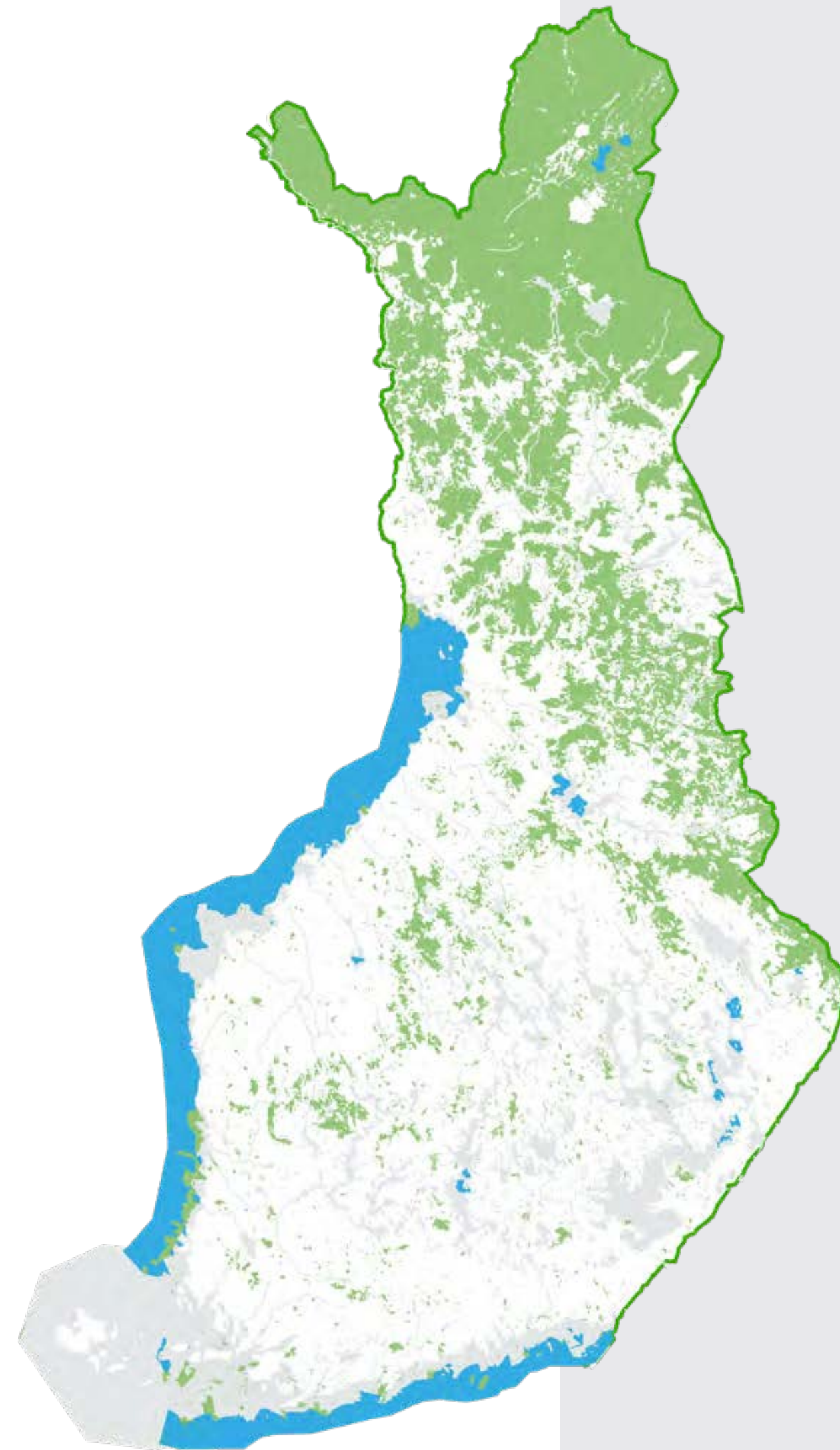
**3,419,000**

hectares of water areas.

In total, this is

**12,565,000**

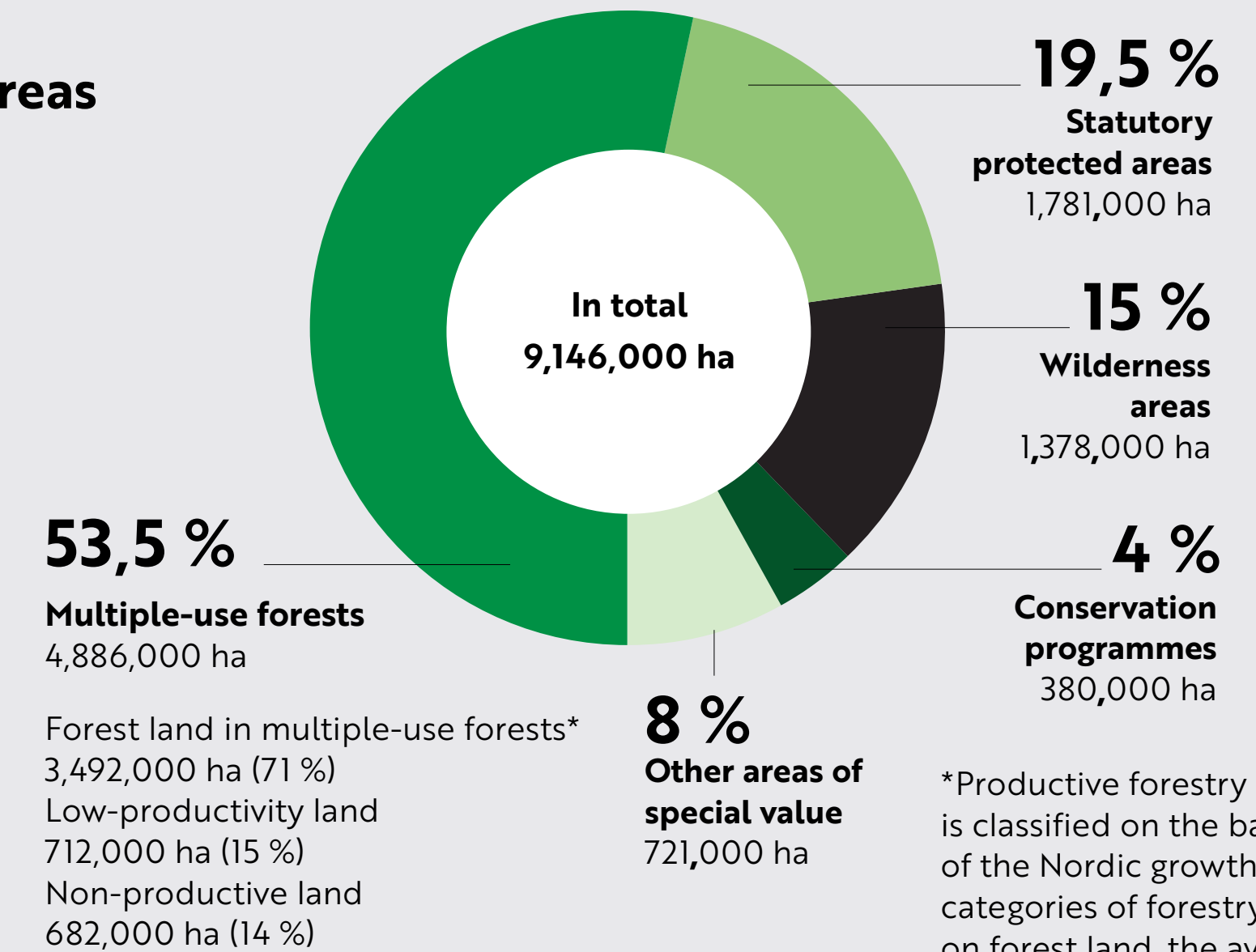
hectares.



0 50 100 km  
© Metsähallitus 2021  
© Maanmittauslaitos 2021

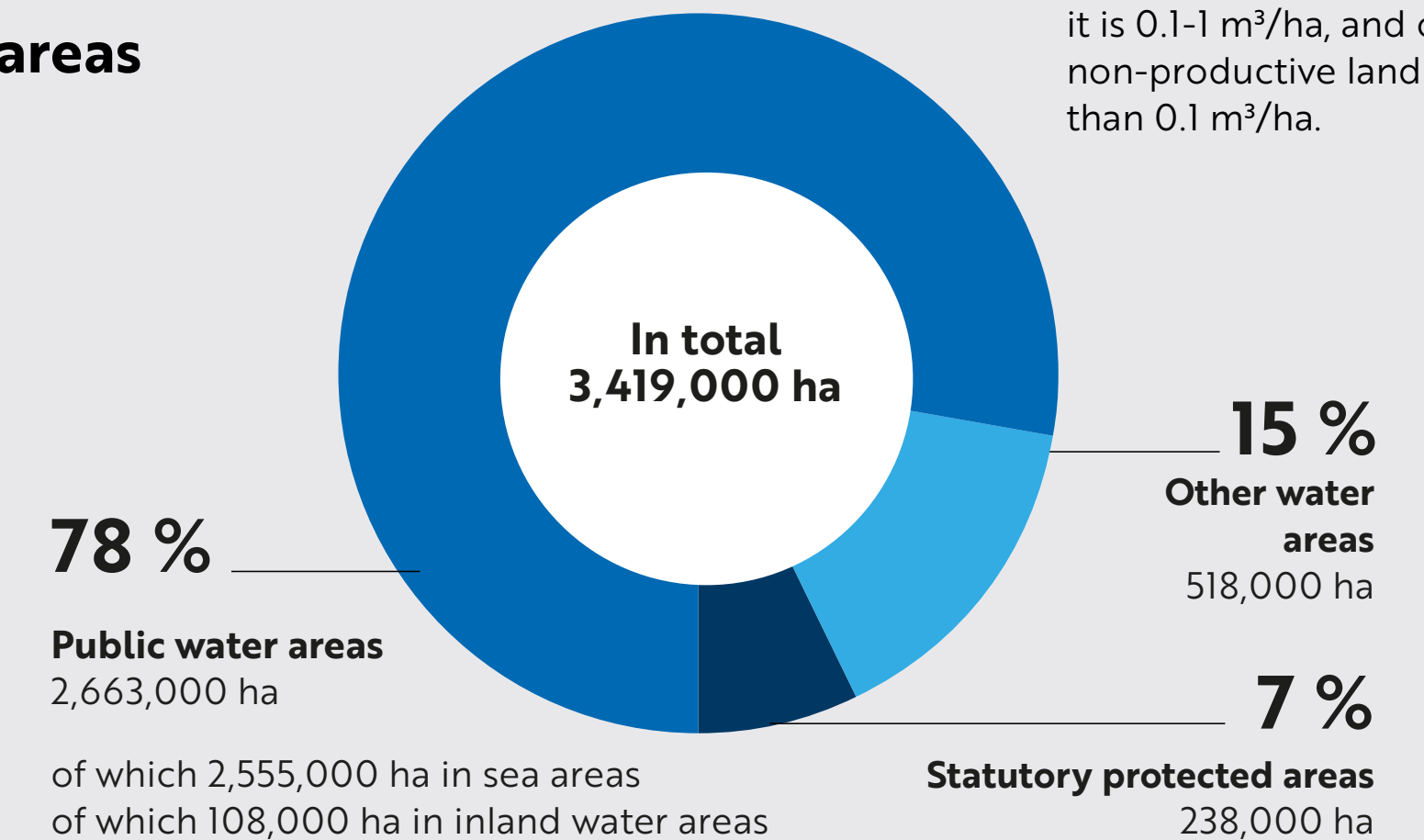
Water areas  
Land areas

## Land areas



\*Productive forestry land is classified on the basis of the Nordic growth categories of forestry land: on forest land, the average annual growth of the tree stock is at least 1 m<sup>3</sup>/ha; on low-productivity land, it is 0.1-1 m<sup>3</sup>/ha, and on non-productive land less than 0.1 m<sup>3</sup>/ha.

## Water areas





## VISION AND STRATEGY

# Updated strategy promotes a new operating culture

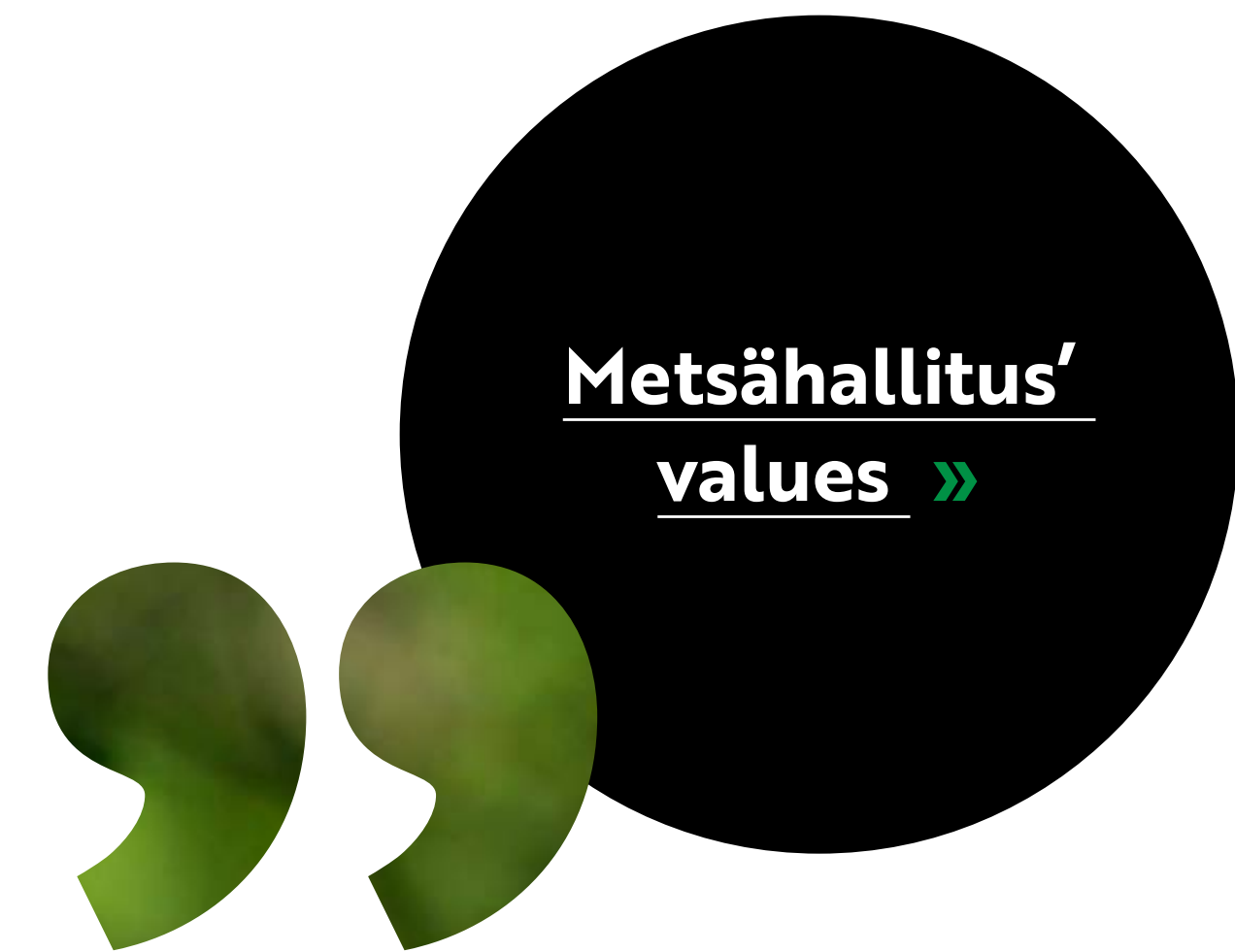
The previous strategy period expired at the end of 2020, which was a year of renewal for Metsähallitus. We crystallised the purpose of our existence, clarified our brand and updated our strategy. The current strategy, Fostering our Future, will guide Metsähallitus' work until 2025.

The new strategy built around Metsähallitus' purpose will allow us to respond to future challenges and stakeholder expectations as well as to promote the fulfilment of international agreements, including the UN's Sustainable Development Goals. Additionally, the strategy will encourage us to engage in open

discussion and interaction and reinforce a culture of reconciliation and customer orientation.

The Responsibility Programme put together during the previous strategy period has been closely integrated into the new strategy. It helps us act in line with the strategy and supports the achievement of our objectives while being part of compliance and risk management.

Strategy implementation is supervised and steered by Metsähallitus Board of Directors, and its progress will be evaluated annually by Metsähallitus Management Group.












**We crystallised our purpose, clarified our brand and updated our strategy.**



# Metsähallitus' vision: Fostering our Future

**Metsähallitus' purpose:**  
Fostering the value of nature and shared wealth in a responsible manner across generations.

Main theme of the strategy	Our pledge	UN Sustainable Development Goals
<b>Responsibility and cooperation</b>	<ul style="list-style-type: none"> <li>We will build trust through open interaction and pledge to develop more customer-oriented and digital forms of cooperation.</li> <li>We will expand responsible and ethical practices throughout our value chain.</li> </ul>	 <b>5 Gender equality</b>  <b>16 Peace, justice and strong institutions</b>  <b>17 Partnerships for the goals</b>
<b>Climate change</b>	<ul style="list-style-type: none"> <li>We will triple our renewable energy production by 2030.</li> <li>We will achieve a 10 % increase in the carbon sinks of state-owned multiple-use forests by 2035.</li> <li>We will increase carbon storage on state-owned land by 10 % by the year 2035.</li> </ul>	 <b>13 Climate action</b>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>We will step up our efforts to actively halt threats to species and habitats.</li> <li>We will maintain deteriorating habitats across 17,000 hectares in protected areas and 4,760 hectares in commercially used areas by 2023.</li> <li>We will strive for world class management of the conservation area network, for example to improve its ecological status.</li> <li>We will improve the sustainability of natural resources use with the aim of minimising biodiversity loss.</li> </ul>	 <b>14 Life below water</b>  <b>15 Life on land</b>
<b>Wellbeing from nature</b>	<ul style="list-style-type: none"> <li>We will create more opportunities for recreation as well as nature and wilderness experiences that promote health and wellbeing for everyone.</li> <li>Our business operations will generate EUR 114 million in government revenue by 2024.</li> <li>We will create jobs and boost regional economies, especially in sparsely populated areas.</li> <li>We will improve our partners' opportunities to develop safe and sustainable nature and wilderness tourism at our destinations.</li> </ul>	 <b>8 Decent work and economic growth</b>  <b>11 Sustainable cities and communities</b>
<b>Bioeconomy</b>	<ul style="list-style-type: none"> <li>We will develop and produce sustainable solutions for new products and services of the future that will help us transition from a fossil economy to a bioeconomy.</li> <li>We are a pioneer of sustainable forestry.</li> </ul>	 <b>12 Responsible consumption and production</b>





## VALUE CREATION

# We create added value for nature, people and society

Metsähallitus' first value creation model was prepared in autumn 2020 in connection with the strategy process. The model recognises the types of value we create through our strategy and responsibility work in the context of the economy, the environment and social perspectives alike. Recognising our societal effectiveness helps us implement and develop our new strategy and creates preconditions for responsible cooperation and sustainable solutions.

Each Metsähallitus business and group unit has an impact on five value-generating themes: health and wellbeing, the climate, biodiversity, the economy and culture. The model was put together in collaboration with all business and group units and in consultation with stakeholders. The value creation model will be examined and the process and its indicators will be developed further during the strategy period.



# Metsähallitus' value creation model

Our key capital types



Stakeholder expectations

We create value for nature, people and society.

<b>Health and wellbeing</b>	10.5 million nature visits to state-owned land	0.5 million days of fishing and hunting	SDG 3: TERVEYTTÄJÄ HYVINVOINTIA	Health and wellbeing			
<b>Climate</b>	Carbon sink (NFI12): 12 MtCO <sub>2</sub> e	Carbon storage (NFI12): 177 milj. t C	Carbon handprint: 3.3 MtCO <sub>2</sub> e	Carbon footprint: 0.08 MtCO <sub>2</sub> e	SDG 13: ILMASTOTEKOJA	Climate action	
<b>Biodiversity</b>	Ecological management and restoration measures across more than 10000 hectares a year	Of all decaying wood 71 million m <sup>3</sup> or more than one half of the total volume, is found on state-owned land	Preservation of ecological sites in regeneration fellings: 99,8%		SDG 14: VEENALAINEN ELÄMÄ	Life under water	
<b>Economy</b>	Income paid to the state: 120 EUR million	Procurements of materials and services: 164.5 EUR million	Personnel salaries and fees: 50.5 EUR million	Taxes: 58 EUR million	Indirect impacts on regional economies over: 3 EUR billion	SDG 8: IHMISSÄRVIÖSTÄ TYÖTÄ JA TALOUSKASVUA	Decent work and economic growth
<b>Culture</b>	over 1.7 million visits to visitor centres and cultural heritage sites	more than 60,000 people were reached through guidance, events and nature education				SDG 12: VASTUULLISTA KULUTTAMISTA	Responsible consumption
						SDG 16: RAUHAN, OIKEUKSIEN MUKAISUUS JA HYVÄ HALLINTO	Peace, justice and strong institutions
						SDG 17: YHTEISTYÖ JA KUMPPANUUS	Partnerships for the goals



## OPERATING ENVIRONMENT

# Drivers of change in Metsähallitus' operating environment

### Climate change and biodiversity loss

- Halting biodiversity loss will become an increasingly important goal which has strong links to climate change mitigation and adaptation.
- Milder winters will boost the productivity of nature in northern areas: for example, game and fish resources are likely to increase even if some biodiversity were lost. Climate change also favours some species and provides habitats for immigrant and alien species, which may result in unpredictable changes in the ecosystem.
- Climate change will accelerate the rate of forest growth, but extreme weather phenomena are

increasing in frequency. Forest fires as well as insect and storm damage will become more common. The conditions for timber harvesting are changing. Well-managed forests will increase in importance.

- The goal of Finland being carbon neutral by 2035 will create a demand for renewable raw materials and solutions. Regulation and EU legislation will take on a larger role.

### Transformation of working life and digitalisation

- Technological development will shape job descriptions and create increasing demand for new skills.

- In the midst of the transformation occurring in working life and brought about by digitalisation, the human being will be placed centre stage. Meaningful work and a responsible employer brand will play a key role.
- The pace of communication with customers, partners and stakeholders is accelerating, and interaction is becoming increasingly important

### Increasing polarisation of values

- Socio-economic segregation is exacerbating, and social conflicts will gather momentum.
- Urbanisation and depopulation in sparsely populated areas will result in polarisation of values. Among other things, this will be reflected in people's relationship with nature.



## OPERATING ENVIRONMENT

---

### Transformation of communication

- Disinformation challenges both research evidence and expert knowledge.
- The number of influencers will grow. Information will become fragmented and the significance of finding and recognising reliable research evidence will be more difficult.
- Open data will promote transparency and reliability while creating new opportunities for cooperation and innovations.

### Renewable raw materials and energy sources

- As the demand for natural resources grows, there will also be more emphasis on resource efficiency and the circular economy. The circular economy will create new business opportunities.
- There will be a growing need for renewable solutions which replace fossil raw materials.
- Finland's natural aquatic resources will increase in importance and be used more comprehensively.

- The goals of carbon neutrality set by Finland will increase the demand and production of renewable energy.

### Rethinking leisure time

- Climate change and the objectives of sustainable tourism are shaping the way we use our leisure time. Local and nature tourism are becoming more popular, and wellbeing derived from nature will be appreciated.
- Increasing visitor numbers will put recreational destinations near growth centres under further pressure, and hiking, fishing and hunting skills will grow in importance.
- The strive for sustainable consumption creates demand for local food, game and wild fish.

### Transformation of the economic system and world politics

- The current economic system is faced with global challenges. The idea of broader social responsibility is gaining ground.

- Limited natural resources and climate change are reflected in consumer behaviour and changing it.
- The requirements of a responsible data economy – ensuring not only data security and data protection but also the reliability of information in general – are emerging as important competitive factors.

### Demographic change

- Urbanisation will continue, as will the ageing of the population, especially in sparsely populated areas in Northern and Eastern Finland. This will exacerbate the problem of labour market mismatch.
- Demographic change will increase the demand for labour immigration
- while driving an increasing need for accessible and diverse nature and recreational services.



CUSTOMERS, PARTNERS AND STAKEHOLDERS

# We enhance the value of nature together with our customers, partners and stakeholders

Many different stakeholders from the state owner to citizens have expectations regarding the use of state-owned land and water areas. Our vision includes ambitious customer pledges aimed at reconciling the various needs related to the state's land and water areas as well as at creating economic, social, cultural and environmental value and improved wellbeing.

We have a wide variety of customers and stakeholders, and we engage in cooperation ranging from

partnerships to information exchanges, trade, steering and joint planning. Important forms of cooperation include natural resource planning with stakeholders, collaboration on projects and innovations with partners, and negotiations with reindeer herding cooperatives. Efforts to develop the interactions that are part of these processes have been launched along with our new strategy.

Metsähallitus' partners and stakeholders





## CUSTOMERS, PARTNERS AND STAKEHOLDERS

---



**Our stakeholders and partners value our expertise and responsible activities.**

### **Positive trend in Metsähallitus' reputation**

We gauge our partners' and stakeholders' views of our work and reputation every year. In 2020, a reputation and stakeholder survey was integrated into our customer experience survey. The results indicate a positive trend in Metsähallitus' reputation compared to the previous year.

As our strengths were regarded know-how and expertise. While we are also considered an interesting partner, stakeholders would like us to be more active and show initiative in collaboration and its development.

A total of 462 Metsähallitus partners or stakeholder representatives responded to the survey. The total response rate was 24%.

### **Customer experience at a good level**

The aim of the customer experience survey, which was for the first time conducted at the level of the entire Metsähallitus organisation, was to examine the common customer experience as well as views of Metsähallitus' reputation and support offered to stakeholders held by the general public and Metsähallitus' private and corporate customers. The customer experience metric is one of our performance bonus indicators.

In the customer experience survey, 1,252 responses were received from private, corporate and community customers, and the overall response rate was 31.5%. A sample of 1,001 people represented the general public in the survey. The survey found that the overall customer experience was at a good level in all customer groups (3.52 on a scale of 1 to 5). All customer groups consistently found that the service provided by Metsähallitus is expert and that Metsähallitus boosts regional economies and produces revenue for the state as well as promotes citizens' possibilities of benefiting from the wellbeing impacts of nature. The scores given in these areas were good or excellent.



## CUSTOMERS, PARTNERS AND STAKEHOLDERS

---



**Customer orientation, smooth service and responsibility were highlighted in the customer experience survey.**

As thematic entities, factors associated with customer orientation, smooth service and wellbeing received the highest grades. Factors associated with reliability, including open interaction and responsible and ethical practices, but also promoting equality and developing services based on feedback, were found as the most important development areas by the respondents.

### **Cooperation process led to productive dialogue with civil society**

The process of developing co-design and interaction skills launched between Metsähallitus, the Finnish Association for Nature Conservation and Greenpeace in 2018 continued in 2020. Akordi, an expert company specialising in interaction development, has served as the sparring partner in this process.

We continued regular cooperation at both the national and regional level with the aim of creating common operating methods and identifying chal-

lenging sites using common criteria. As a result of the negotiations, some sites identified in the conservation proposal of the Finnish Association for Nature Conservation and Greenpeace were included in Metsähallitus' landscape ecological network. Similarly, sites of minor ecological value included in the proposal were returned to forestry use in mutual understanding. During this process, it was also observed that some of the data on the landscape ecological network is inaccurate. We will continue to address this issue. We will also focus on training our personnel to identify ecological sites.



## CUSTOMERS, PARTNERS AND STAKEHOLDERS

---

The practices created in the cooperation process will be applied extensively in our activities, for example in the ongoing natural resource planning process in the Sámi Homeland and the Flying Squirrel LIFE project, which are thematically closely related to the identification of commercial forestry areas and conservation sites. A good dialogical connection was established during the process, and our close cooperation will continue in 2021.

### **Lively discussion on forest use continued**

A citizens' initiative against open fellings proceeded to the parliamentary Agriculture and Forestry Committee for expert consultation in autumn 2020. The

processing of the initiative is expected to be finished in spring 2021.

The aim of this citizens' initiative launched by environmental organisations in 2018 is to end clear-felling in state-owned forests.

Late November saw the publication of a report on unprotected valuable forests in Finland, which provides an introduction to 55 unprotected forest sites owned by the state from Hanko to Inari. The report was based on species inventories conducted by parties independent of the ministries and Metsähallitus. The authors' key message is that the ecological val-

ues and species of state-owned commercial forests have not been inventoried systematically.

We have conducted our own analysis of the report and will also carry out careful field inspections of the sites. The majority of the report's observations focus on a few species found in decaying wood. Following the current guidelines, decaying wood is left in the forest. It would also be highly important to obtain information on the occurrence of these species for the authorities' registers.





# Responsibility

Responsibility is a cross-cutting theme in everything Metsähallitus does. It is integrated into our strategy, work and development. Responsibility also plays a part in everything we do – in the way we talk and the way we encounter our customers, partners and stakeholders.

## Contents

Leadership	p. 35
Society	p. 43
Environment	p. 66
People	p. 93





## RESPONSIBILITY

---

# Responsibility supports the achievement of our strategic goals and plays a part in everything we do

All work in Metsähallitus is guided by responsibility. It is visible in our daily work and plays a part in everything we do – in the way we talk and the way we encounter our customers, partners and stakeholders. By working responsibly, we promote the wellbeing of the environment, people and society and offer solutions to global challenges.



## RESPONSIBILITY

### We promote the attainment of the UN's Sustainable Development Goals

Metsähallitus' strategy, Fostering our Future, forgers closer links between our work and the UN's Sustainable Development Goals, which contribute to sustainable development while taking into account the environment, the economy and people.

We have identified nine goals which play a key role in our activities and for our stakeholders and which we can specifically influence. We work both to promote the achievement of these goals and to reduce negative impacts on them.



**5 Gender equality**



**8 Decent work and economic growth**



**11 Sustainable cities and communities**



**12 Responsible consumption and production**



**13 Climate action**



**14 Life below water**



**15 Life on land**



**16 Peace, justice and strong institutions**



**17 Partnerships for the goals**



## RESPONSIBILITY

---

### Key themes of our responsibility work

Metsähallitus' materiality analysis identified essential themes of responsible action from the viewpoint of our work and stakeholders. The themes guide our responsibility work and define its objectives, whose effectiveness we measure and report on annually.

Metsähallitus' materiality analysis was carried out for the first time within the framework of the Responsibility Programme in winter 2017–2018 and updated in 2020. We looked at the essential themes, eliminated overlaps and combined some themes into larger entities. The essential themes were summed up as ten key themes, some of which are statutory while others are not.



**Key themes guide responsibility in Metsähallitus and define our objectives.**

#### Key responsibility themes:

- Ethical management practices
- Good governance
- Safeguarding biodiversity
- Climate change mitigation and adaptation
- Ensuring personnel wellbeing
- Human and labour rights in our and our partners' operations
- Reconciling the needs concerning state-owned land and water areas
- Sustainable use of natural resources
- Regional vitality
- Recreational use of nature



## RESPONSIBILITY

---

# Responsibility Programme as part of the strategy

Metsähallitus' Responsibility Programme contains four priority areas: Leadership, Environment, People and Society. These priorities cover all the key themes of responsibility.

Metsähallitus' first Responsibility Programme was launched in 2018 and its measures extended till the end of the strategy period 2016–2020. This Programme laid the foundation for corporate social responsibility in Metsähallitus: we identified the key themes of responsibility and created a responsibility policy, responsible and ethical practices and a GRI reporting framework as well as integrated them

into our management and operations. We also formulated the main outlines of our work on equality and non-discrimination and launched Metsähallitus' Climate Programme. The Programme progressed on schedule, and we were able to achieve all our key objectives.

During the forthcoming strategy period 2021–2024, responsibility and the Responsibility Programme have been integrated into the strategy. The Programme continues the work on such previously launched themes as equality and non-discrimination, responsible procurement, climate and biodi-

versity and sustainable tourism as well as contributes new aspects to this work from the viewpoints of value creation, human rights and customer experience, among other things.

### **Responsibility Programme progressed as planned**

Work went on in all four areas of our Responsibility Programme last year. Our key measures included updating our brand in support of the new strategy, launching customer experience work and conducting the first customer experience survey, further development of GRI reporting, launching the Climate Programme and reporting on its results, continuing our environmental mediation and conflict management training, devising a value creation model and initiating natural resource planning in the Sámi Homeland.



# Metsähallitus' Responsibility Programme in 2020

## Priority areas of the Responsibility Programme

Leadership	Environment	People	Society
<b>Measures</b>			
<p>Metsähallitus' purpose was defined and a responsible brand was created.</p>	<p>A Climate Programme was created and is being implemented.</p>	<p>Anonymous recruitment is in use.</p>	<p>Natural resource planning in the Sámi Homeland was launched.</p>
<p>Responsibility was integrated into our strategy, management and remuneration principles. The UN's Sustainable Development Goals were incorporated in the strategy and value creation model.</p>	<p>The Baltic Sea Challenge action plan was implemented as planned.</p>	<p>Harassment contact persons started their work.</p>	<p>An update of landscape ecological planning was completed across the country.</p>
	<p>A project on developing long-term maritime spatial planning was launched.</p>	<p>The Supplier Code of Conduct (SCoC) is incorporated in all procurement contracts.</p>	
<p>A value creation model was formulated for Metsähallitus.</p>		<p>The Akwé: Kon operating model is in use.</p>	<p>Personnel training in environmental mediation and conflict management continued.</p>
<p>A compliance model was created, and the compliance process is in progress.</p>			<p>Responsible information management and digital contract management were developed.</p>
<p>A hospitality guideline and gift register were published as part of the Code of Conduct.</p>			
<p>Customer experience work was launched, and a customer experience survey was completed.</p>			
<p>GRI reporting was developed, especially for the part of climate.</p>			



# Leadership

We build trust through open interaction and develop more customer-oriented and digital forms of co-operation. We pledge to expand our responsible and ethical practices to cover our entire value chain

## Contents

Ethical and responsible practices	p. 40
Ensuring compliance	p. 42





## LEADERSHIP

---

# Metsähallitus is managed as a single organisation

Metsähallitus' work is guided by the Act and Decree on Metsähallitus, the ownership policy guidelines and the strategy, rules of procedure and policies. In Metsähallitus, social responsibility is integrated into the strategy and incentive systems. A united and responsible Metsähallitus is one of the criteria for our performance bonus, which is measured by the successful implementation of the Responsibility Programme and the customer perspective indicator.

Key guidelines informing responsibility in Metsähallitus are the responsibility policy and environmental policy, which are strategic guidelines adopted by the Board of Directors and apply to the entire Metsähallitus organisation. The policies define the joint activities between our business and Group units, the links to the strategy and its implementation, the main goals, key principles, principal roles and responsibilities, and reporting procedures.



**LEADERSHIP**

Compliance is ensured extensively in Metsähallitus. In addition to compliance with statutes and regulations, we make sure that our activities are ethical and responsible. We regularly monitor compliance with Metsähallitus Code of Conduct and values with the objective of continuous development.

We also have an environmental and quality system (ISO 14001, ISO 9001) to verify and improve environmental responsibility in our work. Commercially exploited multiple-use forests are PEFC certified, and the timber supplied by us also meets the FSC Controlled Wood criteria. We are a member of the corporate responsibility network FIBS.

**Good corporate governance »**  
 Open, transparent and good corporate governance boosts Metsähallitus' competitiveness and success as well as supports cooperation with our stakeholders.



Photo: Katri Lehtola



## LEADERSHIP

# Responsibility management in Metsähallitus

Our Director General is responsible for the management and implementation of matters relevant to responsibility and the environment. Metsähallitus' Board of Directors sets the common strategic targets for responsibility and environmental issues based on the Management Group's proposals. The Management Group ensures that these targets are achieved in its areas of responsibility.

The Director of the Communications, Strategy and Responsibility unit sees to the development and implementation of the Responsibility Programme and chairs Metsähallitus' environmental team in

the restructured organisation from the beginning of 2021. These activities are supported by the Group and business units, or the responsibility team and environmental team consisting of experts from Metsähallitus Forestry Ltd, Metsähallitus Property Development, Parks & Wildlife Finland and Wildlife Service Finland. The Legal Affairs and Compliance unit is responsible for compliance and Metsähallitus Code of Conduct as well as for promoting ethical and responsible practices.

The business units ensure that our responsibility and environmental principles are visible in our work

with customers, partners, suppliers and other stakeholders. Every Metsähallitus employee has the duty to ensure that the Responsibility Programme, the instructions of the environmental system and the Code of Conduct are followed in their work.

## Key risks associated with responsibility

Key risks associated with responsibility include the potential negative impact of our activities on biodiversity, climate change and indigenous peoples' rights as well as failing to reconcile the different needs of society and ensure equity. Metsähallitus' responsibility and reputation may be affected negatively by deviations from the operating models aiming for ethical and responsible operation which we have agreed upon and communicated about.

The risks related to responsibility are managed as part of daily operations following the **risk management process**. The management of responsibility risks will be developed further in 2021.



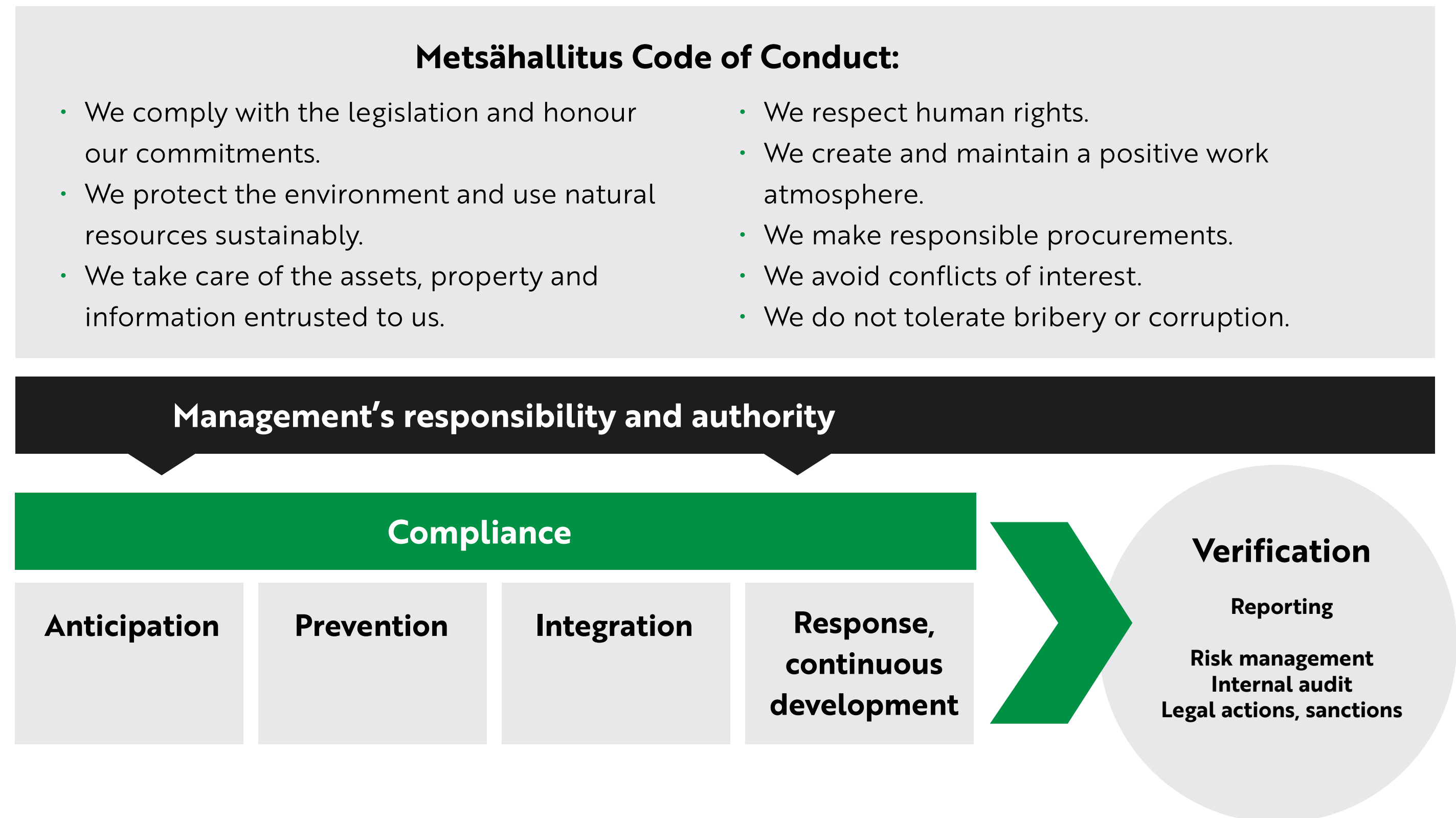
**LEADERSHIP**

**Ensuring compliance**

In 2020, we updated our operating model for compliance to meet the requirements of the new strategy. The operating model is based on the themes of our Code of Conduct. The responsibility for planning and developing the model as well as supporting and supervising the organisation rests with the Legal Affairs and Compliance unit which, together with CSR experts, monitors development and the best practices in this field.

The special features of public administration are highlighted in the compliance model: good governance and legislation specific to public administration. This legislation includes the Act on Public Procurement, the Act on the Openness of Government Activities, the language acts and the Act on Information Management in Public Administration. These acts reinforce responsibility and compliance in our operations further.

**Metsähallitus' operating model for compliance**





## ETHICAL AND RESPONSIBLE OPERATION

---

# We operate ethically and responsibly

### **The updated brand supports new operating methods and strategic goal achievement**

As part of the strategy work carried out in 2020, we updated Metsähallitus' brand and logo to match the new operating method and objectives. The building blocks of the clarified brand include stakeholder insight, strategic responsibility and an intergenerational approach. Our legitimacy comes from keeping our promises.

The brand work included updating our website, Metsa.fi. The new site offers improved accessibility in Finnish, Swedish, North Sámi and English.

Development areas were also identified in the course of the brand work. In the future, we at Metsähallitus wish to engage in closer and more open cooperation both within our organisation and with our stakeholders. We aim for a global and intergenerational approach to attaining our goals together with our partners with the ambition of helping to solve major challenges at both the national and the global level.

### **Hospitality guidelines and gift register bolster fight against corruption and bribery**

As part of implementing Metsähallitus Code of Conduct, we published hospitality guidelines and a gift register in 2020. The hospitality guidelines set out the criteria which Metsähallitus employees should apply when assessing if gifts, benefits and hospitality are acceptable. The guideline also clarifies the types of hospitality that the employees may offer.

In connection with this guideline, we set up a gift register in Metsähallitus: all gifts, benefits and hospitality given and received are reported to this register when their value exceeds the euro amounts specified in the hospitality guidelines. The guidelines and the register are part of our fight against corruption and bribery.



## ETHICAL AND RESPONSIBLE OPERATION

### Reports on the whistleblowing channel down slightly

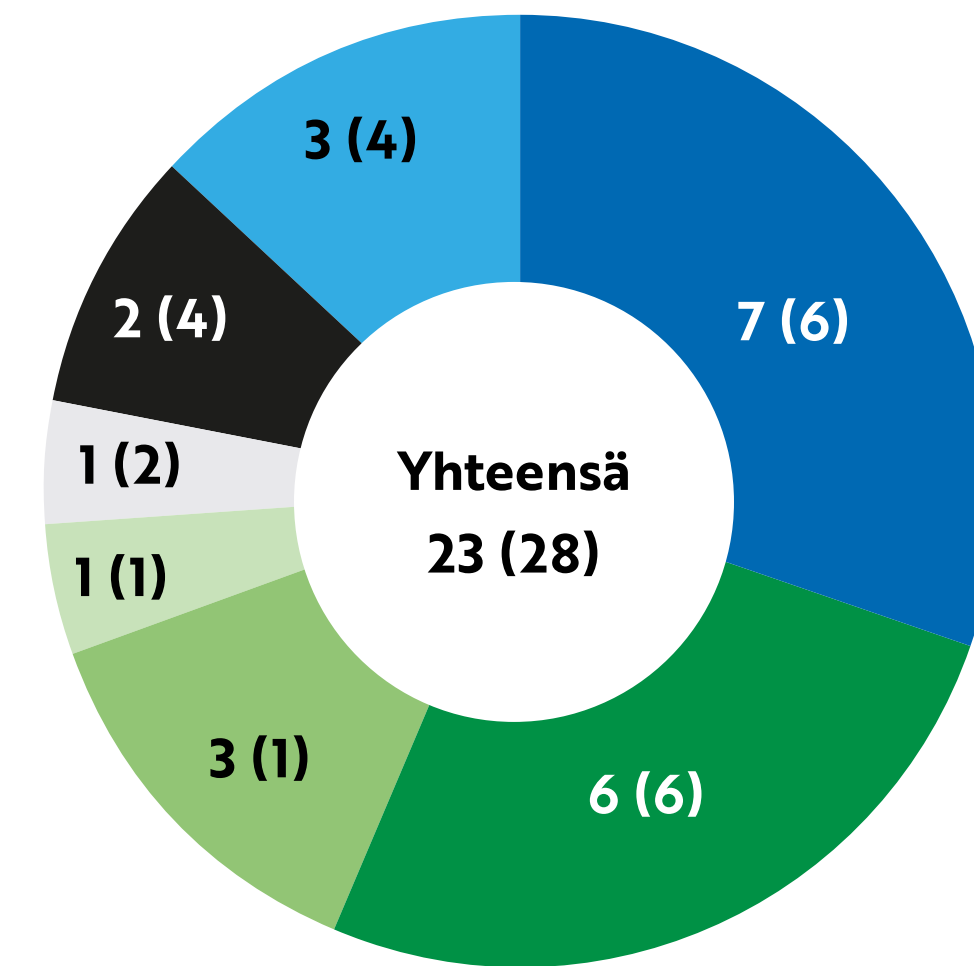
We introduced a whistleblowing channel for internal and external users in connection with the Code of Conduct in 2019. The channel can be used to report suspected abuses related to Metsähallitus' activities or situations in which the responsible and ethical practices set out in our Code of Conduct are not followed. This can be done anonymously, should the person making the report so wish.

The whistleblowing channel continued to operate in 2020, and the personnel were informed about the possibility of using it through internal communications. A total of 23 reports were received through the whistleblowing channel in 2020 (2019: 28). Most of them were reports of obvious abuses. Some of the reports comprised customer feedback rather

than reports of actual suspected abuses, and some were not related to compliance with the Code of Conduct. Additionally, suspicions of some reports being unfounded and malicious arose as they were assessed.

The majority of reports were associated with personnel themes and the environment. No reports related to discrimination or violations of privacy were filed in 2020, whereas in 2019, four such reports were received.

The reports were processed by the legal affairs, human resources and risk management functions and the necessary measures were taken as a result.



### Reports submitted to the whistleblowing channel by theme in 2020 (2019)

- Personnel matters 7 (6)
  - Environment 6 (6)
  - Financial abuses 3 (1)
  - Health and safety 1 (2)
  - Violations of competition law 1 (1)
  - Other themes 2 (4)
  - Reports not related to compliance 3 (4)
  - Discrimination 0 (3)
  - Privacy protection 0 (1)
- In total 23 (28)**



## ENSURING COMPLIANCE

# We comply with acts and regulations

### **We promoted responsible information management**

Metsähallitus strives to develop our information management comprehensively with the aim of ensuring that all data we own and handle are processed and managed responsibly. Having recognised the value of information and the importance of information management, we have developed our activities to meet the requirements of the Act on Information Management in Public Administration, which entered into force at the beginning of 2020. Through responsible information management, we also promote the transparency and recognisability of information and thus the implementation of the openness principle.

In 2020, preparations were made for compliance with the Information Management Act in the TOTI and Tammi projects, which ensured that we meet the requirements of the Act regarding data protection and information security, assessment of the impact of changes, disclosure of data and information management responsibilities.

In the TOTI project, we prepared the information management model and document publicity description required under the Information Management Act. The document publicity description was published in January 2021. In the Tammi project, we launched the procurement of a new case management system that supports digital information man-

agement. The key objective of the system is ensuring responsible information management throughout the life cycle of information.

We also address risk management aspects related to information in our development work, including data protection and information security issues. Risks associated with information systems and data protection have become more common, and Metsähallitus has prepared for them in its risk management. In spring 2020, Metsähallitus was targeted by an attempted data breach which was, however, detected and foiled.

### **We developed responsible contract information management**

We also strive to ensure that contract information is managed responsibly, and we have improved our contract management system with new classification data and metadata for contract information, which enables more secure administration of access rights and lifecycle management. Our goal is fully digitalised contract management, and 16,000 real estate lease and concession contracts were digitalised during the year. Metsähallitus Supplier Code of Conduct has been an elemental part of our procurement contracts throughout the year.



# Society

Our work is based on successfully reconciling a wide range of needs and wishes in collaboration with our stakeholders. We generate value by boosting regional vitality, creating possibilities for sustainable business, producing revenue for the state, promoting wellbeing services obtained from nature as well as fostering living cultural heritage and maintaining buildings and cultural environments related to it.



## Contents

Reconciliation and participation	p. 44
Vitality and value generation	p. 47
Health and wellbeing	p. 56
Culture and fostering of traditions	p. 61



## RECONCILIATION AND PARTICIPATION

---

# Land use planning requires cooperation

### Launch of natural resource planning in the Sámi Homeland

The process related to updating the natural resource plan for the Sámi Homeland began in August 2020. It was preceded by a preliminary planning phase launched in 2019 as a decision was made to commission an external mediator to produce a conflict map. The purpose of conflict mapping was to resolve the confrontation between the reindeer herders' cooperatives based on the forests in Northern Lapland and Metsähallitus Forestry Ltd. The mapping process started in spring 2020, and its key results have been available for natural resource

planning from the beginning.

The pending natural resource plan for the Sámi Homeland will replace the Natural Resource Plan for Northern Lapland valid until the end of 2021, which does not include the area of Lappi reindeer herding cooperative. The Akwé: Kon operating model is being used for the first time in this planning work, and an Akwé: Kon working group will begin its work in January 2021.

Year 2020 was a time of active efforts to promote participation in and collect data for the natural

resource planning process in the Sámi Homeland. We collected indicator data and organised several thematic group meetings to update our situational picture of what local actors' views and wishes are regarding the future guidelines for managing the state-owned land and water areas. The preparation of preliminary operating guidelines was launched in late 2020, and a second meeting of the cooperation group was held in January 2021 to work further on the draft guidelines.

The Natural Resource Plan for the Sámi Homeland is due for completion by the end of 2021.



## RECONCILIATION AND PARTICIPATION

### Landscape ecological network updated across the country

Landscape ecological planning is closely connected with natural resource planning. Its purpose is to ensure the preservation of particularly important habitats referred to in the Forest Act and the Nature Conservation Act and to provide opportunities for species to move between ecological sites in conservation areas and multiple-use forests. The landscape ecological network also helps to reconcile needs pertaining to game habitats, landscape values, cultural heritage sites and recreational use.

In 2020, we completed an update of the landscape ecological network in Southern Finland, Kainuu and Central and Northern Ostrobothnia. Nearly 3,500, hectares of mires, pristine forests, streams, springs and other ecological sites were added to the network in Kainuu; this area was over 5,000 hectares in Kainuu and almost 2,000 hectares in Central and North Ostrobothnia. The landscape ecological

network was updated throughout Finland in 2014–2020. The work to improve the landscape ecological network is an on-going process, and the network is complemented especially with ecological sites and occurrences of species in connection with other activities.

### Further coordination in protected areas under management plans

In 2020, a management plan for Vätsäri wilderness area was completed and sent to the Ministry of the Environment for approval. We also launched management plan updates in the Archipelago National Park, Helvetinjärvi National Park and Bothnian Bay National Park as well as in the Friendship Park in Kuhmo. The Ministry of the Environment approved management plans for Maakylä-Räyskälä and Tulliniemi-Bengtsår during the year.

We also completed a development project on management planning in 2020. The outcomes of the pro-



### Land use planning and project development increase land value »

While we engage actively in zoning projects in areas controlled by us, we also participate in producing many regional land use plans and local master plans in our capacity as a landowner. Our aim is to reconcile the objectives of these plans and the goals of Metsähallitus' planning work.

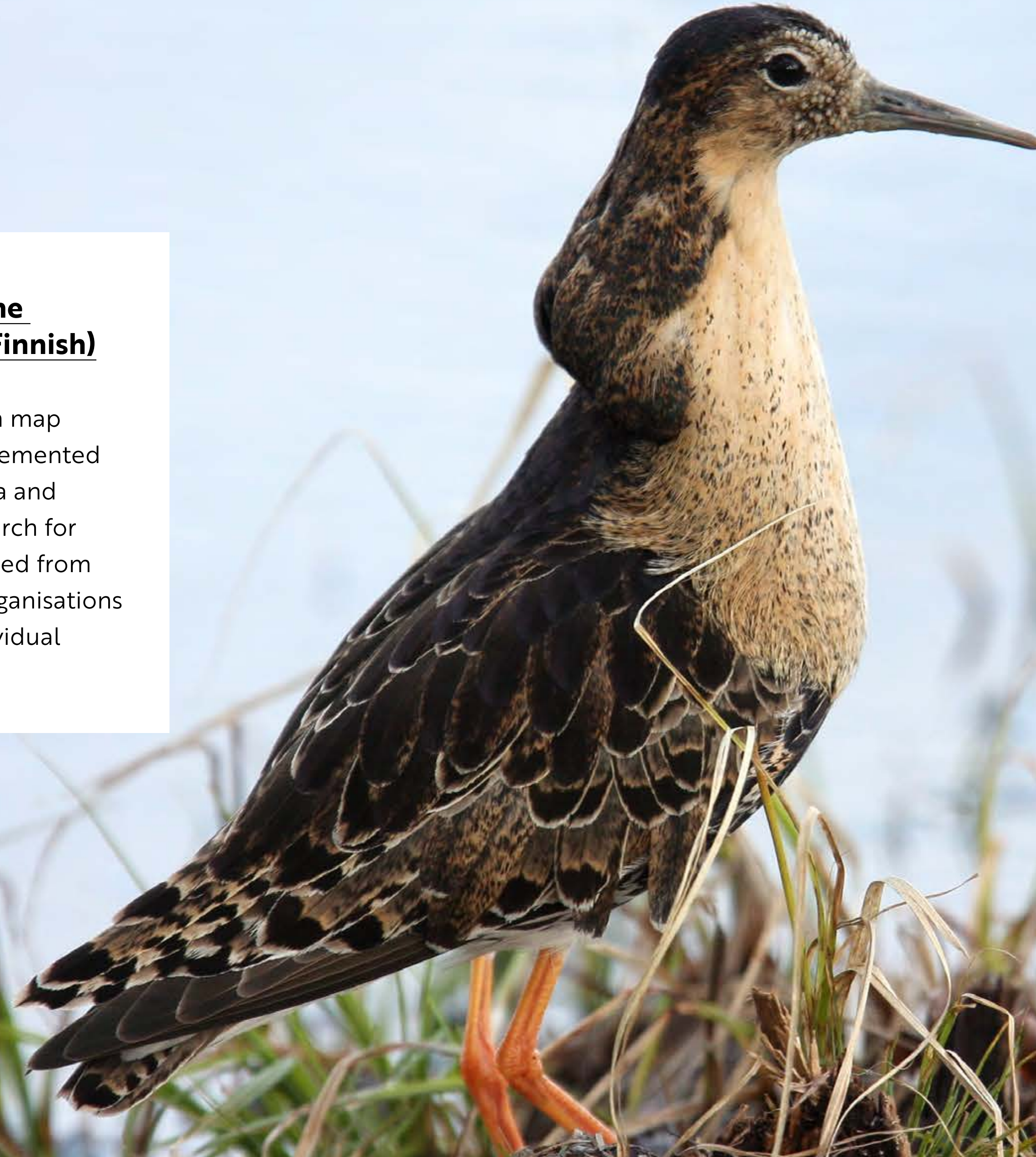
ject will enable a better planning stage response to such challenges as rapid changes in visitor numbers to national parks and their modes of use or challenges created by climate change.



## Case:

### **Valuable ecological sites added to the landscape ecological network » (in Finnish)**

In connection with updating the landscape ecological network, we have filled in gaps in map data concerning ecological sites and complemented the network with new sites. Digital map data and field verifications have been used in the search for sites. Valuable tips on new sites were obtained from Metsähallitus employees, environmental organisations and other stakeholders as well as from individual citizens through a map survey.





## VITALITY AND VALUE CREATION

# Economic welfare and business opportunities

We produced EUR 120 million of revenue for the state budget from our profits in 2020, thus meeting our target. During the year, our operation produced financial impacts amounting to around EUR 165 million through procurements of materials and services and around EUR 50.5 million through salaries and fees paid to the personnel. In addition, we paid some EUR 58 million in taxes. Through forestry and recreational use, our operations produce indirect economic impacts amounting to around EUR 3 billion annually.

In addition to the economic impacts, we conduct responsible business actively and sustainably for the benefit of the environment, people and society and ensure that the general social obligations related to biodiversity, recreational use, the Sámi culture and reindeer husbandry laid down in the Act on Metsähallitus are fulfilled.

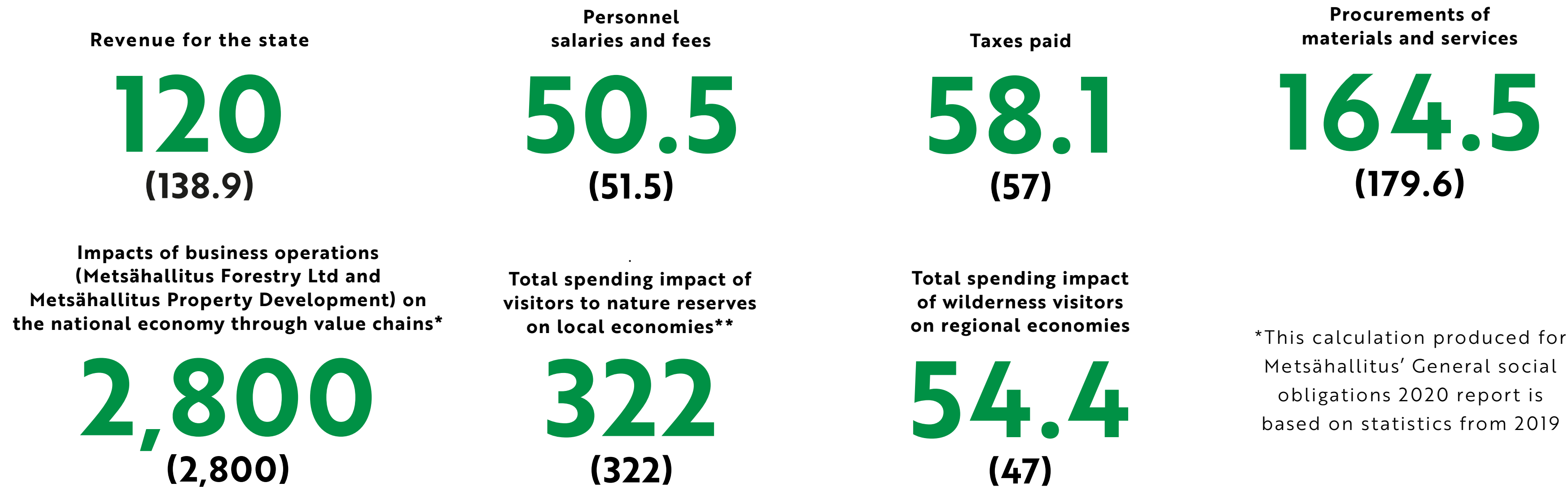
## We make responsible procurements »

When making procurements, we comply with public procurement legislation, the main principles of which are promoting healthy competition and ensuring the equal and non-discriminatory treatment of entrepreneurs. Our Supplier Code of Conduct incorporated in each contract, which promotes responsible and ethical activities within Metsähallitus, ensures that our procurements are responsible.



## ECONOMIC WELFARE PRODUCED BY METSÄHALLITUS IN 2020 (2019)

### Direct and indirect economic impacts, EUR million



### Companies employed and the number of cooperation agreements

Employed forestry companies

**400**  
(400)

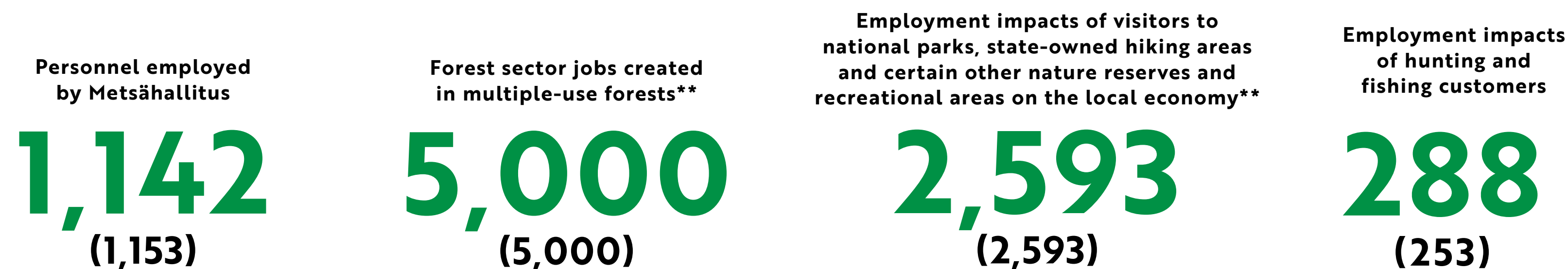
Valid cooperation agreements with tourism companies in protected areas

**675**  
(675)

Malid cooperation agreements with tourism companies in multiple-use

**800**  
(800)

### Employment impacts, person-years



\*\*Figure from 2019. For reasons due to the coronavirus pandemic, the impacts on local economies and employment could not be calculated in 2020



VITALITY AND VALUE CREATION

As part of our business operations, we made inputs amounting to EUR 73.3 million in general social obligations, of which sum Metsähallitus Forestry Ltd accounted for EUR 70.6 million and Metsähallitus Property Development for EUR 2.7 million.

We also started implementing the new reconciliation measures set out in the ownership policy in 2020. The input in these measures totalled EUR 7.22 million.

We report on the fulfilment of all general social obligations in our annual [General social obligations report](#). (in Finnish).

**Business inputs in general social obligations in 2020 (2019), EUR million**

In total  
**73.3**  
(77.6)

<b>Biodiversity s</b>	<b>Reindeer husbandry</b>
<b>52.3</b>	<b>2.9</b>
(55.5)	(3.1)
<b>Recreational use</b>	<b>Sámi culture</b>
<b>13.7</b>	<b>4.4</b>
(14.4)	(4.6)

**Inputs in new coordination measures under the ownership policy in 2020, EUR million**

In total  
**23**  
(7.22)

<b>Expanding continuous cover forest management as part of objective reconciliation</b>	
<b>6.38</b>	
<b>Active ecological management programme</b>	<b>Research and development</b>
<b>0.47</b>	<b>0.37</b>



## VITALITY AND VALUE CREATION

---

### **Wood raw material supplied by us is important for the regional and national economy**

The Finnish forest industry produced a turnover of EUR 31.6 billion and export revenue of EUR 12.5 billion in 2019. The share of timber supplied by Metsähallitus accounted for approximately 9%, or about EUR 2.8 billion, of the forest industry's turnover and approx. EUR 1.1 billion of its export value.

More than 7% of the 66,000 jobs in the forest sector, or 5,000 jobs, relied on timber produced from Metsähallitus' multiple-use forests.\* Including multiplier effects, the total number of jobs was approximately 11,000.

### **Impacts of fishing and hunting on regional economies increased**

Fishing and hunting visitors had a significant impact on regional economies in 2020. The greatest beneficiaries were the eastern and northern parts of Finland. The total income and employment benefits created by wilderness visitors amounted to EUR 54.4 million and 280 person-years..

Due to the emergency conditions, adequate surveys of visitors to protected and hiking areas could not be conducted to assess the impacts on local economies per region. Those visitor surveys that had been launched had to be interrupted or switched to the Internet to protect customer safety and the personnel's occupational health. Visitor numbers to national parks increased by 23%, however, and at the national level it can consequently be estimated and assumed that the impacts of the visitors' spending on local economies also remained at least equal to the 2019 level.

### **Funding for Helmi programme created jobs and employment for contractors**

The employment impacts of funding allocated to habitat programme Helmi, the goal of which is to safeguard biodiversity, was approx. 240 person-years in 2020. The funding granted to this programme enabled Metsähallitus Parks & Wildlife Finland to employ around 50 planners and conservation biologists to inventory state-owned and private nature conser-

vation areas and prepare restoration and ecological management plans based on the inventory data.

Helmi funding also creates employment for contractors and other entrepreneurs. A significant proportion of the funding for measures under this programme benefits the parties who carry them out in practice, especially in areas where employment opportunities are scarce..

### **Tourism and recreational use in national parks was developed together with entrepreneurs**

In 2020, we updated our operating models and practices related to tourism business in the protected and hiking areas managed by us. At the same time, we secured a level playing field for companies and enhanced the benefits they gain from working with us.

Developing tourism and recreational use in national

\*This calculation was produced for Metsähallitus' General social obligations report 2020 based on statistics from 2019



## VITALITY AND VALUE CREATION

---

parks was a special focus of activities in tourism areas in 2020. In the TOBE 1 project conducted in Pallas-Yllästunturi National Park, for example, we productised trails, improved the visibility of our partner companies in the national park, and worked together with tourism operators to update online communications. In Koillismaa and Kainuu, we productised services and implemented a communication concept that interlinks the tourism areas and nature destinations within the catchment area of Kuusamo Airport in the Land of National Parks project.

### Improving business opportunities in hiking areas

General plans for tourism and land use in the hiking areas of Evo, Kylmäluoma and Oulujärvi were completed in 2020. They lay the foundation for future master plans and local detailed plans seeking to improve business opportunities in these areas.

We updated our operating model for hiking area investments to meet current needs, making it possible

for those who do business in the areas to invest in them. Our goal is to create opportunities for sustainable business.

### Great interest in sites

The exceptional year was also reflected in Metsähallitus' site sales: 134 new sites were sold. The demand for consumer sites was at a good level and trade was lively in late 2020, especially in tourist centres. The year marked by the coronavirus pandemic saw a demand for more expensive leisure sites than before with a good location and infrastructure. In addition to sales, we leased 64 new sites, which is almost double the previous year's figure.

The situation was different regarding business sites. While there were many enquiries and a great deal of interest, most projects were postponed till the following year. Some entrepreneurs also proceeded with their plans, however. The supply of tourism services is developing at a fast rate in Syöte area, for ex-



**We updated our operating model for investments in hiking areas. Our goal is to create opportunities for sustainable business.**

ample, where we concluded three new preliminary contracts with entrepreneurs. We expect the sales of commercial sites to pick up again when people can move freely once more.



## VITALITY AND VALUE CREATION

### Metsähallitus' tax footprint

The tax footprint refers to taxes and tax-like charges we pay to society for our activities. Tax returns and reports are submitted centrally by the Group's financial unit. If necessary, we draw on external expert assistance in tax matters, for example in the context of separate reports and matters subject to interpretation. In 2020, we were working on a report on VAT issues related to public administration services.

In principle, taxes are paid to the country in which the tax liability was incurred. Metsähallitus Group companies and Metsähallitus state enterprise are Finnish, and we pay all our taxes to Finland. Metsähallitus has no subsidiaries or branches in other countries.

Metsähallitus' tax footprint was EUR 58.1 million in 2020. VAT, which was mainly paid on the operations of Metsähallitus Forestry Ltd, accounted for the largest share of the tax footprint. Taxes on salaries also comprised a significant proportion of our tax foot-

print. As a nationwide organisation, we also have an impact on regional economies through the salaries we pay.

Our income tax consists of taxes paid by the state enterprise and our subsidiaries. In 2020, the tax rate applied to the state enterprise's real estate income was increased by two percentage points. The change entered into force retroactively in July 2020, and its impact on the taxes we paid was approx. EUR 2 million. Additionally, we pay property tax on the real estate we own. No property tax is payable on forest.

### Metsähallitus tax footprint in 2020 (2019), EUR

In total	
<b>58,122,357</b> (56,993,380)	
Income tax	VAT
<b>12,028,851</b> (12,327,381)	<b>31,686,914</b> (29,467,608)
Withholding tax	Property tax
<b>12,142,710</b> (13,021,811)	<b>1,967,233</b> (1,956,535)
Transfer tax	Vehicle tax
<b>232,774</b> (153,522)	<b>63,875</b> (66,523)
Electricity Tax	Flight tax
<b>0</b> (0)	<b>0</b> (0)



## VITALITY AND VALUE CREATION

# Investments and climate-wise solutions on land and sea

One of our strategic goals is increasing the amount of wind power produced in state-owned areas manyfold by 2030. Wind power plays a key role in finding ways to help Finland achieve the Paris Agreement target of a 60% reduction in emissions by 2030. Renewable energy also creates jobs and brings investments as well as property tax and rental income to Finland.

In 2020, we expanded our wind power project development to offshore areas. We submitted the first planning proposal concerning our own offshore wind

farm to the municipality of Korsnäs, which approved it in November.

The project area of Korsnäs offshore wind farm is located in a public water area managed by Metsähallitus, about 15 kilometres off the coast of Korsnäs municipality. Korsnäs offshore wind farm could comprise as many as several dozen wind turbines with a capacity of around 12 to 20 megawatts. The ultimate capacity of the park will depend, among other things, on technological developments, the turbine models selected, seabed characteristics and electrical connection capacity.



**We launched our first offshore wind farm project in Korsnäs. Increasing the production potential of renewable energy is part of our Climate Programme.**

We will seek for a partner to participate in the project development of Korsnäs offshore wind farm in 2021. Project development is expected to take around four years.



**VITALITY AND VALUE CREATION**

Additionally, we sold the project rights to two land-based wind farms in 2020 to operators who will be responsible for the construction of the farms and wind power production. We also launched two new development projects on land-based wind farms, one in Simo and the other in Kajaani. In addition to our own projects, a number of wind farms are being built and planned on state-owned land under leases or in various cooperation projects.

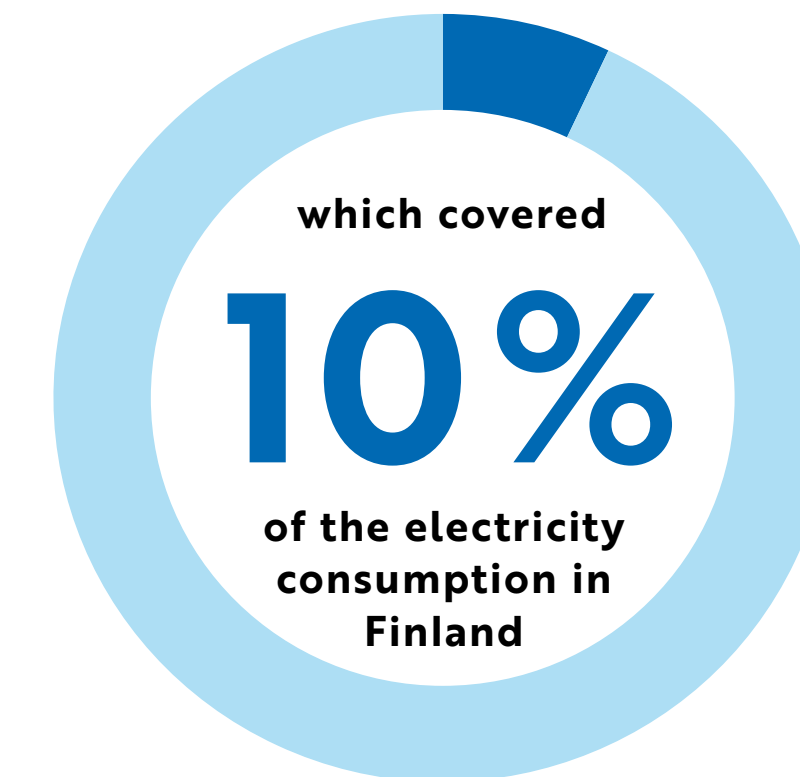
Currently, 91 wind turbines have been installed on state-owned land, and the energy that they produce corresponds to the power consumption of roughly 45,000 homes heated by electricity. In the next few years, new wind power plants with a total production volume of 400 megawatts is being built on state-owned land, and the project development potential in the near future is about 900 megawatts. The state always retains ownership of the land on which the wind farms are built. The rental income from these areas will make up part of the revenue that Metsähallitus will produce for the state.

**Wind power attracts investments and jobs**

At the end of 2020, there were  
**821**  
wind turbines in Finland,



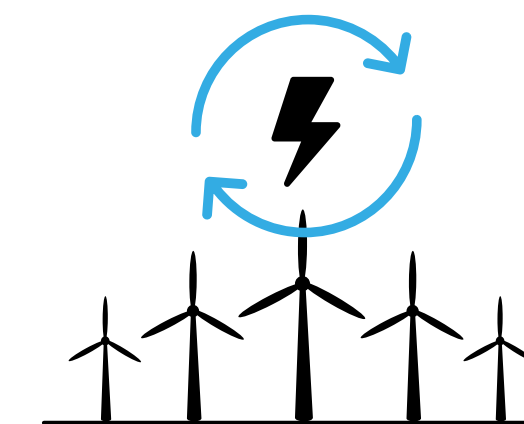
which produced  
**7,8**  
terawatt hours (TWh) of electricity



A single land-based wind power plant can bring municipalities up to EUR

**30 000 €**

in property taxes each year. On average, ten wind turbines employ two maintenance workers on wind farms. More employees are needed during the construction phase.



Renewable wind power can also attract investments to Finland. Electricity produced by wind turbines is increasingly sold to large electricity users under long-term PPA agreements



## Case:

### **Metsähallitus initiates project planning for offshore wind power »**

While Metsähallitus has solid expertise in the development of land-based wind power projects, we are now also looking to the sea. Of all renewable sources, wind power is the most cost-effective way of producing energy in Finland. Wind power also plays a key role in finding ways to help Finland achieve its targets under the Paris Agreement by 2030.



## HEALTH AND WELLBEING

# Joy, health and wellbeing for millions

We enable citizens to enjoy nature by hiking, staying in holiday houses, picking berries, hunting and fishing. In 2020, the coronavirus pandemic underscored the growing popularity of recreation in nature and boosted domestic tourism.

## Record-breaking year in recreational use

In 2020, a total of 10.5 million recreational visits were made to areas managed by Metsähallitus, and hunters and fishers spent over half a million days in total in state-owned areas. In addition, fishers and hunters annually spend a total of 1.4 million days in state-owned areas under special rights, which include ice fishing and, for residents in Northern Fin-

land, hunting within the area of their home municipalities.

State-owned protected areas were the destination of 8.2 million visits. Of this number, national parks accounted for almost 4 million, whereas visits to state-owned hiking areas totalled 317,200. There was a year-on-year increase of 17% in the number of visitors to all nature destinations, a 23% increase in visits to national parks, and a 16% increase in visits to hiking areas.

Based on road use surveys conducted in 2015–2019, the annual number of recreational visits to multi-



**In 2020, a total of 10.5 million recreational visits were made to areas managed by Metsähallitus, and hunters and fishers spent over half a million days in total in state-owned areas.**

ple-use forests is approx. 2.3 million. In multiple-use forests, particular sources of the beneficial effects of recreational use include hunting, berry picking and outdoor recreation.

2020 was also a peak year for hunting and fishing. Over the course of the year, hunters and fishers who had obtained permits from Metsähallitus spent



## HEALTH AND WELLBEING

over half a million days engaged in their hobbies in state-owned areas. The number of fishing permits bought was 117,233, which is 20% more than in the previous year. The number of hunting permits sold was 85,188, or 16% more than in the year before. A similar increase was also recorded in the number of annual state fisheries management fees paid. The sale of fishing and hunting permits was facilitated by the new Eräluvut app, which was downloaded 37,000 times during the year.

Despite the increased number of visitors, customer satisfaction levels of recreational users improved and remained high, similarly to the previous year. Visitors to protected and hiking areas were the most satisfied with off-road services and personal customer advice, the need for which was increased further by new visitors. On the other hand, development needs were seen especially in digital services. The customer satisfaction of hunters and fishers also improved. Customer services and advice were man-

aged well despite the increased demand, and the feedback received was mainly good.

### Additional funding for sustainable tourism helped maintain hiking services

As a result of the coronavirus pandemic, services related to tourism and the recreational use of nature faced new types of challenges. We improved the prerequisites for sustainable tourism in protected areas diversely at off-road locations and visitor centres, in online services and in tourism sector stakeholder work. The focus of the work was on improving the accessibility of services, sustainability of use and customer safety of key services. The additional funding we received for addressing the repair backlog of off-road services in national parks allowed us to maintain trails and different rest stops to the tune of EUR 16 million in 2019 and 2020, while a similar amount of backlog remains to be dealt with in the next few years.

## Opportunities for recreational use offered by Metsähallitus, visits and days in 2020 (2019)

National parks, state-owned hiking areas, historical sites and other popular recreation destinations, visits

**8,243,000**  
(7,016,200)

Recreational use of multiple-use forests, visits

**2,300,000**  
(2,300,000)

Days spent by hunters and fishers in state-owned areas

**546,555**  
(487,559)



**HEALTH AND WELLBEING**

The importance of guidance provided for new customers was emphasised both online, off the road and at visitor centres. We intensified our communication about responsible hiking and channelled our work inputs and investments to the busiest destinations.

We use the Limits of Acceptable Change (LAC) method to monitor the effects of recreational use on the ecological, economic, social and cultural sustainability of an individual nature destination or historical site. The sustainability status of tourism and recreational use of sites managed by Metsähallitus was good in 2020.

During the year, we developed the sustainability monitoring of recreational use further, and these evaluations now cover 15 areas. The evaluations indicate that we have, among other things, improved the quality of service infrastructure, strengthened tourism-related cooperation and developed the equality of the services.

**Wellbeing impacts of recreational use in 2020 (2019)**

**Health and wellbeing impacts (social, psychological and physical) experienced by visitors to protected areas and historical sites, on a scale of 1 to 5**

**4.35**  
**(4.35)**

**Health and wellbeing impacts (social, psychological and physical) experienced by visitors to multiple-use forests, EUR/visit**

**200 to 300**  
**(200 to 300)**

**Customer satisfaction of recreational users in 2020 (2019), on a scale of 1 to 5**

**Customer satisfaction of visitor centre and off-road service users**

**4.42**  
**(4.38)**

**Customer satisfaction of hunters and fishers**

**Hunters**

**3.78**  
**(3.67)**

**Fishers**

**3.74**  
**(3.71)**



## HEALTH AND WELLBEING

### Focus on recreation in multiple-use forests

Roads built for forestry use are an essential prerequisite for enabling and facilitating recreational and other multiple use of state-owned areas. We have 36,000 kilometres of our own forest roads available for recreational use in multiple-use forests. In 2020, we invested EUR 11 million in road maintenance. Additionally, 189,000 hectares of forest land were excluded from commercial forestry or in restricted commercial use, primarily in order to facilitate recreational use.

In connection with natural resource planning in the Sámi Homeland, recreational benefits are monitored based on mobile network data. The idea is to use positioning data produced by the mobile phone network to examine recreational use of multiple-use forests in popular tourism and recreational destinations. The first results will be available in 2021.

### Sustainable populations of fish and game animals were secured in the exceptionally busy year

The beginning of the hunting season was effectively supervised through cooperation between authorities. Game and fisheries wardens checked over 8,700 visitors in the wilderness in 2020 and thus contributed to ensuring that fishing and hunting are sustainable. Despite the increased number of enthusiasts, fewer violations in hunting and especially fishing were reported than in the previous year. In particular, the number of breaches of law was reduced by 1.3% in hunting and 5% in fishing.

The game planning system published in 2019 enabled more accurate planning of hunting and thus safeguarding of sustainability. While the demand for hunting permits was higher than ever, we were able to direct hunting pressure to areas with strong game populations by planning the permit quotas.

Plastic trap tags were phased out in fishing in early 2020 and replaced by electronic tags.

### Wilderness supervision in 2020 (2019)

Number of wilderness inspections

**8,704**  
(8,683)



Photo: Aku Ahlholm



A photograph of a person riding a fat bike through a snowy forest. The rider is wearing a dark jacket, tan pants, a helmet, and sunglasses. The bike has large, treaded tires. In the background, another person is visible riding a similar bike. The forest consists of tall, thin trees, and the ground is covered in snow. The image is partially obscured by a large, out-of-focus tree trunk in the foreground on the right side.

## Case:

### **Nature gets us moving » (in Finnish)**

The number of visitors to national parks and other nature destinations of Metsähallitus has increased by about 3 % annually over the last five years, which means 200,000 additional visitors per year. Partly as a result of the pandemic, the visit numbers increased by as much as 17% in 2020. Additional funding received from the state alleviates the pressure caused by the need to maintain hiking infrastructure. Good hiking infrastructure helps visitors explore nature, protects sensitive environments and improves the operating conditions of nature tourism companies.



## CULTURE AND FOSTERING OF TRADITIONS

# We foster cultural heritage and pass on traditions to the next generation

We maintain living cultural heritage, including buildings and cultural environments related to it. We foster archaeological heritage in the areas we manage and pass on wilderness traditions from one generation to the next. We also produce new information on nature and sustainable development.

In 2020, we recorded more than 1.7 million visits to cultural heritage sites and visitor centres, and our guided tours, events and communications addressed to young people reached over 60,000 members of the public.

The restrictions necessitated by the coronavirus pandemic affected especially visitor centres, guided tours, events and communications addressed to young people. The visitor centres were closed part of the year and, at 890,000, the visitor numbers were down by 20% compared to the year before. In addition, most public events had to be cancelled, which considerably reduced the number of visitors to guide tours, events and Science Centre Pilke alike. Visitor numbers to cultural heritage sites, on the other hand, increased by approx. 9% compared to the year before. Historical sites attracted 880,200 visits.



**In 2020, we recorded more than 1.7 million visits to cultural heritage sites and visitor centres, and our guided tours, events and communications addressed to young people reached over 60,000 members of the public.**



**CULTURE AND FOSTERING OF TRADITIONS**

**Inventories to safeguard cultural heritage**

Metsähallitus manages a significant proportion of archaeological sites and building heritage regarded as valuable real estate assets of the state. Some 27,000 archaeological sites are found in state-owned areas, 6,000 of which are ancient monuments protected by law. We also safeguard all newly discovered sites that are not protected under the Antiquities Act. The number of protected buildings is around 400.

In order to safeguard cultural heritage sites, we carried out inventories of archaeological sites and building heritage in protected areas across the country as part of the Helmi habitat programme in 2020. Inventories were also conducted as part of separately funded projects: with the support of the EU's LIFE funding instrument in the CoastNet LIFE project and Interreg funding in the BalticRIM project.

**Visitors to cultural heritage sites and people reached through guidance and nature education in 2020 (2019)**

Metsähallitus' historical sites, number of visits

**880,200**  
(802,300)

Visitor centres, number of visits

**890,000**  
(1,152,100)

**SCIENCE CENTRE PILKE**

Customers reached, including at fairs and other events

**49,040**  
(102,904)

Groups of learners

**2,879**  
(4,323)

Number of customers guided at visitor centres

**11,900**  
(46,490)

Participants in Wildlife Tutor activities

**1,323**  
(4,000)

Angling Day and Winter Angling Day participants (children and young people with their families)

**1,000**  
(1,500)



## CULTURE AND FOSTERING OF TRADITIONS

### Repairs to building heritage launched with additional funding

The repair backlog of cultural history sites was EUR 70.3 million in 2018. Ruined castles and fortifications of different ages managed as attractions account for the greatest part of this backlog. In 2020, Metsähallitus Parks & Wildlife Finland received budget funding amounting to EUR 0.9 million to address the repair backlog at the most urgent sites as well as EUR 1.8 million in supplementary budget funding, part of which we used to plan demanding repairs to ruined castles. With the help of separate funding secured earlier, finishing touches were put on restoration work at the Granite Castle in Aulanko by adding safety railings to improve visitor safety.

Among other things, we completed the restoration of the roofing that protects the walls at Raseborg Castle Ruins and the rainwater control system in 2020. We also improved the preconditions for subjecting renovation projects to competitive tendering

### Preservation of the value of real estate assets with cultural history interest in 2020 (2019)

Percentage of valuable sites in good and average condition, %

**78**  
(80)

Percentage of up-to-date cultural heritage information, %

**77**

A new indicator in 2020.

by setting up a procurement team that will start its work in 2021.

### We also look after cultural heritage in multiple-use forests »

New cultural heritage sites are continuously discovered in multiple-use forests in connection with the ordinary process of planning forestry operations. An existing ancient monument or cultural heritage site is usually not an obstacle to forestry actions as long as the site is not damaged or destroyed. Trees often need to be removed to manage the site, whereas the soil should not be tilled on the site as a rule.

We monitor the management and use of the most valuable sites annually. Our goal is to preserve the value of the real estate assets with cultural and historic interest we manage.



## CULTURE AND FOSTERING OF TRADITIONS

---

### Many ways of enhancing people's relationship with nature

Heritage environments, including old smallholdings with their meadows, combine the richness of nature and cultural heritage. We also manage heritage environments in national parks and protected areas by offering opportunities to work as a shepherd for a week. In 2020, 15,000 applications were received for the shepherd weeks, which are subject to a fee, and almost all weeks at 15 sites were arranged successfully. Due to the coronavirus epidemic, particular attention was paid to hygiene.

In 2020, 829 people participated in voluntary work in protected areas. In total, the volunteers put in 6,971 hours of work, which included checking the nests of predatory birds. The pandemic made it impossible to carry out the voluntary work as planned, such as working parties.

### Information about wilderness traditions was brought to schools

We pass on wilderness traditions to the next generation through the Wilderness Tutor activities and the Wilderness Passport school programme. Due to the circumstances, fewer Wilderness Tutor events and training sessions could be organised in 2020 than before. Communication about wilderness activities was channelled directly to schools, among other things, and teachers could order Metsähallitus' customer magazines to support their instruction. The work also continued through our partners.

On Angling Day, everyone under the age of 18 can try fishing for free at a number of Metsähallitus' angling destinations. The Angling Day of 2020 was exceptionally organised in the autumn. The Winter Angling Day, its counterpart in winter, was organised successfully at four locations where permitted by the ice situation. In total, around one thousand children and their families participated in the Angling Day and Winter Angling Day.

### Diverse communications addressed to young people as permitted by the restrictions

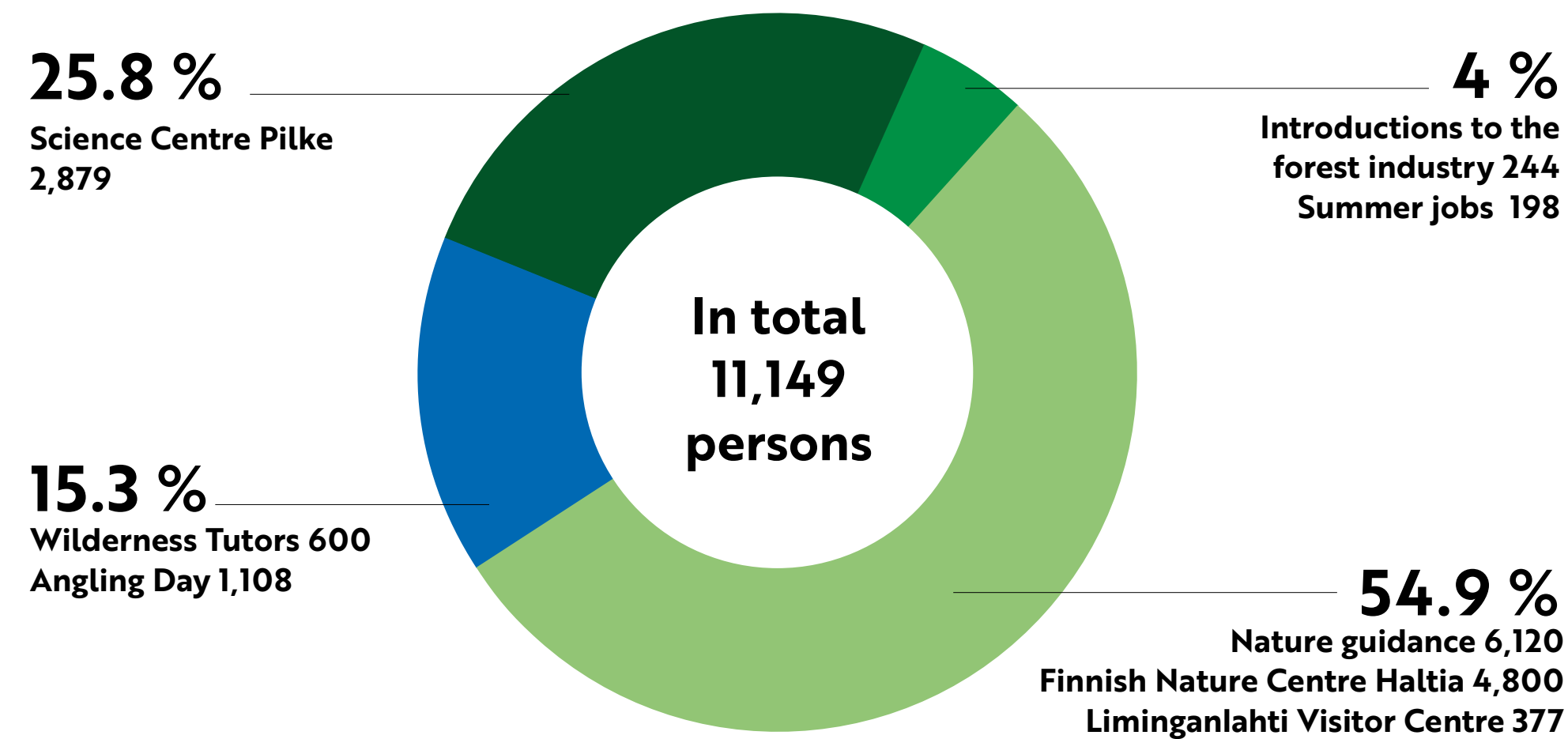
The coronavirus pandemic also affected our youth communications. Remote connections were relied on to arrange some of the events, including multidisciplinary learning modules on sustainable development organised with the LUMA Centre of the University of Lapland. Learning and family events as well as guided workshops and excursions were organised remotely or outdoors during the summer and early autumn. Science Centre Pilke's learning workshops and other activities reached 2,879 children and young people last year.

We improved Metsähallitus' introduction to working life model and the digital game associated with it in 2020. In the autumn, we organised the traditional 'Eighth-graders' forest event' together with other forest sector actors in Mottimetsä, the outdoor learning environment of Science Centre Pilke in Rovaniemi.



**CULTURE AND FOSTERING OF TRADITIONS**

**Children and young people reached in 2020:**



The event was attended by 479 grade 8 pupils from Rovaniemi. Metsähallitus Forestry Ltd also organised joint forest sector theme days of similar importance for 244 young people. We also participated in the Children's Design Week event at Annantalo Art Centre in Helsinki. At this event, we launched a participatory project in which children designed and implemented their own carbon-neutral learning environments. The workshops were attended by 163 children.

In the spring, Nature Centre Haltia's nature school switched to online activities, and Haltia's nature educators came up with plenty of material to support schools with distance learning and families with their excursion plans. Guides from Haltia began visiting forests close to pre-primary and primary schools to lead nature excursions. As part of the Lystra project, we updated the joint pedagogical material for Finnish and Swedish schools in the Kvarken Archipelago World Heritage Site. The assignments can be com-

pleted in the school yard, in a nearby forest or at the actual World Heritage Site.

Number of online service users broke all records. Our online services are used several million times a year. They provide advice on planning nature visits as well as information about nature, cultural heritage and services at the sites and the outdoor etiquette. They have also been an important channel for customer safety information during the coronavirus pandemic.

The impacts of year 2020 were seen in the number of users who visited the Nationalparks.fi service popular with hikers: a total of 3.2 million visits, or an increase of 49%. The fishing and hunting web service Eräluvut.fi attracted more than 880,000 users in 2020, or 37% more than in the previous year. The number of visits to this site exceeded 1.7 million, which represents an increase of 39%.

The free map service Excursionmap.fi was updated in summer 2020. The new version immediately became highly popular, attracting a total of 3.8 million visits, which was an increase of 44%.



# Environment

We work systematically to protect the environment and safeguard sustainable use of natural resources. Reconciling ecological, economic, social and cultural sustainability is the principle that guides all our work. We aim to be a pioneer of responsibility and sustainable development.

## Contents

Climate change mitigation and adaptation [p. 70](#)  
Safeguarding biodiversity [p. 79](#)



## ENVIRONMENT

---

# We protect and develop the value of nature

All Metsähallitus' activities have strong links with Finnish nature and natural resources, which is why we carefully consider environmental issues as part of our work. In environmental matters, the responsibility lies with all our employees.

Our strategic environmental targets for 2020 were related to climate change adaptation and mitigation as well as safeguarding and enriching biodiversity.

### **A certified system for managing environmental issues**

The management of environmental issues at Metsähallitus is underpinned by an ISO 14001 certified environmental system.

The environmental team of Metsähallitus, which includes representatives from all business and Group units, together with the business units' environmental teams prepares matters related to the environmental system for Metsähallitus' Board of Directors, the Management Group and the business unit's management groups. Metsähallitus' environmental team

is also responsible for managing, monitoring and developing the implementation of the environmental system. From the beginning of 2021, Metsähallitus' environmental team in the updated organisation is chaired by the Director of the Communications, Strategy and Responsibility unit, who presents matters to the Management Group and the Board of Directors.

The management is committed to responsible environmental governance in accordance with Metsähallitus' environmental policy. Our aim is to strike a balance between the environment, society and economy, enabling us to carry out the tasks assigned to us optimally and following the principles of sustainable development, and to improve the status of the environment and natural resources on state-owned land.



## ENVIRONMENT

---

### **Audits and environmental monitoring help uphold standards**

The standard of environmental protection is monitored, measured and evaluated by means of internal and external audits and reviews, in addition to which the environmental perspectives and risks are evaluated annually.

As required by our environmental management system, we keep track of the results of our work by means of annual environmental monitoring in forestry operations. In 2020, the overall quality of environmental management was excellent. The standard of our work meets the requirements of legislation, forest certification and Metsähallitus' environmental guidelines alike. Preserving game thickets in connection with timber harvesting and forest management work is an area in need of improvement.

Four deviations were detected in the internal audits carried out in 2020. They were related to shortcomings in completion of training, inadequacies in

the instructions issued to and skills possessed by Metsähallitus' personnel and contractors, and two separate cases where problems associated with marking stand boundaries led to the harvester crossing the boundary. An external audit of the environmental management system focused on the effectiveness of ecological management in Hossa National Park by Parks & Wildlife Finland, development of hiking areas by Metsähallitus Property Development, protection of the forest reindeer genome by the Finnish Wildlife Service, and operation of an observation area for continuous cover forestry managed by Metsähallitus Forestry Ltd. One minor deviation was observed in the audit; it was due to the fact that, following an update of the Metsa.fi web service, some feedback messages had been routed incorrectly, which is why not all feedback had been responded to. The issue was rectified by responding to the messages in question.

The PEFC standard audit found minor deviations related to two certification criteria in 2020. A deviation

was detected in the fulfilment of the criteria for forest use declarations as checks based on the Finnish Forest Centre's satellite images revealed fellings for which a forest use declaration had not been submitted, or the declaration had expired. The matter is being investigated one case at a time and detail will be added to the instructions to avoid similar occurrences in the future.

Another deviation was associated with the preservation of valuable habitats. A case emerged during the year in which a forest machine had driven along the banks of a stream at a site defined as valuable in violation of the instructions. As fulfilment of the criteria was scrutinised, situations which have come to light in recent years but not yet fully investigated were also examined, in which a valuable habitat referred to in the legislation may have been compromised in connection with the activities. The confirmed or presumed cause of all the above-mentioned cases was either a breakdown in communication between planning and implementation, shortcomings in the



## ENVIRONMENT

---

implementer's skills, or challenges arising from language proficiency. Providing improved instructions at all levels has been included in the environmental targets for the following year in order to avoid similar cases in the future.

The deviations regarding PEFC certification were mild in nature and will not lead to legal action or loss of the certificate.

### **Work to update PEFC standard criteria continued**

Metsähallitus, and later Metsähallitus Forestry Ltd, have been active players in the PEFC forest certification system for over 20 years. The work on updating the criteria of the national PEFC standard and bringing them in line with the new international requirements began in 2019 and continued throughout 2020. The process has involved a record-breaking number of 65 parties: forest and natural resource sector actors, research communities, authorities and other stakeholders.

Issues that sparked a great deal of discussion during the process have included water protection, retention trees and sites excluded from forestry operations, including old-growth forests. Discussions on requirements for service procurements and their relationship with legislation have also been lively. The new PEFC requirements are mainly well covered by our current guidelines, which is why the revised standard does not create significant needs to update our guidelines.

Reconciling the views of a broad-based working group has proven more demanding than anticipated, and rather than the work being completed by the end of the year as expected, the finalisation of the revised national PEFC standard was consequently postponed till early 2021.

### **Reforming the Nature Conservation Act**

The Nature Conservation Act will be reformed under the leadership of the Ministry of the Environment, with the principal goal of promoting the protection

of biodiversity. The reform also aims at addressing climate change, promoting the acceptability of nature conservation, and clarifying administrative procedures. Regulation on ecological compensation will also be developed in the context of this legislative reform. The reform project was initiated in early 2020, and the government proposal is due for completion in autumn 2021. Metsähallitus Parks & Wildlife Finland is a member of the project group drafting the overhaul of the Act, and Metsähallitus Forestry Ltd is a member of the sub-group preparing the legislation on ecological compensation.

While the Nature Conservation Act is central to the administration and management of nature conservation areas, its impacts will also affect other areas of Metsähallitus' work. Among other things, the provisions on conservation of habitats and species will apply to not only protected areas but also multiple-use forests.



## CLIMATE CHANGE MITIGATION AND ADAPTATION

# We promote the attainment of Finland's climate targets

Climate change and adaptation to it play a large part in Metsähallitus' new strategy. Our Climate Programme launched in 2019 promotes the attainment of Finland's climate targets and transition to a carbon-neutral society by 2035 through increasing carbon sinks, carbon storage and clean energy production as well as by cutting our emissions. Alongside climate change mitigation and adaptation, maintaining and developing biodiversity in land and water areas is an important goal for us.

The baseline level of the Climate Programme data was calculated for 2018. The calculations are based on data produced by the 12th National Forest Inventory (2014–2018). The development of the carbon sink and carbon storage is assessed annually on the basis of this data. The carbon footprint is always calculated for the previous year, and the figures for 2020 consequently apply to 2019.



**In 2018, state-owned forests made up nearly one half of the carbon sink of Finnish forests, or 12 MtCO<sub>2</sub>e.**



## CLIMATE CHANGE MITIGATION AND ADAPTATION

### State-owned forests are a significant carbon sink and growing carbon storage

In 2014–2018, the carbon sink of state-owned forests was approximately 12 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e). Multiple-use forests accounted for 63% and protected areas for 37% of the carbon sinks. During the same period, state-owned forests made up almost one half of the total carbon sink of Finnish forests, or approx. 48%. The carbon sink of trees on state-owned lands corresponded to just over one fifth of Finland's greenhouse gas emissions in 2018.

The carbon stock of state-owned forests amounted to approx. 177 million tonnes. Between the last two National Forest Inventories, the carbon stock of the trees in state-owned forests had gone up from 157



**In 2018, we reduced Finland's annual greenhouse gas emissions by almost 6 % through the replacement effect of the timber supplied by us and the emissions reduction achieved through wind power generation.**

million tonnes to 177 million tonnes of carbon. Multiple-use forests accounted for 67% per cent of the carbon stock in trees, while protected areas accounted for 33%. The living biomass on state-owned land made up about one fifth (21%) of the carbon stock in Finnish biomass.

### We produce climate benefits and reduce our emissions

In 2018, the total climate benefits obtained from renewable raw materials and energy originating from

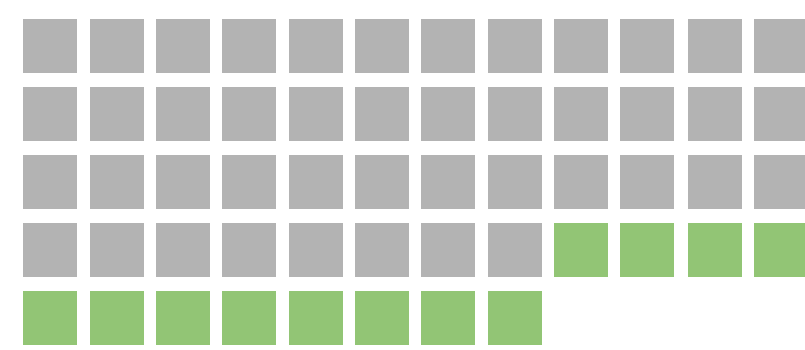
state-owned areas in different value chains amounted to 3.3 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e).

Metsähallitus' carbon footprint was approximately 0.08 MtCO<sub>2</sub>e. The carbon footprint shows the volume of greenhouse gas emissions generated in our activities. The greatest emission sources consist of timber harvesting and transport, the electricity and heat used by our offices and visitor centres, as well as the travel of personnel.



# Metsähallitus' Climate Programme

## Climate benefits produced by Metsähallitus (NFI12)



■ Finland's greenhouse gas emissions  
56,5 MtCO<sub>2</sub>e

■ Carbon sink of state-owned forests  
12 MtCO<sub>2</sub>e



■ Carbon stock of trees growing in Finland  
700 million tonnes

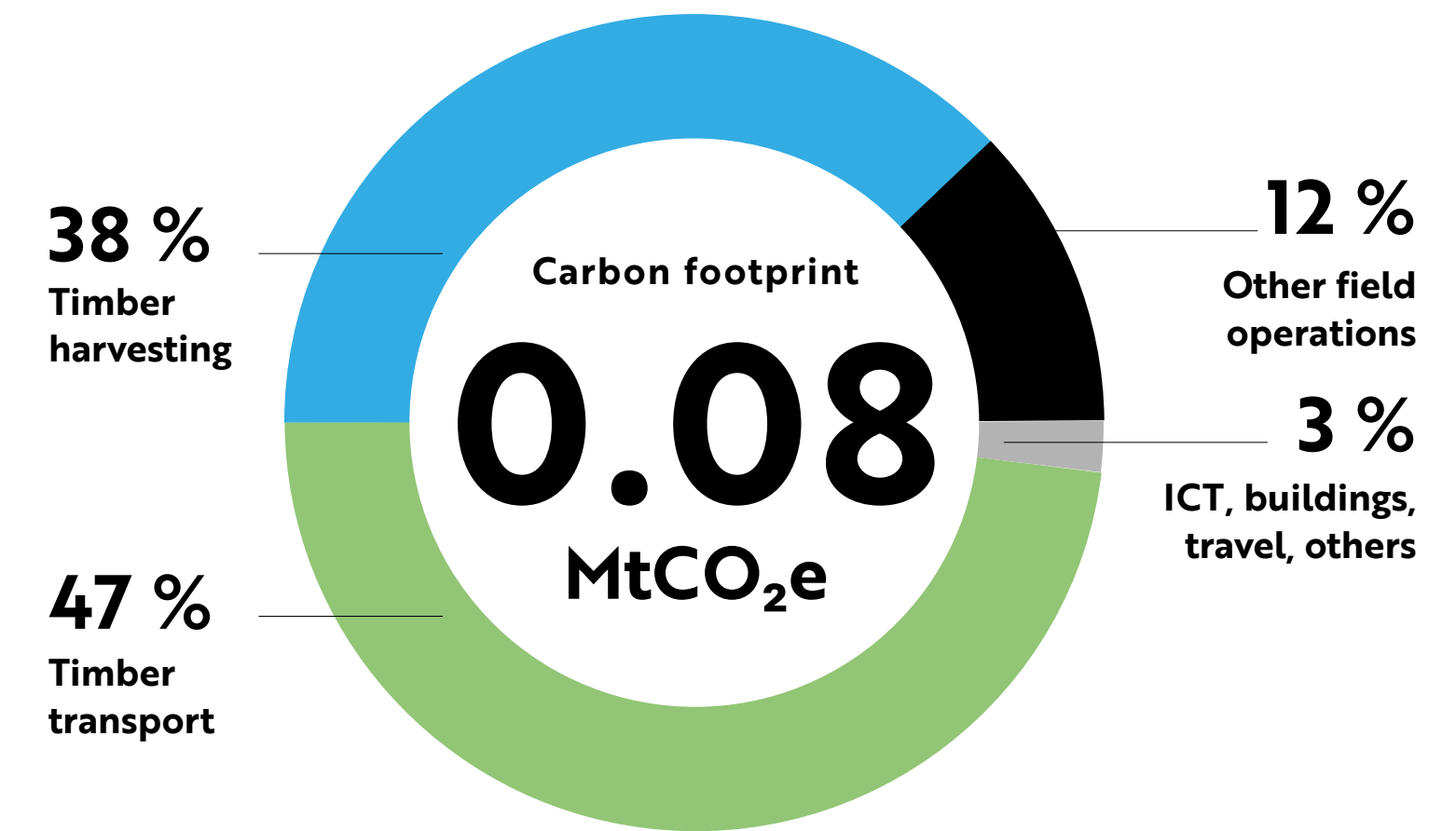
■ Carbon stock of state-owned forests  
approx. 177 million tonnes



Carbon handprint

**3.3**  
MtCO<sub>2</sub>e

## Emissions from Metsähallitus' activities



**2020**

**2025**

**2030**

**2035**

Progress of the Climate Programme

Metsähallitus Climate Programme was launched in 2019.

We will restore 17,000 hectares of deteriorated habitats in protected areas and 4,760 hectares in commercially used areas by the year 2023.

We will phase out the use of oil for heating by 2024.

We will triple the production of renewable energy by 2030.

We will build up the carbon sinks of multiple-use forests by 10 % and the carbon stock of state-owned lands by 10 % by 2035.



**CLIMATE CHANGE MITIGATION AND ADAPTATION**

**We will increase the carbon sink of multiple-use forests and the carbon stock of state-owned forests**

Our goal is to increase the carbon sink of multiple-use forests and the carbon stock of state-owned land by 10% by 2035.

In 2020, the calculated carbon sink of multiple-use forests was 9.12 million tonnes of carbon dioxide equivalent. The carbon stock of trees on state-owned land was calculated at 181 million tonnes of carbon, of which the share of multiple-use forests was 122 million tonnes. The carbon sink of multiple-use forests grew by 0.96 million tonnes of carbon dioxide equivalent, or about 12%, while the carbon stock of state-owned forests increased by 4 million tonnes, or more than 2% from 2018.

To enhance carbon sequestration in forests and build up the carbon stock, we will increase fertilisa-

tion; in 2020, we made preparations for doubling the fertilisation volume from 2021 onwards. In addition, we will promote the growth and carbon sequestration of multiple-use forests by using improved seed in forest regeneration whenever available.

2020

**We will increase the carbon sinks in multiple-use forests by 10 % by 2035.**

Carbon sink  
**9.12**  
MtCO<sub>2</sub>e

**We will increase the carbon stock of trees on state-owned land by 10 % by 2035.**

Carbon stock of trees in state-owned forests

**181**  
million t C

of which carbon stock of multiple-use forests

**122**  
million t C



## CLIMATE CHANGE MITIGATION AND ADAPTATION

---

In 2020, we added a module on planning ditch network maintenance in drained peatlands of multiple-use forests to the Silvia forest resource and planning system. We also launched the development of carbon emission calculations for drained peatlands with the Natural Resources Institute Finland. These calculations were piloted in 2019 in the Climate-Smart Forestry in North Karelia project. In early 2021, nationwide geographic information on estimated carbon emissions or sinks covering both the soil and tree stands will be added to the Silvia system. The availability of significantly more accurate data will enable us to assess the impacts of measures in greater detail in forest planning.

### Video:

#### **Research adds to our knowledge of continuous cover forestry »** **(in Finnish)**

In 2019, we established three observation areas of 5,000 hectares to study continuous cover forestry. We will increase the share of continuous cover forestry to at least one quarter of the area designated for regenerative felling in line with the ownership policy guidelines and Metsähallitus' Climate Programme objectives.

Photo: Jonne Vaahtera



## CLIMATE CHANGE MITIGATION AND ADAPTATION

### Climate benefits from renewable energy and wood raw material

Wind power capacity built on state-owned land as well as energy wood and residues from roundwood delivered to customers reduce carbon dioxide emissions from fossil fuel based energy production. Products made of sustainably produced wood from multiple-use forests replace fossil raw materials, and some of the harvested timber will continue to act as a carbon sink in wooden buildings and other long-lasting products after it has been processed. Our carbon handprint reflects these positive climate impacts that our products and services generate in value chains.

Our target is to triple the production of renewable energy in state-owned areas by 2030. In the next few years, new wind power plants with a total production volume of 400 megawatts will be built on state-owned land, and the project development potential in the near future is about 900 megawatts.

### We will triple the production of renewable energy by 2030.

Wind power capacity built in areas controlled by Metsähallitus, 2020

**248.5**  
MW

### Climate solutions and wellbeing from wind energy »

Finland is making an effort to become the world's first fossil free welfare society by 2035. Metsähallitus plays an important role in achieving this goal as state-owned areas have capacity for building a significant number of wind power plants, and the energy produced by these plants would reduce the need for fossil fuels. In 2020, we launched our first offshore wind farm project in Korsnäs.



## CLIMATE CHANGE MITIGATION AND ADAPTATION

---

### Harvesting and transport of roundwood are the greatest sources of greenhouse gas emissions

In 2019, our carbon footprint was approx. 0.08 million tonnes of carbon dioxide equivalent. Our calculated total emissions decreased by around 4% compared to 2018. This reduction is partly explained by increased accuracy in the calculations of emissions from timber harvesting and transport, for example in terms of productivity and fuel consumption data. On the other hand, forest management in which intermediate felling predominates as well as the number of ecological management projects and the increase in mechanical work associated with them also mean a slight increase in the greenhouse gas emissions generated by these activities.

In 2019, emissions from timber harvesting and timber transport accounted for 96% of our carbon footprint. Increasingly economical and climate-friendly solutions have been deployed in the harvesting and transport fleet, which is reflected in a downward trend in emissions. We contribute to this development by awarding points for new harvester fleet in resource procurements and ensure reliable and efficient road transport of timber by imposing age limits on the fleet. We are also piloting a new type of hybrid timber harvesters and testing the use of High Capacity Transport (HCT) combinations in timber transport; these 'Mini Giant' fleet solutions have a higher payload.

After harvesting and transportation of timber, forest management and improvement work and the production and delivery of forest chips, the next



**We will reduce the carbon footprint of travel by 10 % a year and phase out oil for heating by 2024.**



## CLIMATE CHANGE MITIGATION AND ADAPTATION

largest emission source in our operations is the electricity and heat used by our offices and visitor centres as well as the travel of personnel. To reduce emissions from the buildings we manage, we have opted for renewable energy in our electricity supply contracts.

In 2019, travel emissions were mainly produced from travel by private cars and air travel. There was a slight increase in travel between 2018 and 2019. In our Climate Programme, we are committed to reducing the carbon footprint of travel by 10 % per year, among other things by making use of videoconferencing, arranging to have several meetings on one trip and using more environmentally friendly modes of travel.

Our key actions for reducing our carbon footprint include the introduction of an ETJ+ energy efficiency system, which was prepared in 2020, phasing out of oil in heating our premises by 2024, and improving our procurements, logistics and operations.

### Metsähallitus' largest sources of emissions and their trends in 2018–2019

Emission source	2018 tCO <sub>2</sub> e	2018 Proportion of total emissions	2019 tCO <sub>2</sub> e	2019 Proportion of total emissions	Change from 2018 to 2019	GHG protocol
Timber harvesting	32,072	38.3%	30,849	38.5%	-3.8%	Scope 3
Roundwood transport	40,440	48.3%	37,323	46.6%	-7.7%	Scope 3
Forest management, forest improvement and other field operations	9148	10.9%	9747	12.2%	6.5%	Scope 3 and Scope 1
Buildings (electricity and heating)	1,128	1.3%	1073	1.3%	-4.9%	Scope 2
Travel	938	1.1%	1,138	1.4%	21.3%	Scope 3 and Scope 1
ICT	32	0.0%	33	0.0%	3.9%	Scope 3 and Scope 1
<b>TOTAL</b>	<b>83,758</b>	<b>100.0%</b>	<b>80,163</b>	<b>100.0%</b>	<b>-4%</b>	



## Case:

### **Climate perspectives stressed in peatland forest management » (in Finnish)**

Fewer open fellings and ditch maintenance operations, more continuous cover silviculture and ash fertilisation – we apply the latest research evidence in the management of peatland forests in order to improve carbon sequestration and reduce emissions harmful to the environment.



## SAFEGUARDING BIODIVERSITY

# We safeguard biodiversity comprehensively

## An index to describe biodiversity

Development in the status of biodiversity is monitored annually using a biodiversity index jointly developed by the business units. The index describes trends in structural features important for biodiversity, including the volume of decaying wood, as well as the effectiveness of actions aiming to preserve and enhance biodiversity, such as preservation of ecological sites and the surface area of completed restoration work and ecological management measures.

## The biodiversity index consists of five indicators:

- Status assessment of terrestrial Natura 2000 habitats
- Consideration of ecological sites in fellings
- Surface area of restoration measures (ha)
- Volume of decaying wood (m<sup>3</sup>/ha)
- Volume of mature aspens (m<sup>3</sup>/ha)

We safeguard biodiversity by examining state-owned lands as a whole in which the network vital to bio-

diversity in our country consists of not only nature conservation areas but also the most important ecological sites in multiple-use forests that enhance their connectivity. The network is constantly complemented with new ecological sites in both newly protected areas and multiple-use forests. Marine and inland waterway sites in state-owned water areas are also an essential part of the network.

Indicator	2016	2017	2018	2019	2020
Status assessment of terrestrial Natura 2000 habitats	3.90	3.89	3.90	3.90	3.82
Consideration of ecological sites in fellings	4.45	4.52	4.87	5.00	5.00
Surface area of restoration measures (ha)	3.23	3.7	3.81	4.06	5.00
Volume of decaying wood (m <sup>3</sup> /ha)	2.30	2.30	2.13	2.13	2.25
Volume of mature aspens (m <sup>3</sup> /ha)	3.40	3.40	4.00	4.00	3.50
<b>BIODIVERSITY INDEX</b>	<b>3.46</b>	<b>3.56</b>	<b>3.74</b>	<b>3.82</b>	<b>3.91</b>



## SAFEGUARDING BIODIVERSITY

In 2020, the biodiversity index value was 3.91 on a scale of 1 to 5. The index value has improved every year since 2016. The index tells us if biodiversity on state-owned lands and in private nature reserves is showing a negative (1) or improving (5) trend. The aim is at continuous improvement.

The indicator for status assessment of terrestrial Natura 2000 habitats describes improvement in the environmental status of protected areas: the higher the value, the better the representativeness of the habitats. The value of this indicator has remained nearly unchanged from year to year, as active ecological management measures in protected areas focus on a relatively small part of the habitats' surface area, which means relatively low effectiveness. The need for ecological management in new protected areas and such factors as insect damage in fell habitats also bring the value down. For these reasons, the goal of 3.95 set for 2020 was not achieved, and the final result was 3.82.

Of all index areas, we did the best in consideration of ecological sites in fellings as well as increase in

the surface area of restoration measures and ecological management: 99.8% of ecological sites were preserved fully or almost fully. In Metsähallitus' multiple-use forests, ecological sites refer to small-scale sites that are valuable in terms of biodiversity, such as areas around small water bodies or patches of herb-rich forest. Ecological sites are excluded from management, whereas measures aiming for maintaining or improving them are possible. The areas examined to produce the index value are selected by sampling, and in 2020, the examination focused on regeneration fellings carried out in 2019 and 2020.

Restoration and ecological management measures were carried out across 10,661 hectares in total last year. With the help of additional funding, we were able to restore over 3,000 hectares of mires in protected areas, which is four times the previous year's achievement. The area of restored heath forests also grew. The surface area in which restoration and ecological management measures were carried out in multiple-use forests grew considerably compared to the previous year, reaching 1,024 hectares. In addition, the ecological effectiveness of the restoration

measures improved as more attention was paid to supporting biodiversity and improving the status of water systems when selecting the sites.

The lowest score of all sub-indexes was achieved in the amount of decaying wood, and increasing its volume has consequently been set as a goal for the following years. About one quarter, or nearly 4,000, of all species found in Finnish forests are directly or indirectly dependent on decaying wood. Increasing the volume of decaying wood is the most significant individual measure through which biodiversity can be promoted.

### **Helmi programme boosts the protection of the most endangered habitats**

In 2020, we allocated approximately EUR 10 million of the additional funding granted for Parks & Wildlife Finland to implementing the Helmi programme, which focuses on habitats in protected areas. The habitat programme Helmi launched by the environmental administration enhances biodiversity in Finland and safeguards the vital ecosystem services provided by nature while promoting climate change mitigation and adaptation.



## SAFEGUARDING BIODIVERSITY

We restored nearly 3,000 hectares of mires and over 200 hectares of forests in state-owned protected areas. Traditional rural biotopes were restored across 360 hectares, and other valuable habitats, including herb-rich forests, across more than 700 hectares in total. We achieved the target of restoring and managing 4,500 hectares set by the Ministry of the Environment and exceeded our target of 300 hectares set for restoring traditional rural biotopes. Of these measures, 86% were carried out in state-owned and 14% in private protected areas.

Under the Helmi programme, the target for mire restoration for 2020 was set at 1,700 hectares, of which we achieved 92%, or 1,563 hectares. Poor winter conditions in early 2020 prevented work in the field, which was mainly carried out late in the year. Mires were also restored by reverting water to drained mires across a total surface area of 230 hectares. The Helmi programme enabled us to restore more forest habitats, small water bodies and other valuable habitats than originally planned. In 2020, restoration and

### Management of valuable habitats in protected areas in 2020



ecological management measures were carried out in protected areas in connection with not only the Helmi programme but also LIFE projects.

### Species occurrence checks and habitat inventories in protected areas in 2020

Occurrence checks of species needing urgent protection or special protection, and species protected under EU directives

**2,754**

Sites where mammals and birds for which Metsähallitus is responsible were monitored

**3,188**

Terrestrial habitat inventories, ha

**33,019**

Terrestrial habitat inventories in private protected areas, ha

**11,191**

Bird surveys in bird wetlands to be restored under the Helmi programme were carried out at 29 sites, and the total distance covered by line transect point calculations of birds in protected areas was almost 900 km.



## Case:

### **Light & Fire LIFE helped sites of high ecological value »**

In the Light & Fire LIFE project, which ended in 2020, we managed ecological sites that need sunlight and heat or fire across an area of about 1,000 hectares. These are the only suitable habitats for many rare and endangered species. For the first time in Finland, lands owned by not only the state but also private landowners and companies were managed in the same project.



## SAFEGUARDING BIODIVERSITY

### Active ecological management programme launched in multiple-use forests

In 2020, we launched a programme of active ecological management in multiple-use forests with the aim of stepping up ecological management and improving its effectiveness. Active ecological management measures include restoring mires, managing herb-rich forests and fire and light environments, removing barriers to migration and restoring small streams. Three regional ecological management experts were recruited by Metsähallitus Forestry Ltd to enhance the search for suitable sites and planning of measures.

Mire restoration, which is a central ecological management action on state-owned lands, was carried out across 982 hectares in total. Simultaneous work on mires and aquatic habitats both improves the status of catchment areas and supports preparedness

for climate change and minimisation of its harmful consequences.

Multi-purpose forests contain little or no fire and light habitats or herb-rich forests important for biodiversity. However, their management significantly improves the chances of survival for many endangered and declining species. The survival of fire and light species was supported along the marginal areas of Jämi airport by mechanically producing patches in which endangered plant species that provide food and shelter for endangered insects found in the area will be sown or transplanted in 2021. The fire and light environment was managed and the transplantation will be planned and implemented in cooperation with Parks & Wildlife Finland and the ELY Centre. As the status and management needs of herb-rich forests were inspected, three sites needing management were found; on two of these sites, spruce trees

### Ecological management measures to safeguard and enhance biodiversity in multiple-use forests in 2020 and targets for 2021

Measures	2020	Objective in 2021
Mire restoration, ha	982	515
of which in Hiilipörssi cooperation (Finnish Association for Nature Conservation), ha	103	-
Herb-rich forest management	28	100
Management of fire and light habitats	1	20
Prescribed burning and burning of retention tree groups, ha	13	350
Removal of barriers to migration	14	80



## SAFEGUARDING BIODIVERSITY



**More than a half of the total volume of decaying wood in Finland, approximately 71 million cubic metres, is found on state-owned land. \***

\* The total amount of decaying wood in Finland on forest and low-productivity forest lands is approximately 126 million m<sup>3</sup>. Source: National Forest Inventories 12 and 13.

need to be removed, whereas red elderberry, which is an alien species, needs to be eradicated on one. The management work will be carried out in 2021. In addition, herb-rich forests were managed by restoring their water economy.

To improve habitats for migratory fish and other aquatic organisms, we restored more than 9,000 metres of streams, and removed 14 migratory barriers. The removal of barriers to migration freed up around 55 kilometres of stream channels in total for the mobility of aquatic organisms.

During the year, restoration plans were produced for and work was carried out at Hiilipörssi sites shared by the Finnish Association for Nature Conservation

and Metsähallitus. Work was also completed on the first site, Isohillikkosuo in the municipality of Ii. The area of this site is 103 hectares, of which 91 hectares are on state-owned land. The mires restored in this project will be flagged in Metsähallitus' geographic information system as landscape ecological sites excluded from forestry operations. In the future, no fellings or other measures that affect the water economy of mires will be performed at these sites.

### **More decaying wood, more biodiversity**

National Forest Inventories are carried out on state-owned lands to monitor trends in the amount of decaying wood and mature aspens, which are vital for biodiversity. The average volume of decaying wood

in multiple-use forests is currently 7.7 cubic metres per hectare, whereas the long-term target is around 10 cubic metres per hectare.

The volume of decaying wood in multiple-use forests is ensured by saving all deadwood and leaving a larger number of living retention trees in all areas and at all stages of forest management. Once they die, live retention trees develop into decaying wood over time. The amount of decaying wood is also increased by making artificial snags in conjunction with fellings. The snags are living trees cut down at a height of 3 to 4 metres that quickly turn into decaying wood. At the annual level, our goal is to produce around 100,000 snags in connection with felling operations.

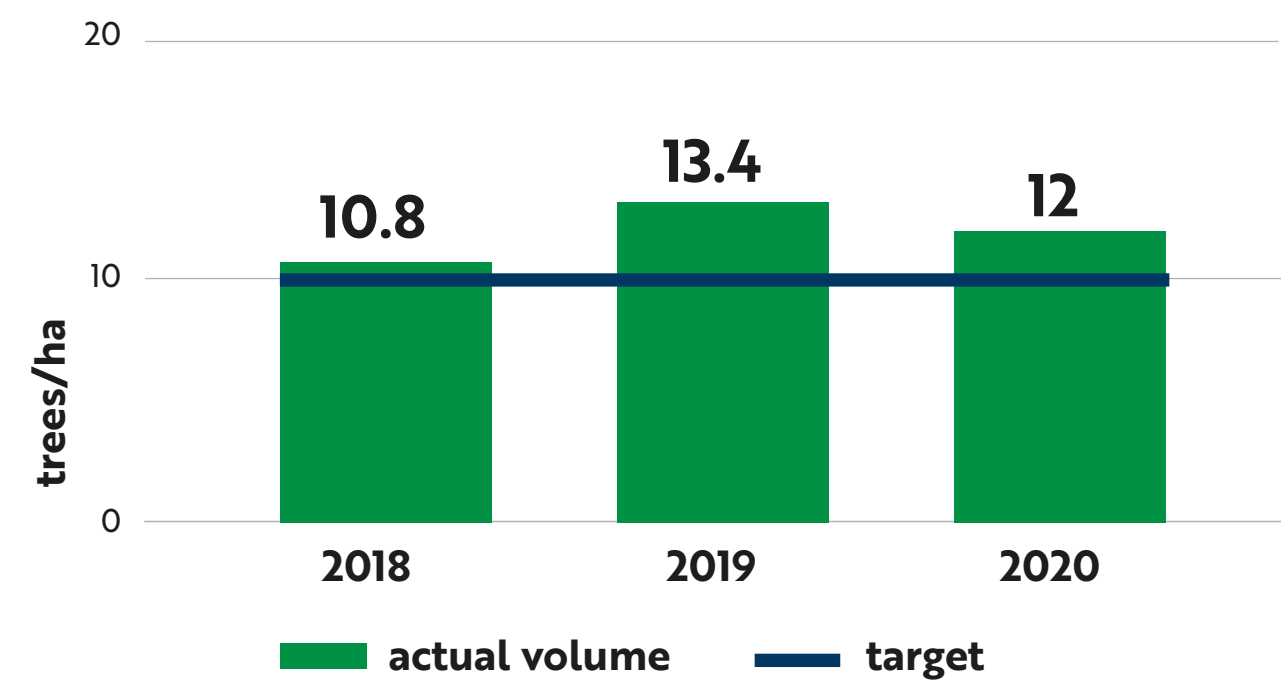


**SAFEGUARDING BIODIVERSITY**

The volume of mature aspens is actively increased by retaining a sufficient number of deciduous trees in forestry operations. According to the National Forest Inventory, the volume of mature aspens on state-owned forests is approximately 0.35 m<sup>3</sup> per hectare. The volume of mature aspens in multiple-use forests has increased. Aspens are favoured particularly as retention trees.

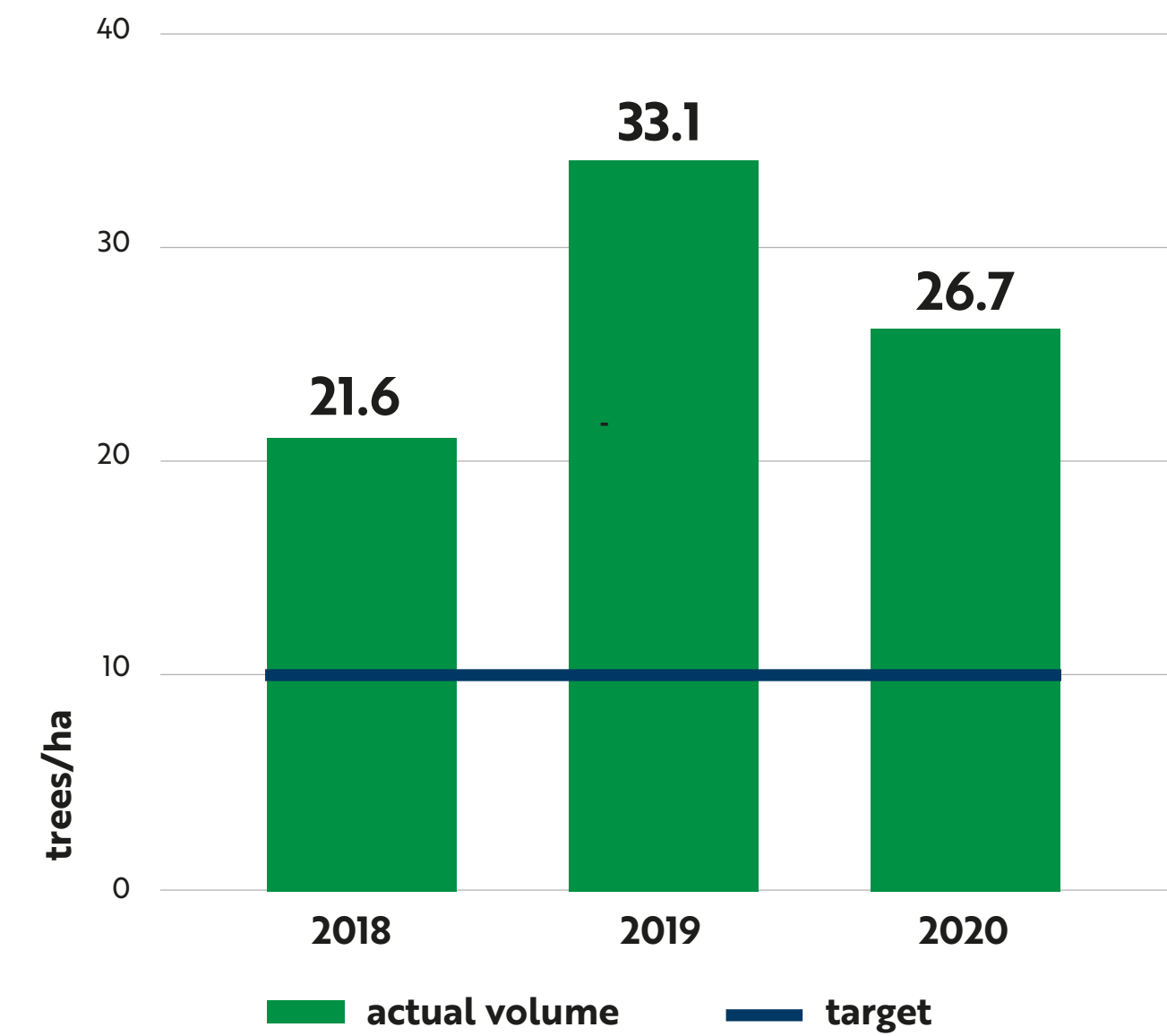
Decaying wood in protected forests is created by means of prescribed burning and as a result of storms. The volume of decaying wood is also actively increased in connection with other ecological management measures. For example, trees that shade aspens and deciduous trees are cut down. The preservation of individual occurrences of endangered species can also be promoted by actively felling or ring-barking trees if the occurrence is otherwise at risk of being lost.

**Valuable retention trees left in multiple-use forests following Metsähallitus Environmental guidelines \***



\* Valuable live retention trees include individual trees that are larger than the surrounding trees, trees with hollows, known nesting trees of birds of prey or deciduous trees with a diameter of at least 10 cm at chest height.

**Retention trees and deadwood left in multiple-use forests in line with PEFC forest certification requirements\*\***



\*\* In forest certification, smaller live trees and dead trees which are standing or lying on the ground are included in retention trees.



## Case:

### **Ecological management enhances biodiversity in multiple-use forests » (in Finnish)**

We restore mires, carry out prescribed burning for ecological management purposes, remove barriers to migration and increase the volume of decaying wood in state-owned multiple-use forests. For example, we intend to restore a total of 5,400 hectares of mires in multiple-use forests between 2020 and 2024. Prescribed burning for ecological management purposes is to be carried out across 1,700 hectares in total.



## SAFEGUARDING BIODIVERSITY

---

### Monitoring of designated species continued

In 2020, we continued to monitor the status of the golden eagle, gyrfalcon, peregrine falcon, lesser white-fronted goose, Arctic fox, white-backed woodpecker and Saimaa ringed seal, for which a special responsibility has been assigned to Metsähallitus.

A helicopter was deployed to look for gyrfalcon nesting sites in inaccessible areas of Utsjoki and Inari, and 120 occurrence checks of this species were made. Several nesting sites of the peregrine falcon were also found. Additionally, increased resources made possible greater inputs in monitoring the golden eagle than in previous years, and more than 1,000 occurrence checks were carried out. The golden eagle and the gyrfalcon benefited from increased wildfowl populations; the breeding results were good for the former, with the exception of the northernmost Lapland, and average for the latter.

The situation of the peregrine falcon, whose nesting was hampered by a cold spring, came out the worst of the three species.

The white-backed woodpecker had a record-breaking breeding year, and the population has continued to grow. Over 300 territories were discovered in the survey carried out by Metsähallitus and BirdLife Finland in 2020.

The mild winter severely affected the breeding of the Saimaa ringed seal, and as the ice cover was weak, it was not possible to carry out lair counts as in previous years. A rough estimate of the population in 2020 is approx. 420 to 430 Saimaa ringed seals. The goal of the five-year Our Saimaa Seal LIFE project launched in 2020 is to prevent and reduce problems caused by climate change, fishing, human disturbance and the small population size to the Saimaa ringed seals.

Surveys of freshwater pearl mussels covered around 50 kilometres of rivers, and completely new populations were discovered. The freshwater pearl mussel is an indicator of clean waters: its presence shows that the water system is also a good habitat for many other species, including salmonid fish, which serve as hosts for the mussel. The entire Finnish data set on freshwater pearl mussels, including data from all previous years, has now been uploaded to the LajiGIS system and is widely accessible.

### First wild forest reindeer calf in Seitsemien National Park

In May 2020, the first documented forest reindeer calf was born in Seitsemien National Park in at least 150 years. A hind released from an enclosure in November 2019 gave birth to the calf on the second weekend of May.



## SAFEGUARDING BIODIVERSITY

---

During the summer, 12 forest reindeer were released in the National Parks of Seitsemien and Lauhanvuori. Approximately one half of the released forest reindeer had been born in enclosures.

The release of forest reindeer from enclosures will continue until 2022. Our goal is to have growing forest reindeer populations of a few dozen individuals in both Seitsemien and Lauhanvuori National Parks. Keeping forest reindeer in on-site enclosures and subsequently releasing them are an important part of the Forest Reindeer LIFE project coordinated by Parks & Wildlife Finland.

### **Surveys found new species and previously unknown occurrences of endangered species**

In 2020, more than 2,000 sightings of vascular plants and mosses were made in Lapland in surveys of spe-

cies and habitats considered important under the EU Habitats Directive. In Central Finland and Kainuu, all known sites where the highly endangered *Cephalozia macounii* moss grows were checked, and new occurrences were also found. After the surveys, the species is now known to occur on 65 trunks of decaying trees in a total of 16 protected areas. The fact that the species is endangered is, among other things, an indication of the small number of old-growth forests. In surveys of mosses and lichens further south, hundreds of observations in total on endangered species were also made in protected areas and multiple-use forests alike.

The impacts of restoration and ecological management in protected areas continued to be monitored. The measures affecting polypores and decaying wood on some monitoring sites had been carried out

as many as 15 years ago as part of forest restoration. The methods were evaluated, and reporting on their effectiveness has begun.

In butterfly surveys, we focused on species of traditional rural biotopes as well as the Clouded Apollo and the Apollo. They are species referred to in the Habitats Directive whose occurrences have dwindled. All occurrences of the Clouded Apollo on 176 sites were surveyed in the Archipelago Sea. The survey found that the number of occurrences has been halved and the population sizes of the species are very small. Based on the survey results, site management measures will be planned and implemented as a matter of urgency in 2021. The range of the Apollo butterfly is now well known, and the necessary management measures can be planned on the basis of this knowledge.



## SAFEGUARDING BIODIVERSITY

---

### Active efforts to protect endangered species in multiple-use forests

In 2020, we increased the resources allocated to safeguarding occurrences of species in multiple-use forests. Our species experts carried out inventories and field checks in multiple-use forests at dozens of sites as part of planning fellings. We reinforced the expertise of Metsähallitus Forestry Ltd, which is responsible for the multiple-use forests, by recruiting a species expert. Plenty of information on species occurrences was also obtained from environmental organisations and voluntary surveyors.

In the future, we will intensify further our active efforts to halt threats to species and habitats. We have also worked closely together with the Finnish Association for Nature Conservation and Greenpeace on proposals for identifying areas in need of protection made by these organisations. We will continue our positive cooperation with environmental organisations on species issues.

### Increased openness of species data

Data gathered on state-owned lands through observations and surveys are stored in the LajiGIS (species data management and maintenance) system. Threats to occurrences of species as well as planned and implemented management measures are also recorded in this system.

In 2020, LajiGIS was introduced as the shared information system of the entire environmental administration; the ELY Centres started using it as the Hertta Eliölajit system maintained by the Finnish Environment Institute was decommissioned. Data on endangered species stored in the LajiGIS system now also are openly accessible to actors through the Laji.fi service of the Finnish Museum of Natural History, which represents a significant step forward in the conservation of species. If necessary in order to safeguard the most sensitive species, spatial data concerning them are provided in a format which does not jeopardise the preservation of endangered species or their habitats.



**We will step up our efforts to actively halt threats to species and habitats.**



**SAFEGUARDING BIODIVERSITY**

---

# Varied approaches to improving the status of the Baltic Sea and its catchment area

## **Preparation of a long-term plan for water areas launched**

In late 2020, we launched the preparation of a long-term plan for the administration, management and use of state-owned water areas, in which the needs of businesses, conservation and fisheries will be addressed. To investigate the situation of sea areas, we will obtain an overall picture of maritime spatial planning and our role in it. In particular, our aim is to improve the availability and usability of data reserves and to develop cooperation and interaction related to maritime areas.

## **Restoration of entire catchment areas**

A catchment area project was launched in 2020 in which we will create a shared new planning tool at the catchment area level and restore entire catchment areas in different parts of Finland. In addition to streams and rivers, we will restore the forests and mires surrounding them. We will also carry out environmental restoration work and water protection measures to improve the quality of water and game habitats in streams.

Additionally, we will make major inputs in improving fish habitats in rivers. Breeding areas will be improved in 20 rapids of 10 different rivers.

## **The first underwater restoration measures improved the status of protected areas**

As part of the national habitat programme Helmi, we restored Täktominlahti bay in Hanko and experimented with the restoration of underwater meadows by transplanting common eelgrass in Ekenäs Archipelago National Park. Common eelgrass is a submerged aquatic plant that both maintains biodiversity in the Baltic Sea and has an extensive impact on the ecology of its habitat. We also restored the water flow through the bay of Ulko-Tammio in the Eastern Gulf of Finland National Park.



## SAFEGUARDING BIODIVERSITY

---

### Stream inventories and restoration

We are increasingly using stream inventories and restoration to improve the status of inland water systems. The method used to assess the status of streams is based on a systematic inventory method with nationwide coverage developed with our partners. The method is suitable for monitoring the restoration of streams, and it can be applied to the stream inventories and restoration measures of all stakeholders.

In 2020, a total of 274 kilometres of streams were inventoried, and 14 stream sites were restored over a total distance of 9,000 metres. By the end of the year, some 5,900 stream sections had been inventoried in the field, amounting to a total of 2,300 kilometres.

### Domestic and international water protection cooperation

We participate in several Finnish and international

cooperation and research projects on developing water protection. In the Wambaf Tool Box (Water Management in Baltic Forests) project, we promote water protection in forestry in the Baltic Sea region. In connection with this project, we set up a test area in Kupittaansuo in Tammela last year to showcase water protection solutions for peatland sites. In addition, Metsähallitus Forestry Ltd together with the Natural Resources Institute Finland, Tapio Oy and the Finnish Forest Centre organised a training programme titled Tools for good water protection, which was attended by more than 100 forest industry operators in autumn 2020.

We were additionally involved in updating the Programme of Measures of Finland's Marine Strategy and the Baltic Sea Action Plan of the Helsinki Commission. Of Finnish research projects, we are involved in a study aiming to develop tools and methods for combating the impacts of peatland forest use on waters and climate (TurVI).

### Training on water protection

We organised training on water protection, inventories, restoration and peatlands in 2020. In total, around 250 forestry planners and contractors who guide plan implementation completed an online water protection course. We provide training related to water protection and restoration work in protected areas for around 30 people every year. Three training courses on river inventories and restoration were organised last year.

We also engaged in training cooperation with private forest owners and planners as well as with Parks & Wildlife Finland and Metsähallitus Forestry Ltd in our Hydrology LIFE project, which restores streams and mires at the headwaters of catchment areas throughout Finland. Together with our partners, we organised training on channelling surplus waters from multiple-use forests to nearby mires which had become dry.





## Case:

### **Learning about catchment area planning »** **(in Finnish)**

We are restoring Hännättömäjoki River on the boundary between Ähtäri and Multia municipalities and the 400-hectare catchment area surrounding it. In 2020, students of forest sciences from the University of Helsinki participated in the planning.



# People

---

We respect human rights and ensure that what we do and the way we treat our staff, customers, partners and stakeholders are fair and equitable.

## Contents

Ensuring personnel wellbeing  
Human rights  
Sámi culture

p.94

p. 100

p. 103







## ENSURING PERSONNEL WELLBEING

---

# Personnel wellbeing and competence are key factors in our success

In 2020, the coronavirus pandemic affected the personnel's work, modes of working, training and coping at work alike. Most Metsähallitus employees switched to working remotely in March and still continued to do so in early 2021.

A preparedness team established in the spring coordinated and assumed responsibility for communicating about both the guidelines and restrictions agreed upon to prevent the spread of the coronavirus and services that supported coping at work during the year. We also organised training on managing the crisis situation and understanding the diversity of social needs as well as offered different methods for maintaining sufficient contacts and sustaining wellbeing in remote work.



## ENSURING PERSONNEL WELLBEING

In the autumn, we conducted a survey addressed to the personnel on the impacts of remote work on wellbeing at work and our operating methods. The results indicated that remote work had its positive aspects, including flexibility and elements that facilitate reconciling work and private life, but they also revealed concerns over the growing risks related to work ergonomics, experiences of loneliness and working time management as the period of remote work prolonged. As follow-up to the survey, we organised a series of webinars on maintaining and promoting work ability and functional capacity as the exceptional conditions continue together with the occupational health services.

### Competence development at the heart of the strategy

In 2020, we formulated competence management principles for Metsähallitus and defined the common competences needed to implement the new strategy.

Our competence consists of combining the knowledge and skills of individuals, the way we work together, and our ability to be creative. The key objective of competence management is to create structures and settings that enable cooperation and development across unit boundaries.

We also address the changes taking place in society in our competence development.

At the time of the coronavirus pandemic, we used online training, especially the eOppiva digital learning environment. Procurement of training and coaching related to competence development was facilitated by a cooperation agreement concluded with the Finnish Institute of Public Management HAUS.

In 2021, we will promote the development of digital and data skills as well as communication and interaction skills, and we will also provide supervisors with training on leadership culture.

### Our common competence areas that support the strategy are:

- Understanding Metsähallitus as a single, unified organisation
- Work community skills – managing your own work
- Management and supervisor culture
- Responsibility
- Customer orientation
- Reconciliation: interaction, networking and cooperation
- Digital and data skills
- Change capacity
- Continuous learning and development



## ENSURING PERSONNEL WELLBEING

### Revised collective agreements and new working time practices

As set out in the Equality and non-discrimination plan, we developed our working time practices in 2020 in line with the requirements imposed and opportunities offered by the recently amended Working Hours Act. The contents of the working time bank were reformed and a flexitime model was introduced as an experiment. These reforms aim for achieving a good work-life balance, thus improving our personnel's wellbeing. Flexible working time also promotes successful completion of tasks.

The collective agreements applicable to our personnel were revised during a round of negotiations conducted in spring 2020 by combining office workers' collective agreements and harmonising their contents further. The working hour schemes of personnel members performing similar tasks are now more similar than before, regardless of their job titles. The daily limits of flexitime for office workers were ex-

panded, and the requirement of fixed working hours was dropped. The possibility of receiving compensation for substituting another employee now applies to all personnel members. The personal protective equipment needed in the work are now assessed on the basis of the person's tasks rather than the applicable contract.

In late 2020, Metsähallitus completed its personnel promise, which emphasises the versatility of the work carried out at Metsähallitus and the reconciliation of different objectives, fostering diversity in the work community, and the intergenerational goals of the work in terms of preserving the value of nature.

At Metsähallitus, diversity in the work community is seen as a valuable asset worth striving for and embracing. Anonymous recruitments were in use for a full year for the first time in 2020. A total of 14 anonymous recruitments were completed. Recruitment training organised for supervisors covered the entire

### Personnel training at Metsähallitus in 2020 (2019)

**1,056**  
**(1,609)**

Training, days

**524**  
**(652)**

Participants in training,  
number

recruitment path and included coaching in planning a successful recruitment interview, information about data protection in working life, and encouragement in using anonymous recruitments.



## ENSURING PERSONNEL WELLBEING

---

Recruitment training organised for supervisors covered the entire recruitment path and included coaching in planning a successful recruitment interview, information about data protection in working life, and encouragement in using anonymous recruitments.

### **Occupational safety was promoted**

During the year, we organised a tendering process for an electronic tool designed for assessing occupational safety risks and collecting occupational safety observations. Our goal is to develop the occupational safety culture further, to reduce accidents and improve wellbeing at work as well as to promote the engagement of all personnel members in occupational safety matters.

Due to the restrictions necessitated by the coronavirus pandemic, we organised several first aid refresher courses and occupational safety card training as webinars during the year. The entire personnel of Metsähallitus Property Development completed occupational safety card training.

In 2020, 34 occupational accidents were reported, of which 18 did not result in any days of absence, while six caused an absence of over 30 days. The number of accidents decreased compared to the previous year, even if field work continued despite the pandemic. The total number of working days lost because of occupational accidents was 290, which represents a decrease of nearly 20% year on year. Sickness absences have also decreased for several years running and are now 2.1% per person-year.



**In 2020, the number of occupational accidents decreased and the number of working days lost due to accidents went down by 20 %.**



## ENSURING PERSONNEL WELLBEING

### Strong feelings of meaningfulness and commitment at work

We monitor the job satisfaction of our personnel members and development needs of the work community by conducting a yearly personnel survey.

In 2020, six main indicators were used to measure overall satisfaction: the content of the respondent's work, the supervisor's actions, actions of the work community, actions of Metsähallitus management, Metsähallitus as an employer and the customer orientation of our activities. The response rate among the personnel was 76%.

The results indicate that the personnel are satisfied with the content of their work, experience strong feelings of meaningfulness and commitment in their work, and feel that they can always rely on the help and support of their colleagues. The goals of the work are well understood, and the personnel perceive the significance of their role in producing customer experience. The personnel's views of the

management's actions have become significantly more positive since last year, as have their views of Metsähallitus as an organisation that takes care of personnel wellbeing.

Areas in which Metsähallitus lags behind other expert organisations are personnel's opportunities to participate and experiences of equality. In particular, supervisors feel that the management does not listen to the rest of the organisation sufficiently. Some units experience challenges in recovering from work, and 17% of the entire personnel do not recover sufficiently. Uneven distribution of the workload and overlapping development projects stress the personnel.

The personnel survey and its development areas are discussed within each team. Any development measures relevant to the business and Group units are discussed by the Metsähallitus' Management Group.



### **Third place in the Responsible Summer Job campaign »** **(in Finnish)**

We participated in the Responsible Summer Job 2020 campaign, the aim of which was to offer young people more high-quality summer jobs and positive summer job experiences.

Within the framework of this campaign, the Summer Job Survey was conducted to collect experiences and employer evaluations from summer workers. Metsähallitus came third in the category of the largest employers.



# Personnel in 2020 (2019)

Number of employees  
**1,154** (1,130)

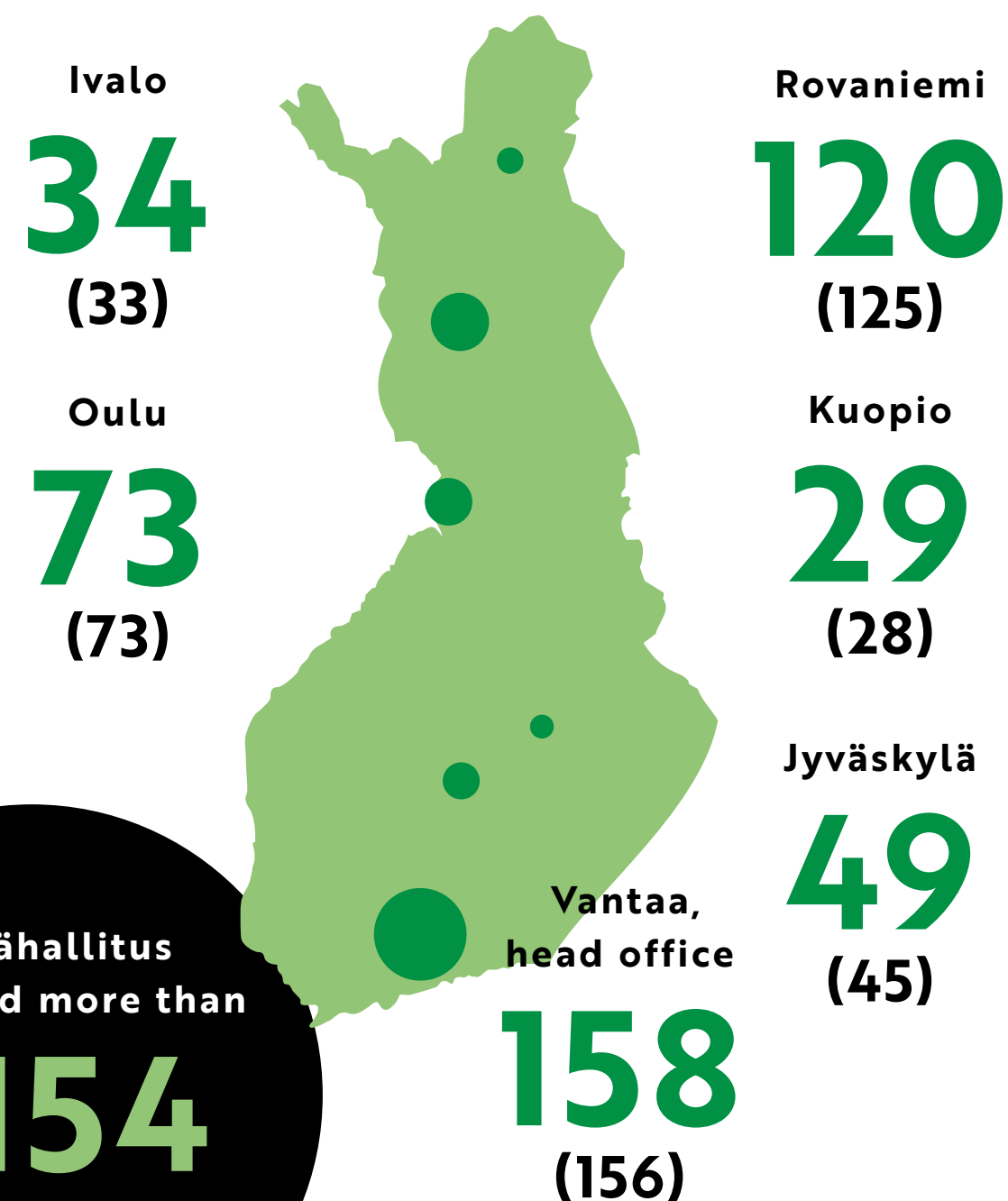
Number of employees outside the head office  
**996** (974)

Average age of employees  
**51** (52)

**86%**

of the personnel worked outside the Helsinki Metropolitan Area.

## Offices with the highest numbers of employees



Metsähallitus employed more than **1,154** people in 40 locations.

## Turnover of permanent employees

Employment relationships begun **51** (30)

Employment relationships ended **86** (74)

Total turnover, %  
**-3.5** (-3,9)

Old-age pension, average retirement age

**64.7**  
(63.6)

Disability pension, average retirement age

**60.4**  
(60.2)

Permanent, %

**82**  
(88)

Fixed term, %

**18**  
(12)

## TRAINEES

245 trainees

Women, %

**40**

Men, %

**60**

Average age of trainees 21 years

## Occupational accidents

Occupational accidents **34** (41)

Working days lost due to occupational accidents **290** (364)

## Gender ratios, %

Women

**36**  
(34)



Men

**64**  
(66)

METSÄHALLITUS BOARD OF DIRECTORS

Women

**38**  
(38)



Miehiä

**62**  
(62)

MANAGEMENT GROUP

Women

**42**  
(42)



Men

**58**  
(58)

Women

**72**  
(72)



Men

**28**  
(28)

METSÄHALLITUS FORESTRY LTD

Women

**11**  
(10)



Men

**89**  
(90)

METSÄHALLITUS PROPERTY DEVELOPMENT

Women

**30**  
(32)



Men

**70**  
(68)

PARKS & WILDLIFE FINLAND

Women

**50**  
(49)



Men

**50**  
(51)

WILDLIFE SERVICE FINLAND

Women

**27**  
(22)



Men

**73**  
(78)



## HUMAN RIGHTS

---

# We respect human rights

Metsähallitus respects and observes human and fundamental rights, including linguistic rights. Our work is based on internationally recognised social responsibility guidelines and principles, such as the UN Guiding Principles on Business and Human Rights and the 2030 Agenda for Sustainable Development.

Our principles regarding respect for human rights are set out in our responsibility policy and Code of Conduct. Our Equality and non-discrimination plan ensures the realisation of human rights in our activ-

ities. We also expect all our contractual partners to respect human rights in keeping with our Code of Conduct.

We do not tolerate any discrimination on the grounds of age, gender, origin, language, belief, religion, opinion, disability, health, sexual orientation or other person-related reasons in our activities, services, work community or supply chain.

We safeguard a viable Sámi culture in the Sámi Homeland by negotiating on important issues with



**We expect all our contractual partners to respect human rights.**

the Sámi Parliament in advance, striving for mutual understanding.



## HUMAN RIGHTS

---

### Human rights reporting was evaluated

We prepared for assessing Metsähallitus' human rights impacts with the support of the corporate responsibility network FIBS, which helped to develop our human rights reporting. Our sparring partner and report evaluator was Fairtrade Finland in cooperation with Plan International Finland.

As positive aspects in the reporting were highlighted stakeholder dialogue, acknowledgement of the rightholder's position and open communication, also about violations committed during the year. As the greatest shortcoming was regarded the lack of a more extensive mapping of key risks.

The human rights impact assessment is to be launched in 2021, and this evaluation will also support future reporting.

### Harassment contact persons started their work

Our work community is diverse, and everyone must be able to feel safe and work safely in Metsähallitus. We have zero tolerance for harassment, and no inappropriate or discriminatory language is accepted.

In line with the measures set out in the Equality and non-discrimination plan, we prevented harassment in 2020 by appointing two harassment contact persons among the occupational safety and health personnel. The contact persons offer low-threshold advice and support for those who have encountered or observed harassment, molestation, bullying, discrimination or other unequal treatment.

The scale of bullying is examined annually in the personnel survey. In 2020, three per cent of the respondents had experienced bullying during the year, and of these, two per cent were still facing the same situation at the end of the year. Bullying had not been experienced by 94% of the respondents.

There was no significant change in the results compared to 2019. The survey results are discussed in Metsähallitus' Management Group and business units down to the team level. Annual development measures are also determined based on these results.

Metsähallitus' whistleblowing channel can be used to report harassment and inappropriate behaviour. No reports related to harassment were received through the whistleblowing channel in 2020 (2019: 3).

### Accessibility addressed in online services

The EU Web Accessibility Directive and the national legislation based on it contain an obligation to ensure the accessibility of digital services, which also applies to Metsähallitus. Our websites have millions of users each year, and we strive to provide online services that are as easy to use as possible for as many people as possible, including those with sensory impairments or different functional restrictions.



## HUMAN RIGHTS

---

In 2020, we updated our web services Metsa.fi and Luontoon.fi to comply with the second highest, or AA, level under the EU Web Accessibility Directive.

Audits carried out by external experts have been used to improve accessibility. Site content producers have also been trained and instructed to take accessibility issues into account when maintaining the sites.

### **Training for contractors and partners**

Metsähallitus' contractual partners are committed to responsible and ethical action as defined in Metsähallitus' Supplier Code of Conduct. The Code covers respect for fundamental and human rights, prohibition of discrimination and consideration of labour rights as well as occupational health and safety aspects.

We provided training on Metsähallitus Supplier Code of Conduct for forestry contractors and partners

using a digital learning environment in 2020. In addition to legislation, this training covered the good governance principles followed by Metsähallitus, generally recognised good ethical and responsible practices, as well as Metsähallitus' role and diverse work as part of society. A total of 624 partners and contractors or their employees completed the training.

### **Shortcomings in a forestry contractor's operation**

In September 2020, the Regional State Administrative Agency uncovered shortcomings related to foreign labour force in an occupational safety and health inspection of a Metsähallitus' contractor. Various problems were discovered in the entrepreneur's activities, on the basis of which the Regional State Administrative Agency's inspector proposed to initiate a negligence fee process and issued instructions to the entrepreneur. The entrepreneur was heard about the observed shortcomings.



## **Training on Metsähallitus Code of Conduct for Suppliers was provided for forestry contractors and partners in 2020.**

The Regional State Administrative Agency also conducted an occupational safety and health inspection focusing on the use of foreign labour at Metsähallitus. No shortcomings were found in the matters covered by the inspection.



## SÁMI CULTURE

---

# Ensuring a viable Sámi culture

The Sámi Homeland comprises the municipalities of Enontekiö, Inari and Utsjoki as well as the area of Lappi reindeer herding cooperative in the municipality of Sodankylä. Metsähallitus manages 90% of this area, a total of 72% of which comprises nature reserves and wilderness areas administered by Parks & Wildlife Finland and 13% areas used for traditional livelihoods managed by Metsähallitus Property Development, whereas 15% is managed by Metsähallitus Forestry Ltd. About one half of the latter is within the scope of forestry operations.

Metsähallitus works to ensure that the management, use and protection of the natural resources it controls are reconciled, safeguarding the prerequisites for pursuing the Sámi culture in the area. Metsähallitus works to safeguard the right of the Sámi people to maintain and develop their language and culture through agreements and negotiating procedures and by supporting Sámi-language communications and cultural projects.

## Sámi Homeland





## SÁMI CULTURE

As provided in section 9 of the Act on the Sámi Parliament, Metsähallitus consults the Sámi Parliament on all far-reaching and important measures which may affect the status of the Sámi as an indigenous people. The issues discussed in 2020 included natural resource planning in the Sámi Homeland and, in this context, forestry planning in reindeer herders' cooperatives. Preliminary negotiations in line with the Akwé: Kon operating model were held, and a management plan for Vätsäri wilderness area was produced. In addition, several other meetings were held with the Sámi Parliament and the Skolt Village Meeting, for example on the conflict mapping carried out jointly by Metsähallitus' business units and reindeer herders' cooperatives.

The work to ensure a viable Sámi culture is also reported on annually in Metsähallitus' General social obligations report.

### **Akwé: Kon model used in natural resource planning for the first time »**

A voluntary operating model based on the Akwé: Kon Guidelines included in the UN Convention on Biological Diversity and jointly updated by Metsähallitus and the Sámi Parliament last year will be used for the first time in natural resource planning in the Sámi Homeland. The Akwé: Kon operating model has been used by Metsähallitus since 2016.



Photo: Tarja Länsman/Arctic Photos



## SÁMI CULTURE

---

### **We safeguard traditional livelihoods and respect cultural heritage**

Reindeer husbandry is an important and significant industry in northern Finland. We reconcile the needs of reindeer husbandry and other forms of land use in the reindeer herding area in keeping with the agreement between Metsähallitus and the Finnish Reindeer Herders' Association. An update process of this agreement began in 2020 and will be completed in early 2021. In the Sámi Homeland, we only operate on sites where a joint understanding has been reached with the reindeer herding cooperative in advance.

To ensure a viable Sámi culture, forestry operations in multiple-use forests have been restricted across 125,000 hectares. Metsähallitus' input in safeguarding a viable Sámi culture as part of our general social obligations amounted to EUR 4.4 million.

We manage Sámi cultural heritage sites in cooperation with the Sámi Museum Siida. The removal of hiking infrastructure from Ukonsaari island in Lake Inarijärvi was begun in autumn 2020 by dismantling the stairs. Ukonsaari is a well-known and widely respected sacred place for the Sámi as well as an ancient monument of national significance, which the Finnish Heritage Agency has put on the tentative list of world heritage sites in Finland.

### **Communication in Sámi languages**

We published Metsähallitus' updated Metsa.fi website in Northern Sámi in 2020. We also publish press releases on the Nationalparks.fi web service (Lundui.fi) and information for hikers in Northern, Inari and Skolt Sámi. Decisions on hunting and fishing quotas for the Sámi Homeland are also published in Northern Sámi.

In 2020, Metsähallitus participated in celebrating the Sámi Languages Week. We sent a nature observation calendar produced in Inari, Skolt and Northern Sámi to schools and day-care centres in the Sámi Homeland. The calendar is intended for observing nature every day of the year. Material was also delivered to schools which have Sámi-language classes or which teach a Sámi language outside the Sámi Homeland. The calendar was created by the ELY Centre for Lapland, and it was translated as part of the PAN – Phenomena of Arctic Nature project administered by Metsähallitus Parks & Wildlife Finland.



# Good governance

Metsähallitus' Corporate Governance code promotes openness, transparency and good governance, thus supporting the competitiveness and success of Metsähallitus as well as cooperation with various stakeholders.

## Contents

Management principles	p. 107
Risk management	p. 110
Remuneration	p. 114
Management Group	p. 116
Board of Directors	p. 117



## GOOD GOVERNANCE

---

# Management principles

The Board of Directors is responsible for the governance and strategic management of Metsähallitus and the proper organisation of its work. The Government appoints members to the Board of Directors for three years at a time.

The Managing Director, who is appointed by the Government and who carries the title of Director General, is responsible for the management and development of Metsähallitus' work and for implementing the decisions of the Board of Directors. The Managing Director is also responsible for the operational management of Metsähallitus and for ensuring that financial accounts are kept in compliance with the law and financial management is reliably organised.

Parks & Wildlife Finland, the unit in charge of Metsähallitus public administration services, is managed by an Executive Director. The public administration services concerning fishing, hunting and wilderness supervision in Parks & Wildlife Finland are managed by the Director of Game and Fisheries Services.

Most of the matters submitted to the Board of Directors for consideration are prepared by the Management Group, which assists the Director General and deals with matters assigned to it by the Director General. The Director General chairs the Management Group and decides on its composition.

Work and cooperation in the regions are reinforced by regional management groups operating in Lap-

land, Ostrobothnia–Kainuu and Southern Finland. The regional management groups see to the overall interests and synergy of Metsähallitus and liaise between the units. The management groups also formulate the views of Metsähallitus and ensure that the regional perspective is considered in the opinions issued by Metsähallitus. The regional management groups report to Metsähallitus' Management Group and the management groups of individual business units.

### Internal audit

The Director General is responsible for arranging internal control. The Board of Directors approves the annual plan for the internal audit. The planning, outsourcing and monitoring of audit activities are the responsibility of the Director of Risk Management, who is supported by the Audit Committee of Metsähallitus' Board of Directors. Internal audit reports to and receives assignments from the Board of Directors and the Director General.



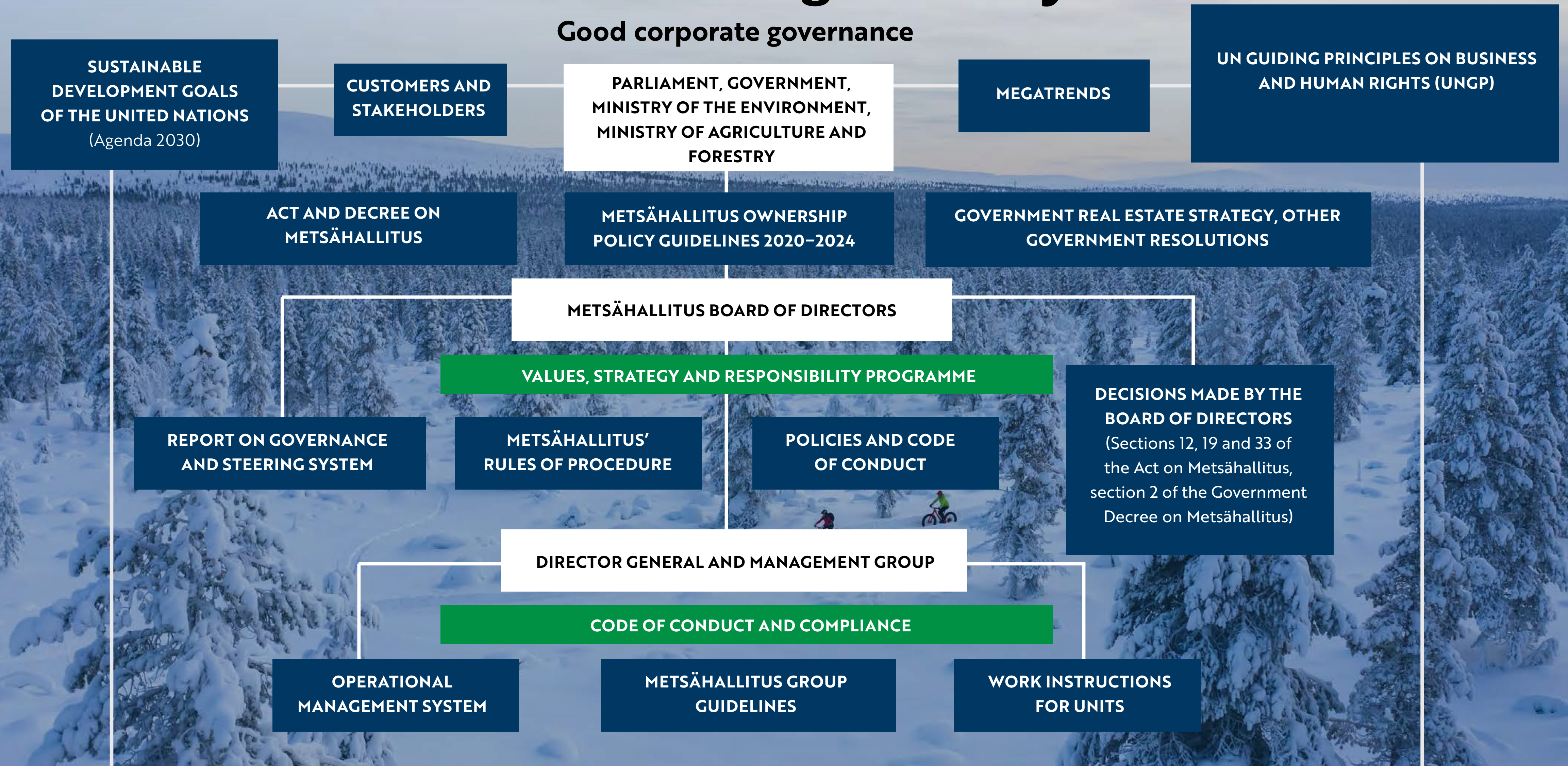


**Under the State's ownership policy guidelines, we are required to**

- manage state-owned land and water assets as a whole with the aim of achieving the best overall societal benefits and cost-effectiveness
- maintain and develop biodiversity
- support efforts to achieve Finland's carbon neutrality targets through our work
- produce socially sustainable, ethically acceptable and cost-effective solutions
- ensure that the management, development and reporting of our activities are based on recent, concrete and transparent information and indicators describing the key objectives of our work
- map areas critical for soil emissions and reduce emissions in site management
- step up our cooperation to promote the Sámi culture and continue applying the Akwé: Kon model
- develop cooperation aiming to promote reindeer husbandry as a sustainable, profitable and culturally significant industry.



# Metsähallitus' management system





## RISK MANAGEMENT

---

# Comprehensive risk management

Risk management is an essential part of Metsähallitus' management and decision-making. It enables us to make sure that our objectives are achieved and secures continuity, uninterrupted operation and safety as well as preservation of operating conditions. Risk management covers the entire Metsähallitus organisation and all of its functions.

**The objective of our risk management is to ensure**

- achievement of set targets
  - performance of statutory tasks, and
  - continuity of operations
- as well as to promote our ability to grasp opportuni-

ties and exploit return potential effectively in each activity at an appropriate risk level.

Risk management supports proactive leadership, responsible operation and compliance as well as strengthens good management and governance. Risk management is future-oriented and strives to anticipate and prevent events with negative impacts.

Responsibility risks are managed as part of Metsähallitus' risk management process. We have paid increasing attention to identifying the risks associated with responsibility. Responsibility risks are



**Risk management supports proactive leadership, responsible operation and compliance as well as strengthens good management and governance.**



## RISK MANAGEMENT

---

taken into account in all risk management work, and they are reported on as part of the risk reporting process.

The anonymous whistleblowing channel introduced by Metsähallitus in 2019 is part of the risk management. It allows anyone to report suspected abuses in Metsähallitus' work or other problems associated with responsible activities. Among other things, reports received through the whistleblowing channel have enabled us to intervene in inappropriate behaviour and misuse of the employer's funds. All reports submitted through the whistleblowing channel were reviewed and the abuses were dealt with. aikaisempaa enemmän huomiota. Vastuullisuusriskit huomioidaan kaikessa riskienhallintatyössä, ja niistä raportoidaan osana riskiraportointiprosessia.

### Key risks

Any loss of acceptability of forestry and eroding in the trust of local communities would undermine



**Responsibility risks are taken into account in all risk management work, and they are reported on as part of the risk reporting process.**

the operating conditions. A possible reduction in regional economy impacts can affect the vitality of regions. Changes in the demand for and price of timber affect the results of Metsähallitus Forestry Ltd.

The potential negative impact of operations on biodiversity and climate change as well as the rights of indigenous peoples, a failure to reconcile the differ-

ent needs of society and ensure equality, and possible shortcomings in the realisation of human rights throughout the value chain are key responsibility risks. Fully preventing shortcomings in compliance may not be possible. Any deviations from the operating models that have already been agreed upon and communicated about may put responsibility and Metsähallitus' reputation at risk.



## RISK MANAGEMENT

---

The impacts of climate change and adaptation to them will be taken into consideration when planning activities. Climate change increases the risk of fungus, insect and storm damage in forests and creates challenges for timber harvesting and other activities due to dramatic variations in weather and road conditions and more widespread extreme weather conditions. An increase in the number of forest fires is possible.

The funding of Parks & Wildlife Finland increased significantly. Significant uncertainties are associated with the organisation's ability to carry out all repair and development measures as expected and within the set timeframe. This risk is actively managed by renewing and prioritising the work. Among other things, measures can be taken to influence the risks associated with wear and tear of nature at popular destinations and customer safety.

The construction of new wind farms is influenced by the acceptability and smooth implementation of these projects. The projects are impacted by other land use needs, conservation objectives and the targets set by investors for commitment to the projects, among other things. Successful reconciliation of different perspectives is a prerequisite for achieving the objectives set for wind power.

The prolonged exceptional situation caused by the coronavirus pandemic may stress the personnel and affect target achievement. Metsähallitus monitors the situation and anticipates its development as well as seeks to manage the risk by means of active communication, training of supervisors and personnel, and renewal of its operating methods.

Many potential benefits have been identified in relation to digitalisation. There is a risk that the benefits will not be realised if the organisation is unable to

commit to changes and acquire the necessary new competence. The risks associated with data and cyber security continue to increase. If these risks were realised, operations could be disrupted, or information could fall into the hands of unauthorised parties. These risks are actively managed.

Many projects and needs related to change stemming from the strategy require new expertise. The current leadership competence and personnel skills do not fully meet the needs for successful strategy implementation.



## RISK MANAGEMENT

---

### Risk management in 2020

The risk management process was developed by launching a more targeted process of identifying and assessing responsibility risks and defining actions for managing them. This development work will continue actively. Successful management of responsibility risks is a prerequisite for the implementation of Metsähallitus' strategy.

Lively societal discussion on the level of forest use, forest management methods and the climate impacts and biodiversity of forests continued. Such discussions also have an impact on the expectations placed on Metsähallitus and the acceptability of our work.

The coronavirus pandemic influenced Metsähallitus' activities in many ways. Most of the activities could be carried out as planned in the exceptional circumstances. The transition of office workers to remote work went well. A personnel survey conducted in the

autumn indicated that the work continued without significant disruptions in the exceptional situation. As a result of the pandemic, visitor numbers in national parks increased dramatically in places, which resulted in a great deal of additional work and an occasional drop in the service level. The visitor centres and rental huts were temporarily closed following the health authorities' instructions. As the coronavirus crisis put a stop to international tourism, demand for Metsähallitus' sites reserved for tourism business slowed down. While the crisis did not have a significant impact on timber trade, the trade was affected negatively by a strike that interrupted the reception of timber by some customers at the beginning of the year.

Risks associated with information systems and data protection have become more prominent, and Metsähallitus has prepared for them in its risk management. Metsähallitus was targeted by an attempted data breach in the spring which was, however,

detected and foiled. Continuous improvement is necessary in order to ensure information security. The resources allocated to information security were increased at the end of 2020. In the future, information security and cyber security will increase in importance, among other things as a result of more widespread artificial intelligence use and location-independent work.

Metsähallitus' organisation was reformed and the risk management function was transferred from Finance to the Legal Affairs and Compliance Unit.



## REMUNERATION

---

# Remuneration based on strategy objectives

Metsähallitus' remuneration policy is guided by the Government resolution on state ownership policy and Metsähallitus' ownership policy guidelines. Under the policy guidelines, remuneration must be fair and motivate the personnel.

Remuneration is based on the objectives laid out in Metsähallitus' strategy and helps the Metsähallitus Group to work towards achieving these objectives. Metsähallitus and its subsidiaries have similar remuneration practices as unlisted state-owned companies operating on a commercial basis.

The fees paid to the members of Metsähallitus

Board of Directors are set by the Ministry of Agriculture and Forestry. Members of Metsähallitus' management or Board of Directors do not enjoy any benefits or supplementary pensions differing from ordinary employment relationship benefits.

Metsähallitus has a performance bonus scheme that covers the entire personnel (including the management). The bonus scheme is in keeping with the general guidelines of the state's ownership policies. The Board of Directors decides on the bonus scheme, its objectives and the bonuses paid each year.

The remuneration and other fees paid to the Managing Director and Board members totalled EUR 551,216 in the financial year (2019: EUR 502,892).

The ownership policy guidelines were revised in 2020, and the updated remuneration policy was approved by Metsähallitus' Board of Directors in January 2021.



## REMUNERATION

---

### Fees paid to the members of Metsähallitus' Board of Directors and committee chairs

The fees paid to the Chair, Vice Chair and other members of Metsähallitus' Board of Directors have been valid since 1 June 2016. The monthly remuneration and attendance fees are taxable income.

The Board of Directors met 14 times in 2020. The attendance rate at Board of Directors' meetings was 100%. The Audit Committee met eleven times and the Nomination and Remuneration Committee nine times.

### Metsähallitus Board of Directors

#### FEES

Chair EUR  
**2,000**  
 €/month  
 + attendance fee EUR  
 600/meeting

Vice Chair EUR  
**1,300**  
 €/month  
 + attendance fee EUR  
 300/meeting

Other Board members EUR  
**1,150**  
 €/month  
 + attendance fee EUR  
 300/meeting

### Committees

#### FEES

Chair of the Audit Committee,  
 EUR  
**1,300**  
 €/month  
 + attendance fee EUR 600/meeting

Nimitys- ja palkkiovaliokunnan  
 puheenjohtaja  
**1,300**  
 €/month  
 + attendance fee EUR 600/meeting



## MANAGEMENT GROUP

The Management Group assists the Director General in managing the state-owned enterprise. The Management Group comprises the following members assigned by the Director General: directors of the business units, director of the public administration services and the directors of the Group units.



**Juha S. Niemelä,**  
Director General



**Terhi Koipijärvi,**  
Director of Communications



**Jussi Kumpula,**  
Managing Director,  
Metsähallitus Forestry Ltd



**Susanna Oikarinen,**  
General Counsel



**Jukka Bisi,**  
Director, Wildlife Service  
Finland



**Terhi Vires,**  
Director of Human  
Resources



**Tapio Pouta,**  
Director, Development



**Tuomas Hallenberg,**  
Director, Metsähallitus  
Property Development



**Heli Lehtonen,**  
Director of Finance



**Timo Tanninen,**  
Director, Parks & Wildlife  
Finland



**Anna-Leena Ruuth,**  
Director of Information  
Management



**Samuli Sillman,**  
Deputy Director, Parks  
& Wildlife Finland



## BOARD OF DIRECTORS

The Government appoints a Board of Directors for the state enterprise for three years at a time. One Board member must be from the Ministry of Agriculture and Forestry, one from the Ministry of the Environment and one from Lapland. One Board member must represent the personnel of the unincorporated state enterprise and be employed by it.

The Government appointed a Board of Directors for Metsähallitus for the period 1 April 2019–31 March 2022.

In 2020, Kai Kaatra served as Vice Chair of the Board until 30 August 2020, and Helena Säteri as a Board member until 30 March 2020.



**Timo Laitinen,**  
Chair  
Director General, State  
Treasury  
Board member since 2016



**Sanna Paanukoski,**  
Vice Chair from 1 September 2020  
Ministerial Adviser, Ministry of  
Agriculture and Forestry



**Pekka Hautala,**  
Board member  
Ranger, Metsähallitus  
personnel representative  
Chief Shop Steward, Trade  
Union for the Public and  
Welfare Sectors JHL  
Board member since 2019



**Johanna Ikäheimo,**  
Board member  
Chair of the Board of Directors,  
Lappset Group Ltd  
Fennia Mutual Insurance  
Company, Board member  
Chair of FEPI – Federation of the  
European Play Industry  
Chair of the Advisory Council of  
Lapland University Consortium  
Board member since 2016



**Simo Rundgren,**  
Board member  
Regional representative,  
Kolari, Vicar Board member  
since 2016



**Jussi Saukkonen,**  
Board member  
Director, Finance, Development  
and HR, Isku Interior Ltd.  
Chair of Metsähallitus Audit  
Committee  
Board member since 2019



**Ismo Tiainen,**  
Board member  
from 1 April 2020  
Director General of Administration  
and International Affairs, Ministry of  
the Environment  
NEFCO – Nordic Environment  
Finance Corporation, Board member



**Liisa Tyrväinen,**  
Board member  
Director General of Administration  
and International Affairs, Ministry of  
the Environment  
NEFCO – Nordic Environment  
Finance Corporation, Board member  
Board member since 2020



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

---

# Reporting principles

This report covers the operations of Metsähallitus and its subsidiaries in 2020. The report data were collected internally with the help of experts and compiled into a report in the Communications, Strategy and Responsibility Unit. In addition to the annual and responsibility reports, the report and financial statements that contain the Group's financial information are part of this set.

The GRI standard has been used as the frame of reference for the report, and it mainly meets the requirements of the GRI core option. The report also takes into account the EU's non-financial reporting

framework. The selection of the reported key figures was guided by the materiality analysis updated in 2020. With the exception of the financial statements data, the information of the responsibility report has not been verified by an external party.

Further information about the report and responsibility at Metsähallitus is available from responsibility advisor Hanna Kelola-Mäkeläinen ([hanna.kelola-makelainen@metsa.fi](mailto:hanna.kelola-makelainen@metsa.fi)).



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

---

# Calculation principles

### **Climate Programme**

The baseline level of the Climate Programme data was calculated for 2018. The calculations are based on data produced by the 12th National Forest Inventory (2014–2018). MELA software and greenhouse gas inventory methods were additionally used in the calculations. The development of the carbon sink and carbon storage is assessed annually on the basis of this data.

### **Carbon handprint:**

The carbon handprint estimate takes into account wind power built on Metsähallitus' land, energy wood and the use of renewable wood raw material in products.

In the method used to calculate the carbon handprint of wind power, it was assumed that wind power will replace some of the average annual emissions produced by the electricity market system. This is described by the residual distribution of electricity calculated by the Energy Agency, which gives the unverified distribution of electricity production in Finland. Our carbon handprint calculations for wind power only include the carbon dioxide emissions based on the residual distribution. Other greenhouse gas emissions from energy production were not included. Neither does the figure factor in emissions from the construction of power plants or the production and transport of fuels.

For energy wood, the default carbon dioxide emission coefficient of peat in Statistics Finland's fuel classification was used in the calculation. No other greenhouse gas emissions were taken into account. Neither does the figure include emissions from peat or energy wood harvesting and transport or power plant construction. Emissions from the harvesting and transport of energy wood are taken into account in Metsähallitus' carbon footprint.

Our customers manufacture different bioeconomy products from the roundwood we supply and use it in their products to replace fossil raw materials and fuels. The resulting compensatory effects reduce greenhouse gas emissions that drive climate change.



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

---

Our handprint was calculated by putting our share in the timber market in proportion with the research findings of Hurmekoski et al. (2020).

### **Carbon footprint:**

The emission calculation was produced in cooperation with Metsäteho Oy, using Metsäteho's emission calculation model and separate calculations. The calculation is always made for the previous year, so the figures for 2020 apply to year 2019.

The data for the carbon footprint calculations of air and rail travel and ICT are obtained from service providers. The carbon footprint calculation for buildings is produced by Metsähallitus on the basis of building characteristics and energy consumption data.

As an exception to the GHG protocol, the carbon footprint calculation does not distinguish between in-house work (direct 'downstream' emissions) and outsourced work (indirect 'upstream' emissions)

when examining field work. While the majority of the work carried out in the forest is outsourced to external contractors, some clearing work is carried out by Metsähallitus' personnel, for example, which is not separated in the emissions calculation model used. Additionally, some of the emissions from motoring are included in the carbon footprint of forest work, which results in an overlap in the breakdown following the GHG protocol.

The calculations do not include emissions related to procurements, such as the manufacturing of office supplies. Neither has it been possible to take into account all the energy consumption of buildings and fuel consumption of motor vehicles or, for example, climate emissions from the construction of premises or emissions from combustion of firewood.

The carbon footprint calculation is an estimate based on the assumptions made in the calculation and the baseline data obtained from reporting. The

accuracy of the assessment will improve as more research evidence is accumulated and the input data becomes more accurate.

### **Biodiversity:**

#### **Biodiversity index**

The calculation of the biodiversity index is based on the following sub-indices:

- Effectiveness index of terrestrial nature conservation, or the biodiversity indicator of terrestrial Natura 2000 habitats
- (decaying wood m<sup>3</sup>/ha, forest land)
- Forest biodiversity indicator (mature aspens m<sup>3</sup>/ha, forest land)
- Preservation of ecological sites in fellings
- Surface area of habitat restoration and ecological management

The biodiversity index value is calculated as the average of all sub-index values.



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

### Effectiveness of protecting terrestrial habitats

The indicator describes development in the status of terrestrial Natura 2000 habitats in protected areas by monitoring the trend in the natural state value annually. The indicator also includes private protected areas.

The biotope data in the SAKTI protected area information system are used in the calculation. For each habitat type, a natural state value is calculated based on compartment-specific data. The effectiveness index value is calculated as an average.

### Forest biodiversity indicators

The volume of decaying wood and mature aspens in all state-owned areas is obtained from the results of the National Forest Inventory. The results for 2020 are based on the results of the 12th and 13th National Forest Inventories.

### Preservation of ecological sites in fellings

The preservation of ecological sites in fellings is determined based on environmental monitoring of forestry operations. Monitoring exercises are carried out annually. The data for 2020 are based on regeneration fellings carried out in 2019 and 2020.

### Surface area of habitat restoration and ecological management

The area is calculated on the basis of completed restoration and ecological management work on an annual basis.

## 102 - GENERAL CONTENT

GRI CODE	CONTENT	PAGE	
<b>Organisational profile</b>			
102	1-7	Metsähallitus' activities, market areas, countries of operation, and ownership structure	5; 16-17; 18
102	8	Information on employees and other workers	99
102	9	Supply chain	47
102	10	Significant changes to the organisation and its supply chain	No significant changes
102	11	Application of precautionary principle	16; 45-46
102	12	External principles or initiatives promoted by Metsähallitus	16; 31
102	13	Membership in associations and advocacy organisations	37
<b>Strategy</b>			
102	14	Statement from the Director General	6-7
102	15	Key impacts, risks and opportunities	19-22; 23-24; 38; 111-112
<b>Ethics and integrity</b>			
102	16	Values and business principles	19; 38; 47; 67; 100; 108
102	17	Mechanisms for reporting abuses	41
<b>Board of Directors</b>			
102	18	Governance structure	109
102	19	Delegating authority	107; 116-117
102	20	Executive-level responsibility	117
102	22-24	Selection, composition and chair of the Board of Directors	107; 117
102	35-36	Remuneration for the Board of Directors and upper management and process for determining remuneration	114-115



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

### 102 - GENERAL CONTENT

GRI CODE	CONTENT	PAGE	
<b>Stakeholders</b>			
102	40-43	Metsähallitus' stakeholders and interaction	25-28; 44; 64-65; 103-105
102	44	Key topics and concerns raised by stakeholders	27-28; 98; 103-105
<b>Reporting practice</b>			
102	45	Companies included in the consolidated financial statements	118
102	46	Specification of report content	32
102	47	List of material topics	20; 32; 34
102	48-49	Changes in information or changes in the extent of reporting	No changes
102	50-56	Information about the report	118-123

### 103 - MANAGEMENT MODEL

GRI CODE	CONTENT	PAGE	
103	1	Boundaries related to the material topics	33; 118-121
103	2	Components of the management model	33-34; 36-39; 42; 67-68; 95; 107; 109
103	3	Evaluation of the management model	33; 107

### 200 - ECONOMIC IMPACTS

GRI CODE	CONTENT	PAGE	
<b>Economic performance</b>			
201	1	Direct economic added value generated and distributed	47-48
201	2	Financial implications and other risks and opportunities for Metsähallitus activities due to climate change	70-71; 78; 111-112
201	4	Financing received from the government	5; 13; 57
<b>Indirect economic impacts</b>			
203	1	Infrastructure investments and non-profit services supported and their impacts	49; 53; 57; 59; 63
203	2	Significant indirect economic impacts and their extent	48-50
<b>Procurement practices</b>			
204	1	Procurement from local suppliers	48; 50
<b>Procurement practices</b>			
205	2	Communication and training related to anti-corruption policies and practices	40
<b>Anti-competitive behaviour</b>			
206	1	Legal actions related to anti-competitive behaviour, cartels, and abuse of monopoly position	14
<b>Taxes</b>			
207	1	Tax strategy	52
207	4	Country-specific tax reporting	52



## REPORTING PRINCIPLES AND GRI CONTENT INDEX

### 300 - ENVIRONMENTAL IMPACTS

GRI CODE	CONTENT	PAGE	
<b>Biodiversity</b>			
304	1	Operational sites located in protected areas or areas of high biodiversity value	89
304	2	Impacts of activities on biodiversity	45; 79-91
304	3	Habitats protected or restored	81-85; 90-91
304	4	IUCN Red List species and national conservation list species with habitats in areas affected by activities within Metsähallitus' sphere of influence	87-89
<b>Emissions</b>			
305	1	Direct (Scope 1) greenhouse gas emissions	76-77
305	2	Indirect (Scope 2) greenhouse gas emissions	76-77
305	3	Other indirect (Scope 3) greenhouse gas emissions	71-73
305	5	Reduction of greenhouse gas emissions	70-71; 76-77
<b>Environmental compliance</b>			
307	1	Non-compliance with environmental laws and regulations	68
<b>Environmental assessment of suppliers</b>			
308	2	Negative environmental impacts in the supply chain and actions taken	68

### 400 SOCIAL IMPACTS

GRI CODE	CONTENT	PAGE	
<b>Employment</b>			
401	1	New employee hires and employee turnover	99
<b>Occupational safety and health</b>			
403	5	Occupational health and safety training	97
403	9	Occupational accidents	97
<b>Training and education</b>			
404	1	Average annual training hours per person	96
404	2	Programs for upgrading employee skills and transition assistance programs	95-96
<b>Diversity and equal opportunity</b>			
405	1	Diversity of governance bodies and employees	96; 99
<b>Non-discrimination</b>			
406	1	Incidents of discrimination and corrective actions taken	41; 101
<b>Human rights assessment</b>			
412	1	Operations that have been subject to human rights reviews or impact assessments	101
412	2	Employee training on human rights policies or procedures	102
412	3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	103-105
<b>Local communities</b>			
413	1	Operations with local community engagement, impact assessments, and development programs	44-45; 103-105
<b>Public policy</b>			
415	1	Political contributions	Metsähallitus does not make political contributions
<b>Socioeconomic compliance</b>			
416	1	Assessment of the health and safety impacts of services	58
<b>Compliance</b>			
419	1	Non-compliance with laws and regulations in the social and economic area	10



# Board of Director's Report and Financial Statements

[Click here »](#)