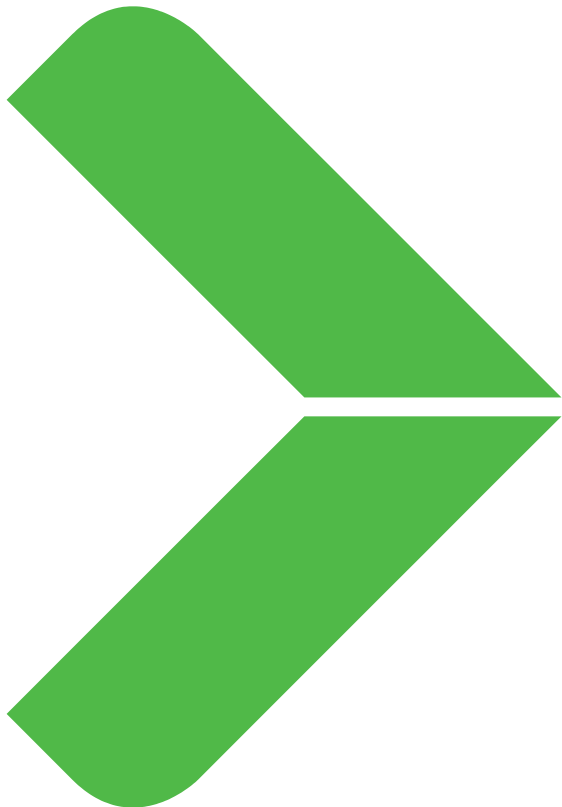




Green Finance Framework

June 2026

Introduction

About Valmet

Valmet (“Company”, “we”) is a global technology leader serving process industries. We work with our customers throughout the lifecycle, delivering cutting-edge technologies and services as well as mission-critical automation and flow control solutions. Backed by more than 225 years of industrial experience and a strong global presence close to our customers, we are uniquely positioned to transform industries towards a regenerative tomorrow.

Valmet introduced its new ‘Lead the Way’ strategy in 2025. Lead the Way is a bold strategic step to elevate performance and deliver even greater value to customers, employees, and stakeholders. This strategy marks the next chapter in Valmet’s history, building on its strong foundations and its readiness to shape industries and succeed in a rapidly changing world.

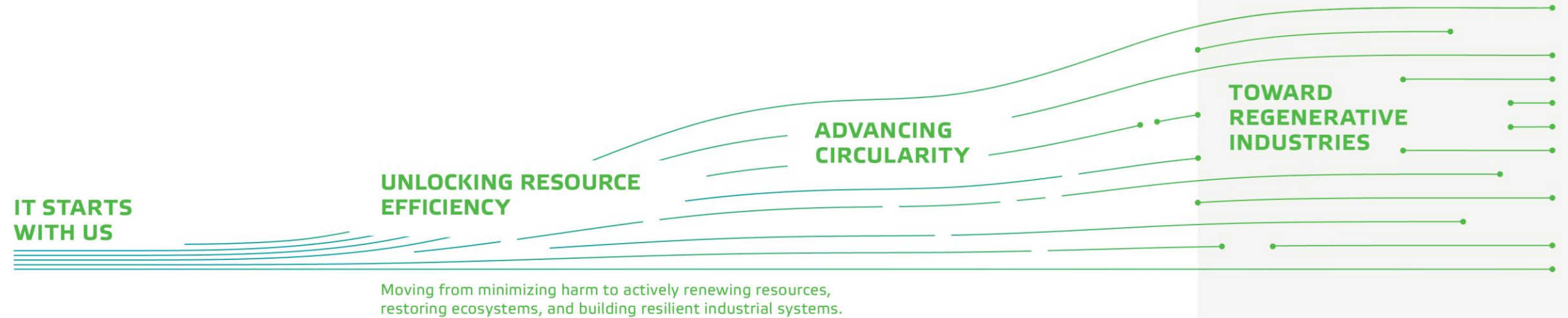
With Valmet’s solutions and services across the lifecycle, our customers can achieve measurable improvements in resource efficiency and reductions in emissions, supporting their sustainability goals and strengthening long-term competitiveness. Our process technologies and services, automation, and flow control solutions help customers optimize energy, water, and resource use, minimizing waste, and our services extend lifecycles in production processes.



Introduction

Towards regenerative industries

Valmet carries both the responsibility and capability to drive industrial transformation in industries we serve. Climate change, biodiversity loss, and resource overconsumption are the defining challenges of our time.



VALMET'S OWN OPERATIONS

- Commitment to Net zero by 2040
- Design for Circularity principles in R&D
- Minimizing waste and emissions
- Environmental actions at locations.

PROCESS PERFORMANCE SOLUTIONS

- Automation solutions for optimized resource use
- Flow control for efficiency and safety
- Smart monitoring and predictive maintenance
- Digital tools that reduce downtime, waste, and energy.

BIOMATERIAL SOLUTIONS & SERVICES

- Closed-loop and recovery solutions
- Improving customers' fiber and energy use
- Fossil-free energy enablement
- Use of recycled raw materials.

INNOVATING BEYOND TODAY

- Recycling technologies for new material value streams
- Carbon capture and storage/utilization
- Next-gen biomaterials
- Industrial electrification
- Partnerships for breakthrough innovation.

Introduction

Our Sustainability Agenda takes us from purpose to action

Approach to sustainability

Valmet's sustainability agenda supports execution of Valmet's strategy, 'Lead the Way', which puts sustainability in the center of Valmet's operations through a dual mission of unlocking resource efficiency in Process Performance Solutions and advancing circularity in the Biomass Solutions and Services.

Valmet's purpose of 'transforming industries towards a regenerative tomorrow' reflects Valmet's ambition and commitment to sustainability. Valmet's Sustainability Agenda translates the purpose into measurable action through four priorities: Climate and Nature; People and Rights; Responsible Value Chain; and Circular and Net-zero Aligned Solutions.

As a leader in industrial transformation, Valmet's Sustainability Agenda helps to guide its customer industries towards a net-zero, circular economy that respects planetary boundaries and protects nature for future generations. Equally, sustainability is about how people experience Valmet's business every day.

Our Sustainability Agenda starts from a simple premise: a sustainable future is also a competitive one. We design solutions that reduce absolute environmental impacts, accelerate the transition to net zero, and keep materials in use for longer.

Valmet's sustainability work is guided by Valmet's Nature and Climate Policy Statement and Human Rights Policy Statement. Valmet's Sustainability team, as part of the global Strategy and Transformation function, drives strong alignment between business strategy, transformation, and sustainability, ensuring an impactful approach.



Introduction

Core sustainability priorities



Driving circular transformation

We help industries transition from linear and fossil-based systems to circular, resource-efficient, and low-carbon operations. Through circular design, material recovery, energy efficient processes, carbon capture technologies, advanced recycling, and lifecycle services, we support customers in reducing emissions, improving resource efficiency, and moving towards net-zero operations.



Respecting planetary boundaries

We recognize the urgency of the climate crisis and the fragility of natural ecosystems. Guided by our Climate and Nature Policy Statement and Climate Transition Plan, we reduce emissions, protect biodiversity, and strengthen the resilience of our operations and value chain. Through our technologies and services, we enable industrial transformation for our customers, while having a clear reduction path for our own emissions.



Upholding rights, fostering belonging

We uphold internationally recognized human rights and ensure fair, safe, and healthy working conditions. We build on trust and collaboration to create a culture where people of all backgrounds feel valued, included, and empowered to take ownership. Belonging goes beyond compliance. It means creating an environment where our people have fair access to opportunities and can contribute, challenge, and thrive together.



Ensuring responsibility and sustainability across our value chain

We integrate sustainability due diligence and ethical business practices throughout Valmet's operations and supply chain. Through transparency, risk-based assessment, and collaboration with suppliers worldwide, we work to identify, prevent, and address human rights, environmental, and ethical risks. Beyond compliance, responsible practices are key to long-term resilience and value creation for people, business, and the planet.

Introduction

Net-zero ambition, commercial potential of sustainability through solutions and services

Turning climate impact into business value

Targets and levers

- 60 percent of sales from net-zero and circular economy aligned solutions by 2040
- 70 percent of customers by net sales from the Biomaterial Solutions and Services segment have set science-based targets by 2030.
- Commercial excellence in circularity, resource efficiency, and net-zero solutions and services
- Accelerate sustainable product development and improve energy efficiency of technologies
- By expanding Life Cycle Assessments (LCAs), we deepen our understanding of the environmental footprint of our technologies and identify opportunities for continuous improvement.
- Leveraging data analytics, we help customers optimize efficiency, reduce downtime, and make informed decisions, turning lifecycle services into measurable environmental and operational benefits.
- By enabling operations that rely entirely on fossil-free energy, these technologies help reduce GHG emissions, increase sustainability, and accelerate the transition toward a low-carbon, circular industrial ecosystem.

Lifecycle focus and enabling fossil-free production



Valmet's Bioneer roll covers provide a more sustainable alternative to conventional press roll covers by incorporating recycled, renewable or bio-based materials - enabling Valmet and its customers to reduce reliance on fossil resources.



Valmet's LignoBoost recovers renewable lignin from black liquor, helping pulp mills decarbonize, cut costs, and replace fossil materials. The LCA shows 498 kgCO₂e/ton emission savings, enabling significant long-term GHG reductions.



Valmet's lime kiln LCA shows that switching from fossil fuels to wood powder can cut kiln-related GHG emissions by up to 89%, offering pulp mills a highly effective, feasible decarbonization route without major infrastructure changes.

Introduction

Managing sustainability

Valmet has a strategic approach to sustainability, Valmet's Board of Directors is responsible for overseeing the organization's sustainability work, due diligence, and other sustainability processes to identify and manage the impacts on the environment and people. The President and Chief Executive Officer and the Executive Leadership Team lead Valmet's sustainability work and related material sustainability impacts, risks and opportunities.

Our Executive Leadership Team determines on and monitors sustainability agenda and goals as well as all related policies. Our sustainability performance is reviewed annually by the Executive Leadership Team. The Executive Leadership team includes a person, reporting to the CEO, with responsibility for sustainability. Our business areas are responsible for ensuring that all the group-wide initiatives are implemented in order to meet our sustainability targets.

Valmet has an Enterprise Risk Management Process in which sustainability-related issues are identified and evaluated. The purpose of the annual Enterprise Risk Management process is to identify and evaluate the most significant risks affecting Valmet's business areas, Functions, and the Valmet Group as a whole, and to determine appropriate risk treatment actions. The process covers strategic, financial, operational, compliance, and regulatory and sustainability risks. Valmet's double materiality assessment process is aligned with the Enterprise Risk management process, and the results of the double materiality assessment feed into Valmet's overall Enterprise Risk Management process.

Valmet has embedded sustainability due diligence into its policies, management systems and key processes. Valmet's Sustainability Due Diligence Framework covers Valmet's entire value chain and includes actions and processes used to manage social, environmental and ethical risks and impacts. Valmet's Sustainability Due Diligence Framework is based on the UN (United Nations) Guiding Principles on Business and Human Rights, and the OECD Guidelines for multinational enterprises.

Do No Significant Harm

In relation to the use of proceeds, as defined later in this Framework, Valmet has procedures in place to ensure that our operations do not cause significant harm to environmental objectives of the EU Taxonomy Regulation. Screening is conducted at an appropriate level for each environmental objective.

Minimum Safeguards

Valmet's corporate safeguards are designed to ensure that its operating instructions, company policies, and management system are compliant with the OECD Guidelines for Multinational Enterprises (OECD), the UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Valmet's Sustainability Due Diligence Framework provides overarching principles for ensuring minimum safeguards are assessed and managed. The minimum safeguards assessment covers the following social and governance aspects: human and labor rights; taxation; corruption and bribery; and fair competition.

Green Finance Framework



Green Finance Framework

Overview

Valmet's purpose is to transform industries towards a regenerative tomorrow. We help industries transition from linear and fossil-based systems to circular, resource-efficient, and low-carbon operations. This Green Finance Framework ("Framework") is established to support us on this journey.

The Framework is done in alignment with Green Loan Principles (GLP)¹ from 2025 and with the 2025 version of the Green Bond Principles (GBP)². In addition, we have taken into account market developments, voluntary standards and recent regulatory developments in the preparation of this Framework.

The four core components of Green Bond/Loan Principles are:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework is applicable for issuance of credit facilities, such as bonds and loans, where an amount equal to the net proceeds will be applied to finance or re-finance, in part or in full, new and/or existing expenditures and assets with environmental benefits, as defined in this Framework ("Green Financing"). Green Financing will be fully aligned with EU Taxonomy's technical screening criteria, including substantial contribution and do no significant harm criteria, as well as the minimum safeguards.



1: The Green Loan Principles are published by the Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and the Loan Syndications and Trading Association ("LSTA") respectively

2: The Green Bond Principles are published by the International Capital Markets Association ("ICMA")

Green Finance Framework

Use of Proceeds

General Principles

An amount equivalent to the net proceeds from our Green Financing will be used to finance or re-finance, in part or in full, Green Assets and Expenditures (as defined in the table on section 2.1 Use of Proceeds).

Financing and refinancing of only EU Taxonomy aligned tangible assets and capital expenditure (with no specific age restriction) and operational expenditure (with up to three (3) year lookback period before the issuance of any Green Financing), can qualify. The combined allocated amount to a specific asset or expenditure, by one or several sources of financing through eligible use of proceeds, may not exceed its value.

For the purpose of defining tangible assets, capital expenditures and operational expenditures, this Framework applies the accounting principles as described in Annex I of the Taxonomy Disclosures Delegated Act³, as may be amended from time to time.

This Framework, including Green Assets and Expenditures, covers all of our operations.



3: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178>

Green Finance Framework

Use of Proceeds

ICMA Green Bond Principles category: Circular economy adapted products, production technologies and processes				
Valmet plays an important role in enabling customers to shift towards circularity by providing services and solutions for process industries throughout the lifecycle. Valmet helps customers to build more circular business models and to continuously improve process performance and reliability while extending the lifecycle of the technologies. Valmet’s solutions include rebuilds, upgrades, conversions, and maintenance services for various types of process technologies, including packaging, paper and tissue machines as well as related industrial processes.				
EU Environmental Objective	Relevant EU Taxonomy activity ⁴	Description of activity		
Transition to a circular economy	4.1 Provision of IT/OT data-driven solutions	This category can include automation systems such as condition monitoring solutions built for the purpose of remote or on-site monitoring and predictive maintenance systems for process industries. Each activity will meet the relevant technical screening criteria under 4.1.		
	5.1 Repair, refurbishment and remanufacturing	This category can include services and solutions for process industries aimed at extending the lifecycle of machinery and equipment. Valmet’s solutions include rebuilds, upgrades, conversions, and maintenance services for various types of process technologies, including packaging, paper, and tissue machines as well as related industrial processes. This can involve replacing old or obsolete parts, servicing and sale of spare parts, installing new technologies, optimizing process parameters, and enhancing quality and efficiency. Each activity will meet the relevant technical screening criteria under 5.1.		

4: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486

Green Finance Framework

Use of Proceeds

ICMA Green Bond Principles category: Climate change mitigation				
As a leader in industrial transformation, our goal is to guide the industries we serve towards a net-zero, circular economy. We design solutions that reduce environmental impacts, accelerate the transition to net zero, and keep materials in use for longer. With our process technology, automation and services, customers can optimize material use and turn waste or side stream into valuable new low carbon products. We also enable customers to increase their renewable energy use and enhance the performance of their renewable energy technologies.				
EU Environmental Objective	Relevant EU Taxonomy activity ⁵	Description of activity		
Climate change mitigation	3.1. Manufacture of renewable energy technologies	This category can include energy solutions that enable the use of biomass⁶ or biomass originating feedstocks and technologies enabling the use of biomass in installations with significant greenhouse gas emission savings. These solutions include CFB (circulating fluidized bed) boilers and BFB (bubbling fluidized bed) boilers utilizing biomass, bark, wood chips, and recycled wood as well as BioTrac projects for second generation bioethanol. This category can also include automation and flow control solutions for renewable energy technologies. Each activity will meet the relevant technical screening criteria under 3.1		
	3.6. Manufacture of other low carbon technologies	This category can include technologies with substantial lifecycle GHG emission savings such as LignoBoost, BioTrac, and lime kiln conversions serving the pulp industry. LignoBoost is Valmet's patented technology for producing lignin from pulp mill black liquor. BioTrac is a pre-treatment technology of biomass to produce fuels, chemicals, pellets, and other valuable end products. In lime kiln conversions, the fuel source is transitioned from fossil fuel to bioenergy such as wood powder. Each activity will meet the relevant technical screening criteria under 3.6.		

5: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139>
6: biomass, as defined in Directive (EU) 2018/2021

Green Finance Framework

Process for Project Evaluation and Selection

Selection of eligible Green Assets and Expenditures

The evaluation and selection process for eligible Green Assets and Expenditures is a key in ensuring that an amount equal to net proceeds from Green Financing is allocated to assets and expenditure that meet the criteria in this Framework.

To oversee the selection of eligible Green Assets and Expenditures, a Sustainable Finance Committee has been established with members from financial management, treasury, IR, HSE, and sustainability. All decisions are made in consensus; however, Valmet's Vice President, Sustainability holds veto right on decisions related to the definitions of eligible Green Assets and Expenditures. The Sustainable Finance Committee will convene when necessary, and at least once a year and will keep track of all decisions made.

The Committee will continuously exercise its professional judgement, discretion and sustainability expertise when allocating and confirming the Green Assets and Expenditures.

The Green Finance Committee holds following responsibilities:

- Any Green Finance Committee member may propose potential assets and/or expenditures to be evaluated in alignment with this Framework
- The Green Finance Committee confirms, based on Valmet's existing EU Taxonomy reporting processes and with the help of other Valmet units where necessary, that proposed potential assets and/or expenses are eligible and aligned with the criteria in this Framework
- The Committee makes decisions on the allocation of proceeds for Green Financing
- If necessary, the Green Finance Committee may escalate decisions to Valmet's Executive Leadership Team
- The Green Finance Committee will approve any updates to this Framework



Green Finance Framework

Management of Proceeds

Approach to managing proceeds

Amount equal to the net proceeds from Valmet's Green Financing will be tracked by Group Treasury using a register where all issued amounts of green debt instruments and underlying Green Assets and Expenditures will be monitored ("Green Debt Register"). The purpose of the Green Debt Register is to ensure that an amount equal to the Green Financing net proceeds only support the financing or refinancing of Green Assets and Expenditures.

Valmet will maintain a possibility to choose, at our own discretion, the most suitable allocation method for any Green Financing net proceeds. Commonly used approaches, as described in the Green Bond Principles, are based on a portfolio approach and gradual approach. Valmet will maintain high level of transparency in reporting to investors and will always state the chosen allocation method at the latest in connection to the first allocation and impact reporting of each Green Financing instrument. Valmet will ensure full allocation of proceeds at each individual Green Financing instrument's maturity or redemption/repayment at latest, in line with EU Green Bond Regulation's⁷ approach.

The list of Green Assets and Expenditures is monitored on a regular basis during the term of Green Financing to ensure that the proceeds are sufficiently allocated to eligible Green Assets and Expenditures. Assets and expenditures can, if deemed by Green Finance Committee to not fulfil eligibility criteria, be removed or added to/from the Green Debt Register.

Temporary holdings

There may be periods where the net proceeds of Green Financing have not yet been fully allocated to Green Assets and Expenditure. Any unallocated proceeds will be placed in the liquidity reserve and are managed in accordance with our liquidity management policy.



Green Finance Framework

Reporting

To enable investors, lenders, and other stakeholders to follow the development of the assets and expenditure (re-) financed by Green Financing, a dedicated or investor report will be made available on our website ("Green Finance Report"). First such report will, subject to the timing of inaugural Green Financing instrument issuance, cover either i) rolling 12-month period from issuance or ii) the ongoing financial year. The Green Finance Report will be published either as a stand-alone document or it may be integrated into our Annual Review or Financial Statements.

The Green Finance Report will include information about allocation and impact of proceeds. The Green Finance Report will be published annually as long as there are Green Financing outstanding or until full allocation of proceeds. Each Green Financing instrument will have at least one Green Finance Report available during its lifetime, and multiple Green Finance instruments may be combined in one Green Finance Report.

In case we have Green Financing outstanding in a form of bank loans or other bilateral facilities, we may report necessary annual details related to such loans directly to our lenders, as may be agreed in respective instruments' final documentation. For any multi-tranche credit facilities, only those tranches meeting the criteria in this Framework will be communicated as green tranches.

Allocation Reporting

Information included in the allocation section shall include at least:

- Total amount (EUR and/or other currencies) of Green Financing outstanding during the reporting period
- Share of proceeds used for refinancing and financing
- Share of unallocated proceeds (if any)
- Chosen allocation method (portfolio or bond-by-bond)
- Distribution of allocated proceeds between each eligible category listed in this Framework

Impact Reporting

The impact report includes metrics related to the environmental impacts of our eligible Green Assets and Expenditures financed under this Framework.

Given the enabling nature of our products and services, the impact report is dependent on the data collected from end-customers, and calculations will be made on a best effort basis, potentially relying on estimates, with used methodologies always explained. The impact report will include at least one of the below listed metrics:

- Circular economy adapted products, production technologies and processes: EU Taxonomy reporting, Descriptions of selected projects in which life cycle of customers products have been extended, Descriptions of gained life cycle benefits
- Climate change mitigation: EU Taxonomy reporting, Environmental impacts through solutions provided, such as estimated CO2 emission reductions, energy efficiency improvements or reduction in raw material usage

Green Finance Framework

External Review

Pre-issuance review

To confirm the transparency, robustness and alignment with market standards of this Framework, we have engaged ISS-Corporate to act as an external reviewer of this Green Finance Framework. Amongst other things, the independent Second Party Opinion by ISS ESG confirms the alignment of this Framework with the Green Bond Principles set out in 2025 by ICMA and the Green Loan Principles set out in 2025 by LMA, LSTA, and APLMA.

This Framework and the Second Party Opinion will both be publicly available under the investors section on Valmet's website.

Valmet shall acquire new Second Party Opinion in connection to any potential update to this Framework, and shall publish both updated documents on Valmet's website.

Post-issuance review

Allocation of proceeds shall be subject to an external auditor's review at full allocation and afterwards if material re-allocation is done for already allocated amounts.

We may publish post-issuance review in connection to the Green Finance Report or it may be included as a part of our Annual Review or Financial Statements.



