Valmet

GRI Supplement
2023

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Sustainability is at the core of Valmet's business strategy and operations. Our values, Code of Conduct, related policies, and selected globally acknowledged initiatives and principles create the foundation for sustainable performance at Valmet.

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Valmet's sustainability reporting in 2023

Valmet has been reporting its sustainability performance since 2002 on an annual basis. Our sustainability reporting in 2023 is in accordance with the GRI Standards from the Global Reporting Initiative. Standard disclosures have been externally assured by an independent third party, and the GRI content index contains detailed information about external assurance for each disclosure.

Valmet's annual reporting in 2023 consists of the Annual Review, Financial Statements and Report of the Board of Directors, GRI Supplement, Remuneration Report and Corporate Governance Statement.

The GRI Supplement defines the scope and principles of our GRI reporting, the selected topics and the topic boundaries. The GRI content index included in the GRI supplement specifies where the information for each indicator can be found and explains any omissions in the reported data.

Reporting principles

Our reporting covers the Valmet Group unless otherwise stated. Valmet completed the acquisition of the NovaTech Automation's Process Solutions business in January 2023. The GRI indicators include data from this acquired business, except for Scope 3 (GRI 305-3) and supplier data. Valmet completed the acquisition of Körber Group's Business Area Tissue in November 2023. Own employee figures (GRI 2–7) and other headcount related indicators, occupational health and safety figures (GRI 403) and selected other indicators as annotated by footnotes are included from this acquired business. Valmet will report complete data in all sustainability indicators regarding the 2023 acquired businesses, from 2024 onwards.

In the GRI disclosures, the group sustainability reporting excludes associated companies and joint ventures. Data on suppliers is provided to the extent required by the reported GRI indicators. In the GRI supplement, Valmet reports three-year trend data for material indicators in the respective columns. For some indicators, the 2022 numbers are shown in brackets after the 2023 numbers. Any other deviation of the data reported is noted separately.

Economic data

In our group financial reporting, we follow the International Financial Reporting Standards (IFRS). The figures describing economic responsibility are mainly based on the financial statements. The data on purchases by country has been collected separately from the reporting units, and the country division is determined based on the supplier's domicile. The data on support for non-profit organizations is collected annually from the relevant Valmet units.

Health and safety data

Valmet's Health, Safety and Environment (HSE) organization is responsible for collecting and reporting occupational health and safety data.

Injury data is reported continuously by all employees and partners in a global HSE event management system. The data is consolidated and analyzed in accordance with the European Statistics on Accidents at Work (ESAW) methodology. This methodology is based on the code of practice of the International Labour Organization (ILO) "Recording and notification of occupational accidents and diseases."

Environmental data

Valmet's HSE organization is responsible for collecting and reporting environmental data from Valmet's own locations. Environmental data is collected monthly and quarterly in a global environmental reporting system based on local invoice, measurements and consumption records. We apply the financial control method outlined in the GHG Protocol "Corporate Accounting and Reporting Standard" of the World Business Council for Sustainable Development (WBCSD).

Valmet assesses its Scope 1 and 2 (location- and market-based) emissions based on the GHG Protocol's "A Corporate Accounting and Reporting Standard" and Scope 3 emissions based on the GHG Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard." Valmet reports data on five relevant categories (cat.) of Scope 3: cat. 1: purchased goods and services; cats. 4 and 9: upstream and downstream transportation and distribution; cat. 6: business travel; and cat. 11: use of sold products. Valmet's Sustainability team is responsible for collecting and reporting Scope 3 data, and they are collected from various systems and consolidated annually.

Personnel data

Valmet's Human Resources organization is responsible for collecting and reporting personnel data. The personnel and payroll data published in the financial statements is obtained in conjunction with financial reporting and is managed by Valmet's HR system specialists using a global people management system. Valmet's global people management system allows access to versatile and comparable HR data globally.

Harmonized global HR reporting principles and a systematic data validation process form the basis of data quality for reporting related to our personnel. The employee data reported in our sustainability reporting for 2023 includes all active employees, including employees from the companies acquired in 2023. The gender category includes three options (Female, Male, Not Declared). In 2023, the number of individuals in the Not Declared category is not large enough to impact the overall gender figures shown in this report and is therefore not included as a separate gender column. The number of employees not reported in the published data – namely, all inactive employees on leave of absence (e.g., study-leave, long-term sick leave, parental leave) – is minor and amounts to less than 1.6 percent of the total number of employees.

GRI content index

Abbreviations: GR = GRI Supplement 2023 AR = Annual Review 2023
FS = Financial Statements and Report of the Board of Directors
CG = Corporate Governance Statement 2023 RR = Remuneration report 2023

STATEMENT OF USE	Valmet has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS REQUIREMENT(S) OMITTED	REASON	EXPLANATION	ASSURANCE
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-1 Organizational details	AR 3, 9–11 FS 39, 91–92	Valmet Oyj is a public company, and its shares are listed on the Nasdaq Helsinki, and the head office is in Espoo, Finland. All Valmet locations	A gray cell indicates that reasons for omission are not permitted for the disclosure, or that a GRI Sector Standard reference number is unavailable.			
	2-2 Entities included in the organization's sustainability reporting	FS 91–92	All group companies covered in the financial reporting are also included in Valmet's sustainability reporting.				
	2-3 Reporting period, frequency and contact point	GR 47 (last page)	1 January 2023 to 31 December, 2023. Annual				
	2-4 Restatements of information	GR 28	Valmet restates the previously reported figures if errors in the data are identified, and/or if the calculation methodology has changed. Restated figures are noted, and an explanation is provided in the footnotes below the respective data tables. In 2023, some of the Scope 3 data was restated.				
	2-5 External assurance	Assurance report: GR 44–45	The GRI content index indicates the general and material topic-specific disclosures that have been externally assured.				
	2-6 Activities, value chain and other business relationships	AR 3, 7, 9–26, 34–35 FS 2, 6–9, 12	Sector: Machinery and equipment Value creation In 2023, Valmet acquired two companies. In 2023, Valmet had more than 270 locations in more than 40 countries.				
	2-7 Employees	GR 13 AR 9–11, 54 FS 15	The non-guaranteed employee category is less than 1.6%. The number of individuals in the non-guaranteed category was not large enough to report in its own column. Non-guaranteed workers are therefore excluded from this report.				x
	2-8 Workers who are not employees	GR 12	Data only includes information on Valmet's leased workforce in its operations in Sweden.	2-8-a and 2-8-b	Information unavailable/ incomplete	Only reporting information for one country according to Valmet's new reporting approach for leased workforce. The intention is to apply the approach to additional countries in 2024.	x
	2-9 Governance structure and composition	CG	Governance				
	2-10 Nomination and selection of the highest governance body	CG 2, 8–9	Nomination board				
	2-11 Chair of the highest governance body	CG 5	Chair of the Board of Directors is independent of the Company and of significant shareholders.				

![Valmet logo]

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GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS			ASSURANCE
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	GR 13, CG 4, 9–10					
	2-13 Delegation of responsibility for managing impacts	GR 13, CG 9–10					
	2-14 Role of the highest governance body in sustainability reporting	GR 13					
	2-15 Conflicts of interest	CG 13					
	2-16 Communication of critical concerns	GR 14	Raising concerns at Valmet				
	2-17 Collective knowledge of the highest governance body	See comments	In 2023, Valmet arranged training for the Company's Board of Directors, Audit committee and Executive team, regarding EU's reporting regulation (CSRD) to develop knowledge about the increasing responsibility.				
	2-18 Evaluation of the performance of the highest governance body	CG 6					
	2-19 Remuneration policies	RR	Valmet's Remuneration Policy and Remuneration Principles				
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	RR	Valmet's Remuneration Principles				
	2-21 Annual total compensation ratio	RR 4 See omission	Valmet reports compensation figures for the President and CEO and the average employee in the Remuneration report.	2-21-a, 2-21-b, 2-21-c	Information unavailable/ incomplete	Our reporting systems currently do not enable calculating median compensation.	
	2-22 Statement on sustainable development strategy	AR 4–5					
	2-23 Policy commitments	GR 14	Code of Conduct Valmet's policies Ethical business practices Human rights management Sustainable supply chain				
	2-24 Embedding policy commitments	CG 12 FS 13–14, 16–17, AR 56–57, 61–64	Valmet arranges training related to its Code, Anti-Bribery, Human Rights, Sustainability, Climate Change, Health and Safety, Cybersecurity and Privacy, and Competition Compliance. Read more: Code of Conduct Human rights management Sustainable supply chain Procurement				
	2-25 Processes to remediate negative impacts	See comments	Remediation process in a part of Valmet's human rights due diligence processes: Valmet's human rights due diligence and Supplier sustainability management process.				
	2-26 Mechanisms for seeking advice and raising concerns	GR 14					x
	2-27 Compliance with laws and regulations	GR 15					
	2-28 Membership associations	GR 16					
	2-29 Approach to stakeholder engagement	GR 17					
	2-30 Collective bargaining agreements	GR 17					x

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GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS			ASSURANCE
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	GR 18		A gray cell indicates that reasons for omission are not permitted for the disclosure, or that a GRI Sector Standard reference number is unavailable.			
	3-2 List of material topics	GR 13	The list of material topics can be found in the following rows in this GRI content index on pages 5–9.				
ECONOMIC PERFORMANCE							
GRI 3: Material Topics 2021	3-3 Management of material topics	CEO review: AR 2–3, Strategy and financial targets: AR 26–29, GR 13	At Valmet, economic responsibility refers to creating long-term economic benefits for our stakeholders. Financial reporting and planning are based on the group management system, and development is monitored through financial reporting.				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR 59	Taxes are reported by the 10 largest countries to give a comprehensive overview of Valmet's tax footprint globally. Read more about Valmet's value creation: AR 10–11.				
	201-2 Financial implications and other risks and opportunities due to climate change	Valmet's TCFD report	Valmet has analyzed the potential impact of climate change on its operations and business environment by 2030 across the value chain, including the supply chain, Valmet's own operations, and customers' use phase of Valmet's technologies.				
PROCUREMENT PRACTICES							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
Valmet's own indicator	Purchases by 10 largest countries	AR 39					x
ANTI-CORRUPTION							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 23–24					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	GR 25	Valmet's Risk management				x
	205-2 Communication and training about anti-corruption policies and procedures	GR 25					
	205-3 Confirmed incidents of corruption and actions taken	GR 25					x
ENERGY							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	GR 26					x
	302-3 Energy intensity	GR 26					x
	302-5 Reductions in energy requirements of products and services	GR 32–33 See omission AR 23, 25, 33	Valmet has identified its most environmentally efficient technologies by comparing our best available technology with the market average. On pages 32–33, read also about how we have reduced the overall Environmental impacts of our products and services. Read more about our Unique offering.	Not reported	Information unavailable/ incomplete	Due to the complexity of Valmet's product portfolio, Valmet is unable to report this indicator. Valmet is developing its reporting so that it will be in a position to report in the coming years.	

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GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS			ASSURANCE
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
WATER AND EFFLUENTS							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	GR 27					
	303-2 Management of water discharge-related impacts	GR 27 AR 50–51					
	303-3 Water withdrawal	GR 27					x
EMISSIONS							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GR 28					x
	305-2 Energy indirect (Scope 2) GHG emissions	GR 28					x
	305-3 Other indirect (Scope 3) GHG emissions	GR 28					x
	305-4 GHG emissions intensity	GR 28					x
	305-5 Reduction of GHG emissions	AR 47–51	Read more about Valmet's reduction initiatives and their impact in Annual Review 2023.				
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	GR 29					x
WASTE							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	GR 29					
	306-2 Management of significant waste-related impacts	GR 29					
	306-3 Waste generated	GR 31					x
	306-4 Waste diverted from disposal	GR 31					x
	306-5 Waste directed to disposal	GR 31					x
VALMET-SPECIFIC TOPIC: ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 19–20					
Valmet's own indicator	Environmental impacts of products and services	GR 32–33	Environmental efficiency				

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GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS			ASSURANCE
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
SUPPLIER SUSTAINABILITY ASSESSMENT							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 23–24					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	GR 43, FS 14	Sustainable supply chain Procurement				x
	308-2 Negative environmental impacts in the supply chain and actions taken	GR 43, AR 63–64					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	GR 43, FS 14	Sustainable supply chain Procurement	Supplier data from the companies acquired in 2023 is not included in the 2023 figures.			x
	414-2 Negative social impacts in the supply chain and actions taken	GR 43, AR 42, 61, 63	Human rights management Sustainable supply chain				
Valmet's own indicator	Supplier engagement KPI: number of engaged suppliers	AR 42, 64					x
EMPLOYMENT							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 21–22					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	GR 34					x

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GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS	OMISSIONS			ASSURANCE
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
OCCUPATIONAL HEALTH AND SAFETY							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 21–22					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	AR 56–57					
	403-2 Hazard identification, risk assessment, and incident investigation	GR 35					
	403-3 Occupational health services	GR 35					
	403-4 Worker participation, consultation, and communication on occupational health and safety	GR 35	Data privacy, including confidentiality of personal health-related information, is strictly managed at Valmet. The European Union's General Data Protection Regulation (GDPR) lays the foundation for our global Privacy Program.				x
	403-5 Worker training on occupational health and safety	GR 36					
	403-6 Promotion of worker health	GR 36, AR 56–57					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GR 36, AR 62					
	403-8 Workers covered by an occupational health and safety management system	GR 37, AR 56, 62	Since we do not have a global tracking system for external worker headcount, the coverage of the occupational health and safety management system is calculated based on employee headcount, and it is assumed that this is also representative of the average coverage of external workers. Valmet also reports workers covered by a certified quality and environmental management system.				x
	403-9 Work-related injuries	GR 37–39	Workhours for external workers (external workers under our supervision, or whose workplace we control) are consolidated from local reporting systems. They are based on both theoretical and actual workhours.				x
	403-10 Work-related ill health	GR 39–40		Work-related ill health data for workers who are not employees.	Information unavailable/ incomplete	Our reporting systems do not currently enable tracking of work-related ill health for workers who are not employees.	x
TRAINING AND EDUCATION							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 21–22					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	GR 40					x
	404-2 Programs for upgrading employee skills and transition assistance programs	GR 40					
	404-3 Percentage of employees receiving regular performance and career development reviews	GR 40					x

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| GRI STANDARD | DISCLOSURE | LOCATION | COMMENTS | OMISSIONS | | | ASSURANCE |
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
DIVERSITY AND EQUAL OPPORTUNITY							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 21–22					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	GR 41					x
CHILD, FORCED AND COMPULSORY LABOR							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 23–24					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	GR 42					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	GR 42					
CUSTOMER HEALTH AND SAFETY							
GRI 3: Material Topics 2021	3-3 Management of material topics	GR 21–22					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	GR 43					

Information on general disclosures

This section provides information on the general disclosures that are not reported in the Annual Review or the GRI content index.

Employees (GRI 2-7)

GRI 2-7: Total number of employees by employment contract and gender

	Female	%	Male	%	Total	%
Regular	3,462 (3,185)	18	13,799 (12,595)	72	17,263 (15,781)	90
Fixed-Term	562 (508)	3	1,334 (1,259)	7	1,897 (1,767)	10
Total	**4,024 (3,693)**	**21**	**15,133 (13,854)**	**79**	**19,160 (17,548)**	**100**

GRI 2-7: Total number of permanent employees by employment type and gender

	Female	%	Male	%	Total	%
Full-time	3,321 (3,066)	19	13,614 (12,441)	80	16,937 (15,508)	98
Part-time	141 (119)	1	185 (154)	1	326 (273)	2
Total	**3,462 (3,185)**	**20**	**13,799 (12,595)**	**80**	**17,263 (15,781)**	**100**

GRI 2-7: Total workforce by region and gender

	Female	%	Male	%	Total	%
North America	405 (338)	2	1,866 (1,701)	10	2,273 (2,040)	12
South America	232 (163)	1	932 (670)	5	1,164 (833)	6
EMEA	2,595 (2,443)	14	9,047 (8,344)	47	11,643 (10,787)	61
China	575 (551)	3	1,857 (1,772)	10	2,432 (2,323)	13
Asia-Pacific	217 (198)	1	1,431 (1,367)	8	1,648 (1,565)	9
Total	**4,024 (3,693)**	**21**	**15,133 (13,854)**	**79**	**19,160 (17,548)**	**100**

GRI 2-7: Total workforce by region and type of employment contract

	Regular	%	Fixed term	%	Total	%
North America	2,267 (2,039)	12	6 (1)	0	2,273 (2,040)	12
South America	1,091 (764)	6	73 (69)	0.4	1,164 (833)	6
EMEA	10,845 (10,073)	57	798 (714)	4.2	11,643 (10,787)	61
China	1,437 (1,360)	8	995 (963)	5.2	2,432 (2,323)	13
Asia-Pacific	1,623 (1,545)	9	25 (20)	0.1	1,648 (1,565)	9
Total	**17,263 (15,781)**	**90**	**1,897 (1,767)**	**10**	**19,160 (17,548)**	**100**

Workers who are not employees (GRI 2-8)

Valmet utilizes a leased workforce consisting primarily of independent contractors and agency workers to carry out work under Valmet's supervision. This type of help is intended to support fluctuating or variable workloads and should be used only on a temporary basis of less than one year.

Valmet's leased workforce mainly focused on providing engineering and manufacturing services on a full-time or part-time basis. Valmet's total leased workforce is reported as an average and did not fluctuate significantly during the year. In 2023, Valmet employed a leased workforce of 425 workers. Note that as per the omission on page 5 of this report, the data only includes information for one country (Sweden) according to Valmet's new reporting approach for leased workforce. The intention is to apply the approach to additional countries in 2024.

Role of the highest governance body in overseeing the management of impacts, delegation of responsibility for managing impacts and sustainability reporting (GRI 2-12, GRI 2-13, GRI 2-14)

Valmet's Board of Directors is responsible for the administration and proper organization of operations. The Board also decides on significant matters related to strategy, investments, organization, and finances, ensuring that Valmet operates in accordance with its established values in all its operations.

The President and CEO manages, guides and supervises the operations of Valmet and its businesses. The President and CEO reports to the Board of Directors and prepares the matters on the agenda of the Board of Directors and its committees and implements their decisions. Valmet's Board of Directors and the President and CEO are responsible for overseeing the organization's due diligence and other processes to identify and manage the impacts on the economy, environment and people.

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The President and CEO and other members appointed by the Board of Directors constitute the Executive Team of Valmet. The Executive Team assists the President and CEO in the preparation of matters such as Valmet's business plan, strategies, policies and other operative matters of joint importance. The President and CEO acts as chair of Valmet's Executive Team.

Valmet's Sustainability360º Agenda has been approved by the Executive Team. The President and CEO oversees the progress of actions to achieve Valmet's targets set in the Agenda. Valmet's Executive Team determines and monitors the Agenda and targets, as well as all related policies. Valmet's sustainability performance is reviewed annually by the Executive Team. The progress of Valmet's Sustainability360º Agenda is reported to the President and CEO quarterly, and one to twice a year to the Board of Directors of Valmet.

Valmet's Board of Directors oversees sustainability reporting, and they sign on the disclosure of non-financial information as part of the Report of the Board of Directors in Valmet's Financial Statements and Information for Investors.

Valmet's Senior Vice President for Marketing, Communications, Sustainability and Corporate Relations is responsible for sustainability at Valmet and approves Valmet's Annual Review and GRI Supplement. She is a member of Valmet's Executive Team and the Chair of Valmet's Climate Program Steering team, reporting to the President and CEO.

Valmet's Climate Program Steering team is responsible for the Climate Program, follows the progress of the targets, and provides status updates and guidance on governance and content quarterly. The Steering team includes two members of the Executive Team, the Vice President of Sustainability, the program part owners: Vice President of HSE, R&D and Supply Chain, and other key persons. The progress of Valmet's Climate Program is reviewed bi-annually by the Executive Team and annually by the Board of Directors.

Valmet's Sustainability team is part of the Marketing, Communications, Sustainability and Corporate Relations function. The Sustainability team is responsible for coordinating and developing sustainability and related processes at the Valmet level and manages the Groupwide Sustainability Agenda and the initiatives it contains. Our business lines and area organizations are responsible for ensuring that all Groupwide initiatives are implemented to meet Valmet's sustainability goals. They are responsible for reporting sustainability data to the Group Head Office and ensuring the accuracy of the data.

Valmet's sustainability team coordinates the reporting and third-party assurance of sustainability data in accordance with GRI Standards, engages with stakeholders, and communicates sustainability issues to internal and external stakeholders.

Communication of critical concerns (GRI 2-16)

All reported critical concerns are communicated to Valmet's Board Audit Committee. Major substantiated cases, if any, are reviewed at Board Audit Committee meetings. In 2023, eight cases were communicated to the Committee. See GRI disclosure 205-3 on page 25 for more information.

See also GRI disclosure 2-26 on page 14 for more information about reporting concerns about ethics and the Code of Conduct.

Policy commitments (GRI 2-23)

Valmet's and its employees' actions are guided by company policies, guidelines and commitments. Valmet is committed to the UN Global Compact and the UN Sustainable Development Goals, and follows the UN Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises.

Valmet respects Human rights, as set out in UN Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

Valmet also promotes and encourages global compliance in all operations with international standards for health and safety, environmental and quality management such as ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015. In addition, some parts of the business comply locally with the ISO 50001:2018 standard for energy management and the ISO 27001:2017 standard for information security.

Publicly available policy approved by Valmet's shareholders at the Annual General Meeting:
- Valmet's Remuneration Policy

Publicly available policies and commitments approved by the Board of Directors:
- Valmet's Health, Safety and Environment Policy
- Valmet's Disclosure Policy

Publicly available policies and commitments approved by the President and CEO:
- Valmet's Code of Conduct
- Valmet's Human Rights Statement
- Valmet's Information Security Policy
- Valmet's Sustainable Supply Chain Policy
- Valmet's Quality Policy

Publicly available policies and commitments approved by a member of Valmet's Executive Team:
- Valmet's Equal Opportunity and Diversity Policy
- Valmet's Non-Discrimination and Anti-Harassment Policy

Other internal policies approved by the Board of Directors:
- Valmet's Corporate Governance Policy
- Valmet's Enterprise Risk Management Policy
- Valmet's Human Resources Policy
- Valmet's Internal Control Policy
- Valmet's IT Policy
- Valmet's Treasury Policy

Other internal policies and guidelines approved by the President and CEO or a member of Valmet's Executive Team:
- Valmet's Anti-Corruption Policy
- Valmet's Competition Compliance Guidelines
- Valmet's Drugs and Alcohol Guidelines
- Valmet's Global Travel Policy
- Valmet's Health, Safety and Environment Committee Guideline
- Valmet's Intellectual Property Rights (IPR) Policy
- Valmet's Know Your Business Partner Policy
- Valmet's Minimum Safety Standards
- Valmet's Social Committee Guideline

Mechanisms for advice and concerns about ethics (GRI 2-26)

Valmet encourages employees and stakeholders to speak up and voice concerns about possible violations of Valmet's Code of Conduct, unethical business behavior or other misconduct. Valmet employees are advised to report suspected misconduct to their own supervisors or other management, the Human Resources function, or directly to the Legal and the Internal Audit functions.

Valmet also offers a third-party-operated reporting channel, TrustLine, for reporting suspected breaches of our Code of Conduct. It provides Valmet employees and other stakeholders with the possibility of reporting possible misconduct confidentially in their native language and anonymously if desired. TrustLine is available for everyone 24/7 in Valmet's intranet and on its external website, and it is designed to guarantee anonymity. The reporter can make a report either online or by calling a call center. The reporting system and the process of handling the reports are managed by the Legal Affairs and Internal Audit functions. Reported cases are investigated and resolved in accordance with Valmet's Compliance Reporting Guideline. Valmet does not tolerate retaliation against any person who reports suspected violations in good faith or assists in investigations.

In 2023, 78 (36) concerns or allegations of potential Code of Conduct violations were reported through the external reporting channel or other channels that met the threshold to be reported to the company group, such as direct reporting to local HR, the Legal function or the Internal Audit. Most of the reported cases were allegations related to HR matters and anti-bribery and corruption topics. Nine (six) cases of discrimination and harassment were reported through TrustLine and reviewed in 2023. A total of 57 (33) cases (including 12 cases from 2022 or earlier) were closed. There were no cases with major financial impacts in 2023. Statistics and a summary of major substantiated cases are reported periodically at Board Audit Committee meetings.

Valmet provides Code of Conduct training and communications to our employees on all our available channels to inform them of the company's ethical expectations and protect the business. A renewed Code of Conduct was published at the end of 2023, and the implementation will start in 2024. By the end of 2023, 89 percent of active employees* had completed the Code of Conduct e-learning course.

* Figure excludes external workforce and employees from acquired Tissue Converting business unit.

GRI 2-26: Reported cases of potential Code of Conduct violations

	Number of cases	Cases closed	Open cases[1]
Cases reported via external reporting channel[1]	56 (22)	33 (16)	24
Cases reported via other channels[1]	22 (14)	12 (6)	14
Total	**78 (36)**	**45 (22)**	**38**

GRI 2-26: Cases closed by Valmet Code of Conduct category

	Number of cases
Rejection of corruption and bribery	7
Respectful work environment	17
Equal opportunities, diversity and inclusion	9
Intellectual property and company assets	3
Health, safety and wellbeing	3
Integrity	4
Reporting misconduct	1
Respect for human rights	1
Total	**45**

[1] Open cases figure also includes cases from 2022.

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Compliance with laws and regulations (GRI 2-27)

There were no significant fines, non-monetary sanctions, or incidents regarding non-compliance with laws and regulations in 2023. This statement covers compliance with health, safety and environmental regulations.

Two minor occupational safety non-compliance incidents resulted in administrative fines at the Shrewsbury and Lenox locations in the USA. These incidents were related to training record documentation. Immediate improvement actions were adopted to the satisfaction of the local authorities.

Memberships in associations (GRI 2-28)

The following table lists Valmet's key memberships by country or area. Valmet is also involved in the work of several national associations of engineers, technical and R&D networks, standardization institutes, chambers of commerce, and business forums.

Finland

Association of Finnish Foundry Industries
Bioenergy Association of Finland
Confederation of Finnish Industries (EK)
Federation of Finnish Technology Industries
Finnish Business & Society (FiBS)
Finnish Marine Industries
Finnish Energy
Finnish Forest Industries
Finnish Water Utilities Association (FIWA)
Foundation for the Global Compact
World Energy Council Finland (WEC)

Sweden

Association of Swedish Engineering Industries (Teknikföretagen)
Confederation of Swedish Enterprise (Svenskt Näringsliv)
Swedish Forest Industries
Värme och Kraftföreningen (VoK)
Swedish Waste Management (Avfall Sverige)
Paper Province Ekonomisk Förening
Swedish Process Safety Association (IPS)

EU

Bioenergy Europe
Confederation of European Paper Industries (CEPI)
Exhaust Gas Cleaning Systems Association (EGCSA)
European Business Leader's Convention
European Federation of Corrugated Board Manufacturers (FEFCO)
European Disposables and Nonwovens Association (EDANA)

North America

American Forest and Paper Association (AF&PA)
Association for the Suppliers to the Paper Industry (ASPI)
Energy Recovery Council (ERC)
Council of Industrial Boiler Owners (CIBO)
Particulate Solid Research PSRI Inc.
Biorenewable Deployment Consortium (BDC)
Black Liquor Recovery Boiler Advisory Committee (BLRBAC)
Technical Association for the Pulp and Paper Industry (TAPPI)
Pulp and Paper Technical Association of Canada PAPTAC
World Commerce and Contracting WorldCC

South America

Associação Brasileira Técnica De Celulose e Papel ABTCP
Asociación de Fabricantes de Celulosa y PapelPapel (AFCP)
Brazilian Machinery and Equipment Association (ABIMAQ)
Corporación Chilena de la Madera (CORMA)
Asociacion de Fabricantes de Celulosa Y Papel

Asia-Pacific

Austmine
Australasian Pulp and Paper Technical Association (APPITA)
Confederation of Indian Industry (CII)
Indian Pulp & Paper Technical Association (IPPTA)
Industry Edge
Japan TAPPI
Japan Paper Association
Korea Technical Association of the Pulp & Paper Industry KTAPPI
Korea Paper Association (KPA)
Vietnam Pulp and Paper Association

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China

Biomass Energy Industry Promotion Association
China Nonwovens & Industrial Textiles Association (CNITA)
China National Household Paper Industry Association
China Paper Associations

Approach to stakeholder engagement (GRI 2-29)

Valmet's stakeholders are existing and potential customers, existing and potential employees and workers in the value chain, suppliers and subcontractors, shareholders and investors, the media, non-governmental organizations, the authorities, and local communities, as well as research institutes, universities, colleges, and vocational schools.

The entities or individuals identified as stakeholders can reasonably be expected to be significantly affected by Valmet's activities, products and/or services, and their actions can reasonably be expected to affect the ability of Valmet to successfully implement its strategies and achieve its objectives.

Stakeholder dialogue

Valmet promotes and develops operations across its value chain within its own operations, supply chain and in the use phase of Valmet's technologies through active stakeholder dialogue on sustainability themes such as Climate, Circularity, Environmental efficiency, including energy management, Engaged workplace, Health and safety, Corporate citizenship, Ethical business practices, Sustainable supply chain, and Transparent reporting. Valmet develops low-emission and resource-efficient technology, and has a long tradition of cooperating with e.g., customers and universities in researching sustainable production technologies and finding new solutions. We also share our knowledge and raise awareness of eco-efficient products among our stakeholders to initiate further discussion.

We maintain a dialogue with our customers through regular meetings and other direct contact such as fairs, seminars and customer satisfaction surveys, and through specific industry organizations.

With our own employees, we conduct annual review discussions and mid-year review discussions at which we emphasize an open and active dialogue. We also conduct regular engagement surveys to measure how engaged we are as a company. The survey gives everyone at Valmet the opportunity to be part of the discussion and influence how we move the Company forward. The survey is run every second year, and the results are used to develop the Company over a two-year period.

We meet our suppliers regularly. During 2023, Valmet arranged a Supplier Day in China in May for our key suppliers, at which we shared our vision, strategy and expectations with our key

suppliers and discussed how to improve collaboration and performance. Valmet also organized several HSE days globally for our suppliers and subcontractors, at which we promoted health, safety and environmental awareness and best practices among our supply chain partners. During 2023, Valmet continued to arrange Contractor HSE Day events. The Contractor HSE Day is a program for driving the sharing of good HSE practices with Valmet's key contractors.

In addition to auditing and assessing suppliers regularly, Valmet engages with selected suppliers as a part of its Supplier Sustainability Engagement Program. The first program was launched in 2018, supporting and monitoring suppliers' performance and providing hands-on, practical support to help them take the most critical steps to improve sustainability practices. In 2022, we started to engage selected suppliers with the most CO_2-intensive operations in Valmet's Climate Program. Suppliers are engaged through in-person discussions and sustainability training that encourages them to implement change. Valmet works with suppliers to find ways to improve sustainability and reduce CO_2 emissions. We continued the work in 2023 with the target that all key and main suppliers of physical goods, around 150 suppliers, would be engaged by the end of 2024. This will increase the engagement effort in 2024 to match the combined engagements of 2022 and 2023. In 2023, nearly 80 new suppliers were engaged, who we encouraged them to commit to reducing their greenhouse gas emissions and improving their energy efficiency. Valmet also continued to provide an e-learning course for our suppliers to learn more about Valmet's Climate Program.

Valmet also continued its R&D and innovation program, called Beyond Circularity, which improves Valmet's readiness to support the green transition in Valmet's customer industries based on the company's technology vision 2030. To achieve the ambitious program targets, Valmet continued to build an ecosystem and lead a multitude of internal and external projects that involve customers, suppliers, universities, research institutes, as well as other partners. Through this ecosystem, participants contribute to the renewal of the pulp and paper industry and the acceleration of the green transition. The ecosystem already has more than 140 partners and 22 ecosystem projects, exceeding the initial program partner target for 2025. Valmet has active networking with ecosystem partners, e.g., it organized the second ecosystem event in September with more than 180 participants.

Valmet engages shareholders, investors and analysts in dialogue to ensure that the capital markets have correct and sufficient information to determine the value of Valmet shares and to increase awareness of Valmet as an investment. The financial community's interest in sustainable investing continued in 2023. During the year, we informed our financial stakeholders about Valmet's role and progress in the transition to a carbon-neutral economy and continued to develop our ESG equity story. The communication channels include the company website, financial statements and interim reviews, stock exchange releases and press releases, investor meetings, seminars, webcasts, social media, site visits, and general meetings. In 2023, Valmet's Investor Relations team organized

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32 roadshow days and engaged with approximately 240 institutional investors in calls, virtual meetings or in-person meetings.

Valmet meets with various media representatives through regular meetings and interviews and direct contact at fairs, seminars and other events. Valmet shares timely information about its operations through press and trade releases, the company website, several publications, and social media channels. In research and development, Valmet collaborates closely with its customers to collect information on their product development needs and to innovate new solutions. We also engage in dialogue with research institutes, as well as universities and vocational schools, through joint development projects and specific industry organizations.

Continuous improvement through active feedback gathering
In addition to the feedback gathered through regular business relationships and other forms of stakeholder dialogue, Valmet actively collects feedback from its stakeholders through specific surveys. For instance, suppliers, investors and customers are systematically asked for feedback at various events.

Valmet has an external reporting portal for its stakeholders for collecting feedback on and managing events related to health, safety, environment (HSE) and continuous improvement (CI) in all Valmet operations. The tool is also used to collect innovation ideas for R&D purposes. It is also used by Valmet's own employees. Internally, we use employee surveys to collect feedback. We also participate in externally conducted surveys assessing Valmet's reputation.

In addition, we ask for regular feedback from our customers regarding how Valmet is perceived in the market, how its products and services meet customer needs and expectations, the role sustainability plays in customer perception and expectations, and how Valmet can improve its customer relationships. By reporting to selected third-party sustainability ratings and assessments, Valmet seeks to help its stakeholders assess its sustainability performance. The rankings also serve as a management tool in helping to continuously raise our sustainability performance and define areas for improvement.

Collective bargaining agreements (GRI 2-30)
Valmet supports its employees' right to freedom of association and collective bargaining. We recognize and actively engage with employee representation bodies such as the European Works Council, which has representatives from Valmet countries in the European Union. Working conditions are determined by the employer (Valmet) for employees who are not part of a collective agreement. When determining working conditions, Valmet is committed to ensuring we meet or exceed all compliance obligations. Compliance with applicable local laws and regulations is the foundation for all operations.

Overall, 64 percent of Valmet employees are covered by collective bargaining agreements. Participation in collective bargaining agreements varies significantly between regions, with the highest participation in EMEA (86%), South America (63%) and China (55%), and the lowest in North America (7%) and Asia-Pacific (2%). This reflects common practice in these regions. In countries where collective bargaining is limited or is not common practice, Valmet's social committees provide an additional opportunity for stakeholder dialogue and participation.

Disclosures on material topics (GRI 3-1, GRI 3-2, GRI 3-3)
In accordance with the GRI 1: Foundation standard, the principles for defining report content were applied in determining material topics.

The materiality assessment process was initially conducted in 2013 and updated in 2018 and in 2021. The materiality process includes an analysis of the business environment, benchmarks and peer reviews, industry and corporate sustainability trends, market drivers, future regulatory requirements, and engagement with relevant stakeholders and experts to understand their expectations. The topics were then assessed on the basis of their significance to Valmet and its stakeholders at an internal workshop with key experts and management. As a result of the process, we defined three sustainability focus areas (ESG), covering the nine most material sustainability topics for Valmet from the impact materiality perspective. The material topics have been approved by Valmet's Executive team.

In late 2023, we started a double materiality analysis to comply with the upcoming Corporate Sustainability Reporting Directive (CSRD). Based on the assessment, we identified Valmet's actual and potential negative and positive impacts on the economy, environment and people and financial risks and opportunities across our value chain in the short, medium and longer term. We will start reporting in accordance with the updated material topics in our 2024 reporting and review whether any new material topics need to be updated for Valmet's Sustainability360º Agenda.

A list of current material topics can be found on the GRI content index in this report on pages 5–12.

Management of material topics (GRI 3-3)
Sustainability is an integral part of Valmet's strategy process and related Must-Wins. It is integrated in our processes through our Sustainability360º Agenda. The Agenda takes a comprehensive approach to sustainability across Valmet's value chain, covering the supply chain, Valmet's own operations and the use phase of Valmet's technologies. The Agenda is aligned with the Paris Climate Agreement's 1.5-degree pathway and with the United Nations Sustainable Development Goals, and it is executed through tangible annual action plans.

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The material topics included in Valmet's 2023 reporting are based on the process described in GRI 3-1 above and create the basis for Valmet's Sustainability360° Agenda, which was initially defined in 2014, with the latest renewal in 2022. The Agenda is based on the assessment and evaluation of the topics that are most material to the company's business and stakeholders within Valmet's value chain. The nine main material topics of the Agenda are grouped around three focus areas: Environment; Social; and Governance. For all the material topics, Valmet has defined targets, actions and KPIs, and they are integrated into Valmet's strategic process and annual planning.

The topics and indicators related to each focus area are presented in the following tables, which also define the topic boundaries. More information about each focus area and specific actions, targets and achievements can be found in the sustainability sections of the Annual Review (AR 39–66).

Valmet ties selected sustainability topics such as health and safety and sustainable supply chain KPIs to remuneration. Safety targets are part of team performance targets in bonus plans for most employees and management. Individual performance targets may also include targets for emissions reductions or other sustainability-related topics. In the supply chain functions, sustainable supply chain targets are used as performance targets or bonus targets for selected groups. The progress of actions related to Valmet's Sustainability360° Agenda and its related Climate Program is used as a strategic target for Valmet's Executive Team in the company's long-term share-based incentive plan for the 2023–2025 performance period.

The management approach for the selected material topics is described in more detail in the following tables.

ENVIRONMENTAL

Management approach

We are committed to protecting the environment everywhere we operate. Based on life cycle analysis (LCA) and market data on the customer use phase of Valmet's technology, we estimate that around one percent of the environmental impact of Valmet's entire value chain is from our own locations, and four percent from our supply chain. Most of Valmet's value chain's environmental impact originates in the customer use of its technologies. The main aspects are direct and indirect energy consumption and associated CO_2 emissions, material consumption, water use, waste production, emissions into the air, discharges of effluent, the use of hazardous substances, and noise.

Our approach aims to ensure that appropriate management systems, competence and behaviors are in place to protect the environment and promote circularity, climate change mitigation and environmental efficiency across the value chain. Everyone is expected to take responsibility for environmental management as defined in the Code of Conduct, HSE Policy and Sustainable Supply Chain Policy. Compliance with regulatory obligations, internal standards and customer requirements is the basis for all operations and supplier partnerships. We integrate sound environmental management practices in all aspects of our business and promote best practice with our customers, suppliers and partners. We ensure worker participation and engage other interested parties in active and collaborative dialogue toward environmental goals. We have a continuous improvement approach and work proactively through strategic objectives and targets that are cascaded into annual plans for location-based environmental improvement programs, sustainable supplier engagement to minimize impacts, as well as for developing the environmental benefits of our product and service offering. In addition, we monitor and openly communicate our environmental performance to enable the continuous development of our approach.

We strive in our locations and supply chain for efficient use of resources, renewable fuels and carbon-neutral energy, and to minimize waste and prevent pollution. We design and supply sustainable products and services that help our customers improve their energy, environmental and safety performance and promote the circular economy. We have implemented sustainability guidelines and practices into research and development, product design and engineering. We actively promote the environmental benefits of Valmet's offering to increase awareness among customers, and we educate and encourage our customers to use the products they purchase from us in environmentally responsible ways. We then offer our customers product life cycle support that ensures the best long-term environmental performance. We encourage all our personnel to participate in innovation and finding ways to reduce the environmental impact of our products and services. The aim of our research and development work is to create new technologies, products and services that address customer needs and help respond to climate change, circularity and efficiency needs. Today, Valmet already enables fully carbon-neutral production for its pulp and paper customers with access to fossil-free energy sources. The work continues with the development of solutions that do not depend on the energy source. In 2023, Valmet continued its R&D program Beyond Circularity, where Valmet and its ecosystem come together to innovate, renew and enable their customer industries to shift to carbon neutrality and to facilitate the green transition. The program is implemented through seven streams: Program management; Recycling technologies; Bio-refining / value adding to waste; Resource-efficient industries; Automated, digitalized industry and services; Service life cycle concept; and Emerging new process concepts and disruptive business.

Our focus:

- Enhancing circularity and environmental efficiency, as well as reducing CO_2 emissions by setting ambitious 2030 targets and concrete roadmaps for extending them across the value chain.

- Replacing fossil fuels, purchasing CO_2-free electricity (e.g., all purchased electricity in Finland, Sweden and Canada, representing 60% of Valmet's total consumption, is carbon neutral) and district heating, implementing energy efficiency improvements in all our locations, and promoting low-carbon travel and commuting.

- Enabling our customers to apply circularity through longer circulation, closed cycles, and the use of renewable and recycled raw materials.

- Continuously enhancing environmental efficiency in our own operations. In 2023, we invested EUR 30.8 million in environmental management and improvements.

- Supporting and developing our sustainable supply chain by securing environmental management practices, engaging in improvement actions and supporting supplier innovation.

- Ensuring our main operations are certified according to the ISO 14001:2015 (environmental) management standards, with a focus on implementing global standards and practices.

Reported topics and indicators

Energy: GRI 302-1, GRI 302-3, GRI 302-5

Water and effluents: GRI 303-1 (2018), GRI 303-2 (2018), GRI 303-3 (2018)

Emissions: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-7

Waste: GRI 306-1 (2020), GRI 306-2 (2020), GRI 306-3 (2020), GRI 306-4 (2020), GRI 306-5 (2020)

Material Valmet topic: Environmental impacts of products and services

Responsibilities The HSE, R&D and Supply Chain functions are responsible for continuously improving processes, performance, awareness and ways to operate. Part of remuneration at Valmet is linked to the Sustainability360° Agenda, Climate Program performance, and Health and Safety.

- The Valmet Executive Team has overall responsibility for the management and oversight of Valmet's day-to-day business

- The Senior Vice President (SVP) for Human Resources (HR) and Operational Development (OD) is responsible for HR at Valmet and driving the development of Valmet's Supply Chain, R&D, Sales Management, Project Management, Quality and HSE operations; she is a member of Valmet's Executive Team

- The Senior Vice President for Marketing, Communications, Sustainability and Corporate Relations is the Chair of Valmet's Climate Program Steering team and a member of the Valmet Executive Team

- The Vice President (VP) of HSE is responsible for Valmet's environmental standards, procedures, and systems, including reporting processes, as well as for ensuring environmental compliance, driving environmental performance development, and leading the global HSE team. She coordinates the Climate Program in Valmet's own operations, as well as the other Environmental Program objectives. The global HSE management team (Valmet's Vice President HSE with the relevant business line and area HSE experts) is a matrix management team responsible for developing common processes, procedures and tools, and for sharing best practices to accelerate improvement across all operations. Local HSE managers/specialists provide support to the organization and coordinate and facilitate the development of unit-/location-based environmental activities. The VP of HSE reports to the SVP of HR and OD.

- The Vice President of Research and Development (R&D) is responsible for managing Valmet-level R&D functions. He also leads Valmet's R&D and innovation program Beyond Circularity. Technology development and product management are managed by the respective technology organizations of Valmet's business lines (BL), supported by the sales, marketing, and engineering functions. Each BL has a person or persons coordinating its internal R&D within the BL. Each technology unit within the BL has technology and/or R&D responsible for product development. The Valmet R&D Management Team, consisting of the technology/R&D responsibles for all BLs, leads and coordinates joint technology and R&D activities. R&D managers are responsible for systematic R&D activities associated with the search for and discovery of new knowledge and expertise required in developing new and existing products, services, processes, or technologies. The VP of R&D reports to the SVP of HR and OD.

- The Vice President of Supply Chain (SC) is responsible for managing Valmet's SC function globally, including direct and indirect procurement and logistics. He leads the global SC team with representatives from every BL and Area, as well as the global SC functions. The team is responsible for developing common processes, procedures and tools for driving systematic efficiency improvements across all SC operations. The VP of SC is responsible for coordinating environmental actions in supply chain operations across the organization as part of the Climate Program and Sustainable Supply Chain management process. The VP of SC reports to the SVP of HR and OD.

- The Vice President of Sustainability is responsible for leading the Climate Program and reports to the SVP for Marketing, Communications, Sustainability and Corporate Relations, who is also the chair of the Climate Program Steering team

- The Director of Treasury Market Operations is responsible for the Nordic electricity purchases in the Climate Program

- The Director of Group Real Estate Management is responsible for promoting and guiding energy efficiency improvements in Valmet's own facilities in the Climate Program

Targets and specific actions We pursue the long-term goal of enhancing circularity, improving environmental efficiency and reducing CO_2 emissions.

Read more about the Environmental focus area on pages 43–51 of the Annual Review. Key performance indicators and targets are set for specific environmental topics: See the FS page 13–14, AR on pages 42, 49 and 51 and website: Environmental efficiency.

Evaluation of management approach We continuously assess the effectiveness of our environmental management processes by monitoring key performance indicators and non-compliance cases, as well as through regular assessments via engagement, stakeholder and reputation surveys. Local HSE compliance with internal standards, regulations and customer requirements is audited regularly in daily, weekly, and monthly HSE inspections, periodic evaluations of compliance, inspections by the authorities, internal and external management system audits, corporate HSE audits, risk management audits, and as an element of corporate internal audits. We also regularly benchmark the approach and performance of our peers and customers for best practices. The results of HSE performance, including highlights and challenges, are consolidated, and necessary actions are planned on a monthly basis in management reviews held in the Executive Team, BL and Area management teams, and down to department meetings. HSE is reviewed by the Board of Directors at all its meetings.

We assess the impact of our processes and tools concerning our supply chain activities. We have a supplier sustainability management process, which includes policy, internal risk assessment, self-assessment and external third-party audits. The aim is to assess the potential negative indirect environmental impacts and to improve risk management and ensure compliance with Sustainable Supply Chain Policy requirements. In addition, Valmet has a Supplier Sustainability Engagement Program for selected suppliers to support and monitor their environmental performance.

We assess the impact of our processes and tools concerning our R&D and innovation activities and product and service management. Environmental evaluation and criteria are built into the R&D and Product and Service life cycle management processes and R&D performance reporting. R&D performance is regularly reviewed by the Executive Team, the Business Line management teams and the global R&D management team, as well as in product-/technology-specific management teams. We work in close cooperation with customers, suppliers, universities, research centers and other stakeholders when it comes to environmental performance and conduct benchmarking to sustain and develop our progress toward our targets, to address customer needs and to help respond to some of the most important global megatrends: enhancing the efficient use of raw materials; water and energy; promoting the use of renewable raw materials; and reducing emissions. Overall, we utilize feedback and input and engage the whole value chain in the long-term development of our strategic technology approach, in which environmental and sustainability topics are key areas.

The management approach is assessed continuously as part of our operations, and processes are improved accordingly to ensure that the goals that have been set are achieved.

Boundaries **Own operations:** Valmet's environmental reporting covers 84 locations including our foundries, manufacturing workshops, service centers, technology centers, pilot facilities and supply centers. Mill maintenance outsourcing in customer mills and small sales offices are excluded from environmental reporting. Locations acquired during 2023 will be included in the environmental reporting in 2024.

Valmet's technology organization is responsible for product development and ensuring that Valmet's solutions meet all applicable environmental requirements. Valmet's sales organizations globally are responsible for ensuring that the solutions we deliver meet customer needs and support their environmental targets.

Upstream and downstream value chain: Valmet provides services, automation and process technologies for the pulp, paper and energy industries around the world. The majority of the life cycle environmental impacts arises from the use of Valmet's technologies and services. Valmet serves close to 2,000 customer mills and plants globally. Services are provided especially in Europe and North America, which both have a large installed base. Valmet delivers new installations and rebuilds to all its market areas.

Valmet purchases components, products, materials and services from some 30,000 active suppliers in 60 countries. Special attention is paid to assessing environmental issues in risk countries. Valmet's strategic target is to increase procurement close to customer projects and its own operations. All indirect purchases supporting Valmet's operations are procured locally. The ten largest countries in terms of purchases (EUR million) are Finland, China, the USA, Sweden, Germany, Brazil, India, Poland, Italy and Canada. China, India, Indonesia and Thailand are defined as having greater potential for negative environmental impacts than the other countries from which Valmet purchases goods and services.

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SOCIAL

Management approach

We promote an engaging work environment, are committed to the health and safety of our people and partners, and strive to be a responsible corporate citizen.

We develop an engaged and performance-driven community, and we continuously drive the development of our employees' capabilities globally. Our efforts in capability development focus on ensuring we are operating with the best tools and processes and offering training opportunities to match our strategic needs. We encourage development throughout the employee's career at Valmet, ensuring our people continuously develop their competences. We believe that success starts with people – strong teams form the foundation for strong performance. We recognize the business benefits of having a diverse workforce, and we aim to create and sustain a work environment that values diversity and provides equal opportunities for everyone.

We are committed to protecting the health and safety (HS) of our people, partners, customers and the communities where we operate. Since we spend about a third of our time at work, the quality of our working lives is an important topic for our overall wellbeing. Our people and the external workers in our operations are exposed to potential health and safety hazards at work in our workshops, in our offices, during business travel, and when working at our customers' construction sites, mills and plants. The main risks of occupational injury and illness are associated with the unexpected start-up of machinery, the use of tools and equipment, mechanical lifting, working at heights or in confined spaces, manual handling, hot work, exposure to hazardous substances and radiation, electrical work, road travel, exposure to infectious diseases, and the social and organizational work environment.

Based on the above impacts, we intend to provide safe and healthy workplaces for all. Our approach aims to ensure that appropriate systems, competence and behaviors are in place to identify and control hazards and impacts before they cause harm. Compliance with regulatory obligations, internal standards and customer requirements is the basis for all operations. We use a continuous improvement approach and work proactively through strategic objectives and targets that are cascaded through annual improvement plans to all to secure healthy and safe operations.

Everyone is expected to take responsibility for HS as defined in the Valmet Manager and Employee roles. We integrate sound HS management practices in all aspects of our business and promote best HS practice with our customers, suppliers and partners. Constant emphasis is placed on risk management, prevention and learning. We ensure worker participation and engage other interested parties in active and collaborative dialogue. We monitor and openly communicate our HS performance to enable the continuous development of our approach.

We want to have a positive impact on society and the environment locally and globally and believe that increased integration into local communities results in mutual benefits. Valmet participates in selected local programs around the world based on its Guidelines for Sponsorships and Donations and works in close cooperation with selected universities and research organizations globally. Valmet's sponsorships and donations focus on science, research, education, environmental protection, nature conservation and youth activities. We want to ensure that our operations are socially responsible.

Our focus:

• We continuously look for ways to increase employee engagement and develop the best talent

• We value diversity and promote an inclusive and well-managed work environment

• We invest in a positive safety culture and leadership

• We constantly improve our HSE processes and practices toward our common goal of zero harm. Our main operations are certified according to the ISO 45001:2018 (health and safety) management standard.

• We collaborate with our customers and partners to improve contractor and customer site safety

• We implement injury prevention programs

• We participate in selected local programs under the following themes: Towards the future with science; Protecting the planet for next generations; and Equal opportunities for wellbeing. We work in close cooperation with selected universities and research organizations globally.

Reported topics and indicators

Employment: GRI 401-1

Occupational health and safety: GRI 403-1 (2018); GRI 403-2 (2018); GRI 403-3 (2018); GRI 403-4 (2018); GRI 403-5 (2018); GRI 403-6 (2018); GRI 403-7 (2018); GRI 403-8 (2018); GRI 403-9 (2018); GRI 403-10 (2018).

Training and education: GRI 404-1, GRI 404-2, GRI 404-3

Diversity and equal opportunity: GRI 405-1

Customer health and safety: GRI 416-1

Responsibilities The Human Resources function defines and guides the processes around talent management, learning and development, compensation and benefits, and people reporting. Part of remuneration at Valmet is linked to the Sustainability360° Agenda, Climate Program performance, and Health and Safety. The HSE function is responsible for continuously improving HS processes, performance, awareness and ways to operate. The Sustainability function manages the Social Responsibility Programs.

- The Valmet Executive Team has overall responsibility for the management and oversight of Valmet's day-to-day business
- The Senior Vice President for Human Resources and Operational Development is responsible for Human Resources at Valmet and driving the development of Valmet's Procurement, Supply Chain, R&D, Sales Management, Project Management, Quality and HSE operations; she is a member of Valmet's Executive Team
- The Vice President, HR Operations is responsible for leading HR operations across all five regions, including corporate functions
- The Director of Compensation and Benefits is responsible for the performance review process and for remuneration
- The Vice President of Talent Management is responsible for processes related to talent attraction and development, including learning programs, talent reviews and successor plans
- The Vice President, HSE is responsible for Valmet's HSE standards, procedures and systems, including reporting processes, as well as for ensuring HSE compliance, driving HSE performance development and leading the global HSE team
- The global HSE management team (Valmet's Vice President HSE with the relevant business line and Area HSE experts) is a matrix management team responsible for developing common processes, procedures and tools, and for sharing best practices to accelerate improvement across all operations. These experts are the company's serious incident investigators and lead HSE auditors.
- Local HSE managers/specialists provide HSE support to the organization and coordinate and facilitate the development of unit-/location-based HSE activities
- All Valmet managers are responsible for ensuring the health and safety of their employees and for the management and compliance of their operations with applicable HSE regulations and standards
- All Valmet employees are responsible for taking care of their own health and safety and for looking out for the health and safety of others. All employees are accountable for following the company's rules and procedures.
- The Vice President, Sustainability is responsible for sustainability at corporate level and reports to the SVP of Marketing Communications, Sustainability and Corporate Relations, who is a member of the Valmet Executive Team

Targets and specific actions Read more about the Social focus area on pages 52–59 of the Annual Review.

Key performance indicators and targets are set for specific social material topics: See the FS page 13–15 and AR on pages 42, 53–54, 56–57 and 59.

Evaluation of management approach The management approach is assessed continuously as part of our operations and processes. We use regular assessment and reporting tools, including our engagement, stakeholder and reputation surveys, and our anonymous reporting channel to enhance the positive impacts and to avoid, mitigate and remediate any negative impacts on our most material topics.

We continuously assess the effectiveness of our HSE management processes by monitoring HSE KPIs and non-compliance cases, as well as through regular assessments via engagement, stakeholder and reputation surveys. Local HSE compliance with internal standards, regulations and customer requirements is audited regularly in daily, weekly and monthly HSE inspections, periodic evaluations of compliance, inspections by the authorities, internal and external management system audits, corporate HSE audits, risk management audits, and as an element of corporate internal audits. We also regularly benchmark the approach and performance of our peers and customers for best practices. The results of HSE performance, including highlights and challenges, are consolidated, and necessary actions are planned on a monthly basis in management reviews held in the Executive Team, in Business Line and Area management teams, and down to department meetings. HSE is reviewed by the Board of Directors at all its meetings.

Boundaries **Own operations:** Valmet has more than 19,000 employees in more than 40 countries around the world. The largest countries in terms of headcount are Finland, China, USA, Sweden and Brazil. Valmet's Health and Safety reporting covers all active employees, including employees working in businesses acquired in 2023.

Upstream and downstream value chain: Valmet has truly global operations in more than 40 countries and a broad stakeholder base in all market areas. For example, we provide added value to our stakeholders in the form of dividends, jobs and business opportunities. The biggest countries in terms of net sales are China, the USA, Finland, Brazil and Sweden, and in terms of income taxes the USA, Finland, China, Brazil and Sweden.

Valmet's strategic goal is to strengthen its local presence close to customers and growth markets, which is an important consideration when hiring new employees in respective areas.

Valmet serves close to 2,000 customer mills and plants globally. Services are provided especially in Europe and North America, which both have a large installed base. Valmet delivers new installations and rebuilds to all its market areas. Valmet includes its external workers' incidents in its reporting.

Valmet

GRI SUPPLEMENT 2023

GOVERNANCE

Management approach

We follow ethical business practices, ensure a sustainable supply chain and report transparently. Valmet strives to ensure that all its operations are carried out in a socially responsible and globally aligned manner to minimize the potential negative impacts and enhance positive impacts on the economy and people. We aim to be seen as a trusted local partner and to build mutual relations with our stakeholders. With global operations, we provide employment and business opportunities to a wide range of stakeholders and indirectly build wealth in local societies. By delivering more sustainable and cost-competitive solutions and services to our customers, we can generate added value for our shareholders and support the global efforts to combat climate change.

Our daily operations are guided by Valmet's general operating principles, which comprise Valmet's Code of Conduct and related policies. These create the foundation for sustainable business practices. They define how we deal with human rights, labor practices, environmental issues, compliance with laws and regulations, fair competition, occupational wellbeing and safety, and ethical standards through the entire value chain. We have integrated sustainability criteria into our compliance and due diligence processes.

Valmet's Ethics and Compliance Program focuses on ensuring that all employees understand that everyone is responsible for ensuring that Valmet does business ethically and legally.

We also have comprehensive due diligence processes to monitor and manage human rights impacts related to our own operations and our supply chain through location-level human rights impact assessments and supplier audits. To ensure compliance with international laws and the UN Guiding Principles on Business and Human Rights and OECD Guidelines for multinational enterprises, we have embedded human rights due diligence into our management systems.

Global multisite certification of our operations assures our customers and other stakeholders that we have a process-oriented and standardized global way of working according to the international ISO standards for quality (9001:2015), environment (14001:2015), and health and safety (ISO 45001:2018) management systems.

We constantly work to improve the transparency of our value chain to ensure responsible purchasing practices and to mitigate any risks to us or our stakeholders related to potential violations in such practices. The realization of such risks could impact Valmet's financial position and/or reputation. Through comprehensive supply chain management, we also aim to minimize the environmental and social impacts of our value chain. We have integrated sustainability into our supply chain processes, and our target is to continuously improve sustainability in our supply chain and enhance the transparency of our value chain. We want to ensure that we operate responsibly throughout the value chain.

We promote transparency in our communications with our stakeholders and actively engage with our stakeholders to learn about their expectations. Valmet strives for globally consistent and transparent management and reporting practices and participates in several third-party sustainability ratings to help its stakeholders assess its sustainability performance.

Reported topics and indicators

Economic performance: GRI 201-1

Anti-corruption: GRI 205-1, 205-2, 205-3

Occupational health and safety management system: GRI 403-1

Child labor: 408-1

Forced or compulsory labor: GRI 409-1

Supplier sustainability assessment: GRI 308-1, 308-2, 414-1, 414-2

Material Valmet Topic: Purchases by ten largest countries

Material Valmet Topic: Employees covered by certified management systems

Responsibilities

The Sustainability function develops and coordinates Valmet's Sustainability Agenda within the company. The Supply Chain function manages purchases and is responsible for ensuring that all purchasing is done sustainably and cost-effectively. The initiatives under the Sustainable supply chain focus area are jointly coordinated by the Sustainability and Group, Business Line and Area Supply chain functions.

The Human Resources function defines and guides the processes around talent management, learning and development, compensation and benefits, and people reporting. The HSE function is responsible for continuously improving HS processes, performance, awareness and ways to operate. Remuneration at Valmet is partly linked to sustainability topics such as HS performance. The Sustainability function manages Valmet's Social Responsibility Programs.

- The Valmet Executive Team has overall responsibility for the management and oversight of Valmet's day-to-day business
- The Chief Financial Officer (CFO) is responsible for Valmet's Finance and Legal; she is a member of Valmet's Executive Team and reports to the CEO
- The Senior Vice President for Human Resources and Operational Development is responsible for driving the development of Valmet's Supply Chain, Quality and HSE operations; she is a member of Valmet's Executive Team and reports to the CEO
- The Senior Vice President for Marketing, Communications, Sustainability and Corporate Relations is responsible for driving Valmet's brand and marketing performance, internal and external communications, the Sustainability360° Agenda, and corporate relations; she is a member of the Valmet Executive Team and reports to the CEO
- The Vice President, Sustainability is responsible for driving sustainability at corporate level and supporting other corporate functions, Business Lines and Areas with the planning and implementation of Sustainability360° Agenda-related action plans. She reports to the SVP of Marketing, Communications, Sustainability and Corporate Relations.
- The General Counsel is responsible for the legal adherence of Valmet, Corporate Governance, Code of Conduct and Ethics & Compliance. He reports to the CFO
- The Vice President of Supply Chain is responsible for coordinating supply chain operations across the four Business Lines and five Areas, including the Sustainable Supply Chain process. He reports to the SVP HR and Operational Development
- The Vice President, Quality is responsible for Valmet's global management system and its global ISO certification, as well as conformity to the quality management standard. He reports to the SVP HR and Operational Development.
- The Vice President, HSE is responsible for the conformity of the global management system to the ISO standard for occupational health and safety, and environmental management. She reports to the SVP HR and Operational Development.

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Targets and specific actions	Read more about the Governance focus area on pages 60–66 of the Annual Review.
	Key performance indicators and targets are set for specific governance material topics: See the FS page 13–15 and AR on pages 42, 62, 64 and 66.
Evaluation of management approach	The management approach is monitored continuously as part of our operations and processes. We continuously assess the impact of our processes and tools.
	Valmet measures the effectiveness of its Ethics and Compliance Program through regular reporting on taken actions and targeted auditing.
	Valmet has a process for human rights due diligence that enables the assessment of its own operations by the potential negative impacts and risks related to human rights. Based on the human rights impact assessments with an independent third party, we define and implement the corrective action plans. We are continuing our systematic approach to all Valmet sites globally to standardize human rights assessments and our way of operating.
	As a part of Valmet's due diligence process, we have a sub-process in place for supplier sustainability management. It enables the assessment of suppliers by the potential negative impacts and risks related to human rights, labor practices, ethical business practices, environmental performance, and health and safety. Based on the supplier sustainability risk assessment, we may request that our suppliers self-assess their sustainability performance and management. We also conduct supplier sustainability audits with an independent third party to ensure suppliers' compliance with Valmet's Sustainable Supply Chain Policy requirements.
	We evaluate the management approach with external performance ratings such as Dow Jones Sustainability Index inclusion, the CDP Climate ranking and the EcoVadis score.
Boundaries	**Own operations:** All Valmet functions and employees work in compliance with our Code of Conduct to ethically create added value for our broad stakeholder base globally. Valmet's Supply Chain organization manages purchases and is responsible for ensuring that all purchasing is done sustainably and cost-effectively.
	Upstream and downstream value chain: Valmet has truly global operations in more than 40 countries and a broad stakeholder base in all market areas. For example, we provide added value to our stakeholders in the form of dividends, jobs and business opportunities. The biggest countries in terms of net sales are the USA, China, Indonesia, Brazil and Finland, and in terms of income taxes, the USA, Finland, China, Brazil and Sweden.
	Valmet purchases components, products, materials, and services from some 30,000 active suppliers in 60 countries. Special attention is paid to assessing business ethics and legal compliance, human and labor rights, health and safety, and environmental issues in risk countries. Valmet's strategic target is to increase procurement close to customer projects and its own operations. All indirect purchases supporting Valmet's operations are procured locally. The ten largest countries in terms of purchases (EUR million) are Finland, Sweden, the USA, China, Brazil, Germany, India, Canada, Italy and Poland. China, India, Indonesia and Thailand are defined as having greater potential for negative social and environmental impacts than the other countries from which Valmet purchases goods and services.

Information on specific standard disclosures

This section provides information on the specific standard disclosures which are not reported
in the Annual Review or the GRI content index.

Operations assessed for risks related to corruption (GRI 205-1)

Group-level risk assessments cover all Valmet's operations. One tool for risk assessments is the FRIME audits, which cover five key units annually and account for about 80 percent of Valmet's turnover within a five-year evaluation cycle.

Corruption risks are assessed as part of compliance and crime-related risks, e.g., fraud and misconduct, in the FRIME audits and in Valmet's annual Group-level risk assessment process, including internal audits. In 2023, seven corporate internal audits were conducted at Valmet's locations, including an evaluation of the effectiveness of anti-corruption and misconduct measures.

The most significant corruption risks relate to financial impacts and reputation.

Communication and training about anti-corruption policies and procedures (GRI 205-2)

Valmet has zero-tolerance of all forms of bribery and corruption. Valmet is committed to conducting our activities in accordance with applicable anti-bribery and corruption laws. Valmet's approach to anti-corruption is based on the Code of Conduct and related Anti-Corruption Policy, which clearly prohibits bribery and corruption. Valmet's Anti-Corruption Policy contains the guidelines, standards and procedures that ensure that all Valmet employees and those acting on our behalf understand and comply with applicable anti-corruption laws in all our business operations.

Compliance with the Code of Conduct as an integral part of the employment relationships and the onboarding program is the personal responsibility of each Valmet employee. The Corporate Legal, Internal Audit, and the Ethics and Compliance functions regularly conduct training sessions and audits. General Managers are responsible for the compliance of their companies with applicable laws and internal regulations, including the Code of Conduct, and for the information and training of their employees.

All Valmeteers need to complete a mandatory training session on the Code of Conduct, which includes anti-corruption and anti-bribery topics. In addition, we have a specific Valmet Anti-bribery Compliance e-learning course.

Confirmed incidents of corruption and actions taken (GRI 205-3)

In 2023, Valmet concluded investigations on four confirmed incidents of corruption. They were incidents of minor monetary value, and no evidence was found in either case of repeated practice. Valmet has a formal disciplinary procedure for employees who breach Valmet's Code of Conduct or other policies. Individuals who are found to have violated Valmet's Code of Conduct and/or our policies receive appropriate disciplinary action, which may include the termination of their employment. In the investigated cases, five Valmet employees were disciplined for the incidents in accordance with Valmet's disciplinary procedure.

Energy consumption within the organization (GRI 302-1[1], GRI 302-3[2])

GRI 302-1: Fuel consumption

TJ	2023	2022	2021
Renewable fuels[3]	2	0	0
Non-renewable fuels	343	351	370
Total	**345**	**351**	**370**

GRI 302-1: Energy consumption by source

TJ	2023	2022	2021
Electricity, total	860	871	833
Electricity, renewable[4]	99	176	
District heating, total	275	274	301
District heating, renewable[4]	149	127	
Steam	23	22	20
Total	**1,159**	**1,168**	**1,154**

GRI 302-1: Energy sold

TJ	2023	2022	2021
Electricity	10	9	9
Heating	3	3	3
Total	**12**	**12**	**12**

GRI 302-1: Total energy consumption

TJ	2023	2022	2021
Total	**1,504**	**1,519**	**1,524**

GRI 302-3: Energy intensity[2]

TJ	2023	2022	2021
TJ/EUR Million Net sales	0.27	0.30	0.39

[1] Consumption is reported based on local invoicing. Standard conversion factors are used in our reporting system. Electricity is consumed in production processes and the use of equipment and facility services such as lighting, cooling and heating. Fuel used for internal transportation is comparatively insignificant and is excluded from fuel consumption amounts. Data from the new Tissue Converting business unit is excluded.

[2] The ratio uses energy consumed within the organization from the following types: electricity, heating, cooling, and steam and fuel (excluding fuel for internal transportation).

[3] Consumption of renewable fuels purchased locally.

[4] Consumption of renewable electricity or district heat produced or purchased locally from renewable sources or purchased with certificates of guarantees of origin.

Interactions with water as a shared resource and the management of water discharge-related impacts (GRI 303-11, GRI 303-2)

Based on life cycle analysis (LCA) and market data from selected product families, we estimate that around 95 percent of the environmental impacts of Valmet's entire value chain, including water impacts, occur when Valmet's solutions are used for production on customer sites. We design and develop all our technologies for water efficiency. Water efficiency is a key design and performance parameter for our pulp, paper and bio-industry customers, and we engage actively with them to minimize their water impacts.

Our own operations account for less than 1 percent of the total environmental impact of the value chain. Within our own operations, significant amounts of water are used for cooling in our foundry operations and as process water in our pilot machines at our Nordic R&D centers. We have targets for reducing the overall consumption of water in our operations. Environmental impact assessments are completed when establishing new operations and when planning significant changes in existing operations to ensure that water impacts are considered and mitigated. All our new service workshops are located inside managed industrial estates. Valmet follows local discharge permits and requirements.

Valmet's water withdrawal from areas with water stress is small. Based on an analysis using the WWF Water Risk Filter 2021 our workshops or supply centers in Sao Paulo (Brazil); Changzhou, Jiaxing, Tianjin, Waigaoqiao, Xian and Zibo (China); Horgau (Germany); Pune and Vadodara (India); Bologna and Pescia (Italy); Jelenia Gora (Poland); Dammam (Saudi Arabia); and Johannesburg (South Africa) are in geographical areas with a high basin physical risk. In basins with a very high physical risk, we do not have any workshops or production facilities. One small office in Gurugram (India) is in a geographical area with a very high basin physical risk.

The remaining 4 percent of our water impact is from the supply chain, and Valmet has a systematic process for engaging with key suppliers to improve their sustainability practices, including environmental and water management. Read more in our Annual Review on pages 41–51.

Water withdrawal (GRI 303-3)

GRI 303-3: Water withdrawal[1]

1,000 m³	2023	2022	2021
Third-party water[2]	532	600	511
Surface water[3]	981	1,071	1,031
Ground water[4]	11	9	9
Total	**1,524**	**1,681**	**1,551**

[1] Water data reported according to GRI 303: Water and Effluents 2018. There is no water withdrawal from areas of water stress. Data from the new Tissue Converting business unit is excluded.
[2] Third-party water includes municipal water use and other third-party water. Municipal and other water utilities are reported by each unit based on invoicing.
[3] Surface water also includes rainwater. Surface water consumption is in some cases estimated based on pump capacity.
[4] Ground water data is based on local records and methodologies.

Greenhouse gas emissions (GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4)

GRI 305-1 and GRI 305-2: Greenhouse gas (GHG) emissions (Scope 1 and 2)[1]

1,000 tCO_2	2023	2022	2021	Baseline[1]
Scope 1[2]	19.8	21.1	21.5	21.5
Scope 2 (location-based)[3]	66.2	76.1	73.4	
Scope 2 (market-based)[4]	44.7	65.1	81.2	108.9.

GRI 305-4: Greenhouse gas (GHG) emissions intensity (Scope 1 and 2)[5]

	2023	2022	2021	Baseline[1]
1,000 tCO_2/EUR Million Net sales	0.012	0.017	0.026	0.029

[1] Only CO_2 is included in the calculation. The amount of biogenic Scope 1 emissions is 667 t in 2023. Baseline 2019 and net sales for emissions intensity for this baseline are calculated based on Valmet's and Neles' emissions and net sales data from 2019 and emissions and net sales from acquisitions from 2019–2021: 21,500 tCO_2 (Scope 1) and 108,900 tCO_2 (Scope 2, market-based), net sales EUR 4,510 Million. The methodology used to calculate emissions is the direct measurement of energy sources consumed based on invoicing at the location level and conversion to CO_2 emissions. Data from the new Tissue Converting business unit is excluded from the environmental data.

[2] Scope 1 emissions are based on default CO_2 conversion factors for combustion from the "2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2 Energy." Supplier-specific CO_2 conversion factors were applied to biofuel consumption in Sundsvall, Sweden and Jyväskylä, Finland.

[3] Location-based CO_2 conversion factors 2019, 2021, 2022 are based on 2018 CO_2 conversion factors as given by "the International Energy Agency (IEA) (2020) Emission Factors." Location-based CO_2 conversion factors 2023 are based on 2021 CO_2 conversion factors as given by "the International Energy Agency (IEA) (2023) Emission Factors."

[4] The following CO_2 conversion factors have been applied to the data. Europe: Factors from "European Residual Mixes 2019/2020/2021/2022" (Association of Issuing Bodies) for electricity and steam in Europe in 2019–2023 and "International Energy Agency (IEA) (2020) or (2023) Emission Factors" for district heating in Europe in 2021–2023. Factors from "European Residual Mixes 2019" (Association of Issuing Bodies) for district heating in Europe in 2019. China: "China eGRID 2019 Emission Output Rates" (Clean Development Mechanism China) for electricity, district heat and steam for 2019-2021 for China and "China 2022 Emission factors" (China Ministry of Ecology and Environment) for China for 2022–2023 (excluding Shanghai area), "China Shanghai 2022 Emission factors" (China Shanghai Ecological Environment Bureau) for China Shanghai area for 2022-2023. Brazil: "CO_2 emission factors for Brazil for 2019–2023" for electricity in Brazil in 2019–2023 respectively (Brazilian Science, Technology and Innovation Ministry). Chile: "Annual average CO_2 factors 2022–2023" (Chile Ministry of Energy) for electricity in Chile for 2022–2023 respectively and "International Energy Agency (IEA) (2020)" factors for electricity in Chile in 2019–2021. USA: "eGRID 2019/2020/2021 Subregion GHG Output Emission Rates" (United States Environmental Protection Agency) for electricity in USA in 2019–2023. Supplier specific CO_2 conversion factors were applied for electricity consumption in Canada; France; Horgau, Germany; Indonesia; Swiecie, Poland; Lenox, Clarks Summit and Waukesha, USA; and for hydro-based electricity in Jiading, China; and for carbon-neutral district heating in Finland and in Swiecie, Poland; and for solar-based electricity in Brazil, China and Finland. Contract-based specific CO_2 conversion factors were applied for CO_2-free electricity in Scandinavia, which is purchased with guarantees of origin. Location-based factors were applied for India, Saudi Arabia, South Africa, South Korea and Thailand.

[5] Emissions intensity ratio includes direct (Scope 1) and indirect (Scope 2, market-based) CO_2 emissions per EUR Million Net sales.

GRI 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3)[6]

1,000 tCO_2 e	2023	2022	2021
Category 1: CO_2 emissions from purchased goods and services[7]	1,736	2,237	1,656
Category 4: CO_2 emissions from upstream transportation and distribution[8]	166	114	102
Category 6: CO_2 emissions from business travel[9]	50	37	18
Category 11: CO_2 emissions from use of sold products[10]	62,727	90,077	70,850

[6] The specific emission factors used in calculating the greenhouse gas emissions are based on databases and publicly available sources using monetary values and technical data from Valmet's monitoring and reporting tools.

[7] The analysis is based on the monetary value of purchased goods and services by category and supplier country. The emission flows have been calculated based on environmentally extended input-output analysis and emission factors from Exiobase (www.exiobase.eu). The data includes the direct purchase order amount, excluding personnel, facilities, marketing and communications, office IT, professional services, Maintenance, Repair and Operations (MRO), travel, transportation, and taxes, and charges related indirect spend. Travel and transportation-related emissions are covered in the Scope 3 category 4 and 6 figures. The direct purchase order amount data used in the calculation cover approximately 56 percent (2022: 73%) of Valmet's total external purchases.

[8] The analysis of upstream transportation and distribution emissions is based on suppliers' emission reports from inbound and outbound logistics, and when not available, the monetary value of purchased transportation services following the same calculation methodology as for category 1 emissions. Suppliers' CO_2 reports cover 41% of reported emissions. The calculated transportation modes include air, rail, ocean and road transportation. Data from the 2023 acquired companies are excluded from the 2023 reporting. The 2022 and 2021 data has been restated due to an error in the GHG protocol interpretation. Now all inbound and outbound logistics spend have been reported under category 4, instead of allocating outbound logistics to category 9. Due to this the restated figures are around 150% more than previously reported.

[9] The analysis of business travel emissions is based on emission, mileage and spend data from travel agencies and internal systems. Travel agencies' CO_2 reports cover around 45 percent of reported emissions. The calculation includes air and rail travel, rented cars, compensated mileages and hotel nights. The data used covers 99 percent (2022: 97%) of Valmet's global workforce.

[10] The data includes Valmet's entire sold paper, board and tissue production lines, fossil-fired fluidizer bed boilers and lime kilns, during their expected lifetime (25 years). The CO_2 calculation is based on Valmet's average product-specific energy consumption and product specifications, including delivered capacity and intended fuel mix. N_2O and CH_4 are included from biomass combustion in pulp and energy production. CO_2 emissions from electricity are calculated based on the IEA (2020) country-specific emission factors. CO_2 emissions from steam are calculated based on Fisher International installed base fuel mix data. Emission factors for fuels are based on IPCC, Defra and Statistics Finland. The IEA Scenario for current policies (STEPS) power sector emission intensity reduction (CAGR) is utilized in projecting the lifetime emissions for electricity and steam. Quantifying and projecting the future emissions from the use of sold products involves many assumptions, and the actual emissions from the use of sold products largely depend on the choices our customers make. For these reasons, the figure reported is an estimate to understand the magnitude of category 11 lifetime emissions, which represents more than 95 percent of Valmet's value chain emissions. The annual fossil emissions of the sold products were around 2,900,000 tCO_2e, whereas biogenic emissions were around 8,700,000 tCO_2e in 2023. The included paper, board and tissue machines represent 81 percent of the Paper (PAP) business line's total orders received in 2021–2023, excluding basic machine unit assembly groups and smaller equipment deliveries. The fossil-fired boilers and lime kilns represent 30 percent of Pulp and Energy (P&E) business line's 2021–2023 orders received. The remaining 70 percent of P&E's orders received is assumed to be carbon neutral (incl. bioenergy self-sufficient pulp mills and biomass-fired boilers). The share of total orders received is calculated based on a three-year average (2021–2023) to balance the annual differences between project revenue realizations. The data used covers 76 percent of Valmet's three-year average of total PAP and P&E orders received. The 2022 data has been restated due to an error in the 2022 calculation. The restated figure is 22% more than previously reported. Sold products from Automation systems and Flow Control Business Lines are excluded from the calculation, as their impact on the total use phase CO_2 emissions is insignificant (below 0,2%). Services business line's services and spare parts have also been excluded as they do not consume any energy thus don't cause any CO_2 emissions during use phase.

NO$_X$, SO$_X$, and other significant air emissions (GRI 305-7)[1]

GRI 305-7: NO$_X$, SO$_X$, and other significant air emissions

t	2023	2022	2021
Hazardous air pollutants (HAP)	5.1	4.6	1.8
NO$_X$	12.5	16.0	20.5
Particulate Matter (PM)	10.2	20.1	12.5
SO$_X$	1.3	2.1	2.1
Volatile organic compounds (VOC)	61.6	60.7	58.9
Other standard categories	3.1	4.3	4.1

[1] Significant air emissions are defined as those listed in the environmental permits of local operations. Calculations are based on published emissions factors. Data from the Shrewsbury, USA location is included in the data for the first time in 2023. Data from the new Tissue Converting business unit is excluded from the environmental data.

Waste generation and significant waste-related impacts and their management (GRI 306-1 (2020), GRI 306-2 (2020))

Based on life cycle analysis (LCA) and market data of selected product families, we estimate that around 95 percent of the environmental impacts of Valmet's entire value chain, including waste impacts, occur when Valmet's solutions (not applicable to pulp mills) are used for production on customer sites, and when our solutions reach their end of life. We design and develop all our technologies to support circular material flows and minimize waste amounts.
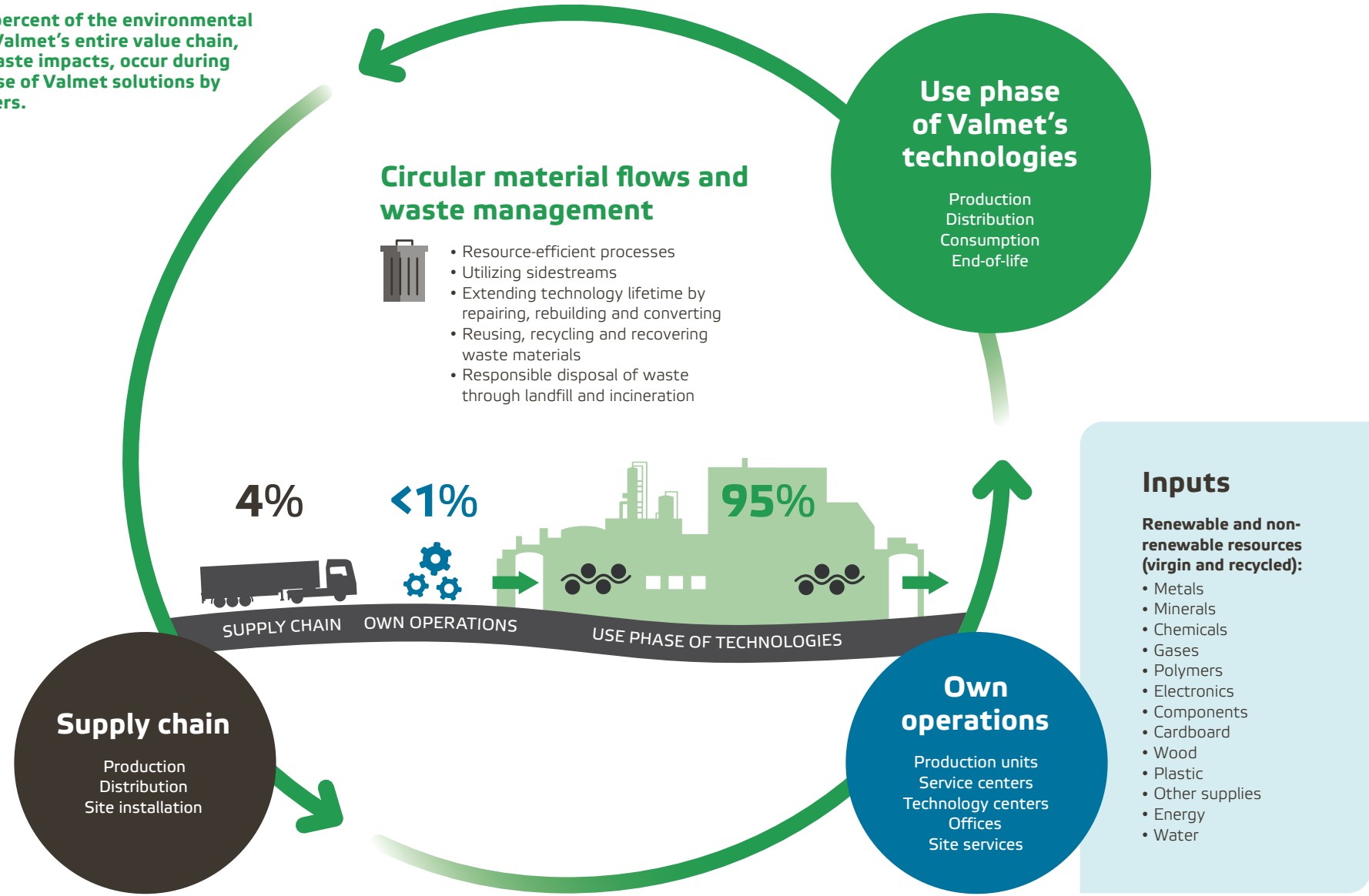
Valmet's process technologies, automation and services enable the circular economy for our customers. For example:
- Our solutions improve energy, water and raw material efficiency in customer processes
- Our solutions for biobased products decrease the need for non-renewable materials and enable cascaded use across industries
- Our technologies for onsite recovery of energy and chemicals allow materials to circulate longer and reduce the need for virgin materials
- Our energy technologies reduce the need for non-renewable fuels and the amount of waste.
- Modular machine design and smart engineering enable the use of the same equipment for new uses
- Our services support well-planned maintenance and partial replacements, and rebuild solutions significantly prolong our equipment lifetime
- We have take-back programs for products like refiner segments and are actively developing other programs
- Our products contain mainly recyclable materials. Read more about our technologies in our Annual Review on page 47.

About one percent of our environmental impact, including waste, is from our own operations. We invest continuously in process efficiency improvements, and we implement the waste management hierarchy in all facilities with a focus on eliminating landfill waste and reducing hazardous waste amounts. We partner with certified waste handlers in waste disposal. The remaining four percent of our waste impact is from the supply chain, and Valmet has a systematic process for engaging with key suppliers to adopt circularity measures, identify opportunities for waste prevention and improve their waste management practices. Read more about our supplier engagement in our Annual Review on page 48.

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Waste flow in Valmet's value chain

Around 95 percent of the environmental impacts of Valmet's entire value chain, including waste impacts, occur during the use phase of Valmet solutions by our customers.

Circular material flows and waste management

- Resource-efficient processes
- Utilizing sidestreams
- Extending technology lifetime by repairing, rebuilding and converting
- Reusing, recycling and recovering waste materials
- Responsible disposal of waste through landfill and incineration

Use phase of Valmet's technologies

Production
Distribution
Consumption
End-of-life

4% **<1%** **95%**

SUPPLY CHAIN   OWN OPERATIONS   USE PHASE OF TECHNOLOGIES

Supply chain

Production
Distribution
Site installation

Own operations

Production units
Service centers
Technology centers
Offices
Site services

Inputs

Renewable and non-renewable resources (virgin and recycled):

- Metals
- Minerals
- Chemicals
- Gases
- Polymers
- Electronics
- Components
- Cardboard
- Wood
- Plastic
- Other supplies
- Energy
- Water

Waste generated (GRI 306-3 (2020))[1]

1,000 t	2023	2022	2021
Reuse	10.91	11.74	11.99
Recycling	19.00	16.45	14.73
Energy recovery	3.82	9.18	9.61
Incineration	1.76	1.77	1.46
Landfill	3.88	3.84	4.02
Other[2]	6.20	0.49	0.31
Total	**45.57**	**43.47**	**42.12**

Waste diverted from disposal (GRI 306-4 (2020))[1, 3]

Hazardous waste (offsite)

1,000 t	2023	2022	2021
Reuse	0.05	0.15	0.16
Recycling	0.18	0.44	0.36
Other recovery[4]	0.00	0.01	0.00
Total	**0.24**	**0.60**	**0.52**

Non-hazardous waste (offsite)

1,000 t	2023	2022	2021
Reuse	10.86	11.59	11.83
Recycling	18.82	16.02	14.38
Other recovery[4]	5.70	0.09	0.03
Total	**35.37**	**27.70**	**26.24**

Total of hazardous and non-hazardous waste (offsite)

1,000 t	2023	2022	2021
Total	**35.61**	**28.29**	**26.76**

Waste directed to disposal (GRI 306-5 (2020))[1, 3]

Hazardous waste (offsite)

1,000 t	2023	2022	2021
Energy recovery	0.89	0.67	0.29
Incineration	1.09	1.10	1.04
Landfill	0.40	0.72	0.35
Other[5]	0.34	0.25	0.19
Total	**2.72**	**2.74**	**1.87**

Non-hazardous waste (offsite)

1,000 t	2023	2022	2021
Energy recovery	2.93	8.51	9.31
Incineration	0.67	0.66	0.42
Landfill	3.49	3.12	3.68
Other[5]	0.16	0.15	0.08
Total	**7.24**	**12.44**	**13.49**

Total of hazardous and non-hazardous waste (offsite)

1,000 t	2023	2022	2021
Total	**9.96**	**15.17**	**15.37**

[1] Waste disposal method is determined based on information provided by the waste disposal contractor according to national classification regulations. Data from the new Tissue Converting business unit is excluded.
[2] Other includes composting, deep well inject or onsite storage.
[3] Valmet only reports offsite waste amounts.
[4] Other recovery includes composting.
[5] Other includes deep well inject and onsite storage.

Environmental impacts of products and services (Material Valmet topic)

Based on life cycle analysis (LCA) and the market data of selected product families, we estimate that around 95 percent of the environmental impacts of Valmet's entire value chain occur when Valmet's solutions (not applicable to pulp mills) are used for production on customer sites. Since Valmet's solutions are complex in nature, their environmental impacts such as energy, water, raw material and chemical use, as well as the amount of emissions, depend on the project specifications. The actual impact of the technologies also depends on factors such as how they are operated and the selection of raw materials.

The following examples demonstrate actions concerning the mitigation of the environmental impact of Valmet's products and services.

OptiSizer Hard and hard nip sizing

Strength is one of the key elements in board and paper products. When the quality of raw material deteriorates, the strength properties of the end product are affected. Valmet's OptiSizer Hard is a completely new size application method, which uses higher nip loads to improve sheet strength properties by taking advantage of better starch penetration and decreasing fiber to fiber distance. The solution not only improves end product strength and quality but also offers many environmental benefits over the production life cycle. High solids in starch bring savings to drying energy and release drying capacity. Additionally, less starch is needed to reach the same sheet strength – the starch amount is easily controllable. Also, consumables such as metering rods, rod beds and sealing blades are not needed and with the hard cover of nip rolls, the grinding interval is longer compared to film sizing. Due to the good strength properties, the end product can also be lighter. With OptiSizer Hard and hard nip sizing, you achieve significant savings in raw materials and energy. Read more here.

Valmet BCTMP evaporators

Valmet's sustainability offering, combining technology and automation, enables our customers to produce cartonboard with excellent environmental performance and optimized fiber properties. Our leading BCTMP (bleached chemi-thermomechanical pulp) technology is built on Valmet's strong "Fiber to Board" knowledge. To further improve our customer's sustainability, Valmet is currently delivering BCTMP evaporation plants, which turns BCTMP filtrate into clean condensates to be reused in the BCTMP plant, as well as concentrated filtrate ready for combustion. By combining Valmet expert knowledge in BCTMP and evaporation, the mill's water consumption and emissions are substantially lowered. Valmet's developed evaporators are tailored for recovery, as opposed to sending BCTMP filtrate to an effluent treatment plant, and are very energy efficient, having low consumption of both electricity and steam. In addition, the BCTMP evaporators are based on mechanically well-proven long-life tube type evaporator technology to avoid the need of acid or other chemicals for cleaning.

Automation for Power-to-X facilities

Power-to-X (P2X) refers to several electricity conversion, energy storage and reconversion methods that use surplus electric power. Valmet has developed automation solutions for optimizing and controlling P2X plants that produce hydrogen. Producing hydrogen with wind power and electrolysis is more environmentally friendly than producing hydrogen conventionally from fossil sources. Further, hydrogen products can replace products made from fossil fuels – for example, synthetic methane, which can replace natural gas. The heat generated in electrolysis can also be used as a source for district heating in the area. In addition, with Valmet's automation solutions, the P2X facilities can be controlled to provide ancillary services for the electric grid, which enables an increasingly large amount of weather-dependent renewable electricity production to the electricity grid. These also increase the financial profitability of the P2X facility.

High-performance ball valves

Valmet's ball valve offering is designed with sustainability in mind. The high-performance metal-seated construction and stem seal design of our Neles™ XH series ball valves ensure excellent tightness and durable reliability, significantly reducing the risk of fugitive emissions of harmful flow media into the surrounding environment. This is a matter of both superior safety and environmental performance in demanding process conditions. Raw material efficiency in valve construction also plays an important role in our modern ball valve offering. Reducing the use of raw materials in the production of many valves, in some cases resulting in a weight reduction of up to 30 percent, improves material efficiency, as well as the efficiency and sustainability of related processes from transportation and logistics to installation and commissioning. And as with all our valves, our ball valves offer reliable performance with fewer maintenance shutdowns and longer overall product lifetimes, all supported by our expert services. Read more here.

The next-generation intelligent valve controller

Valmet's Flow Control business line has a long history of developing valve automation technologies. In 2023, further development has been done on the Neles NDX™ 2.0, which is a next-generation intelligent valve controller, offering more sustainable valve control performance for all process industries, valves and applications. With its modular design, Neles NDX™ 2.0 is easy to install, use and service. The Neles NDX™ 2.0 offers significant savings in air consumption and therefore in energy efficiency. The pneumatic relay of the controller has been redesigned so that it consumes approximately 80 to 90 percent less air than conventional controllers. Thanks to the lower air consumption, the Neles NDX™ 2.0 provides significant energy savings and reduces CO_2 emissions throughout its life cycle. The controller usability and simplicity have also been improved, enabling safer and even more reliable day-to-day operations. Read more here.

Hybrid Filter

Valmet has constantly developed technologies to lower emissions from boilers and ensure safe and reliable operations at minimized cost. Valmet Hybrid Filter is a solution for power boiler customers with electrostatic precipitator (ESP) who need to reach a lower level in dust emissions or have issues with particles which are not captured by ESP. A hybrid filter is a cost-effective solution without major layout modifications, and it brings bag house filter (BHF) benefits to the existing ESP. Converting the existing ESP into a hybrid filter increases the environmental efficiency of the existing installation without the need to replace the entire equipment. Read more here.

Enzymatic Starch Cooking ZE

As part of its Climate program, Valmet is committed to developing new process technologies to enable 100 percent carbon-neutral production for its customers by 2030. One of the latest examples of Valmet's sustainability-driven R&D is Enzymatic Starch Cooking ZE, a zero effluent solution that diminishes the carbon footprint of the starch cooking process while improving the operational reliability and quality of the process. Compared to a conventional cooking system with a one-way pipeline, Valmet's Enzymatic Starch Cooking ZE offers a fully continuous operation with circulation loops. Even during normal production interruptions, the system constantly circulates fresh, stable and high-quality starch with an exceptionally wide capacity range of 20–120 tonnes of dry solids per day.

![Valmet]

GRI SUPPLEMENT 2023

New employee hires and employee turnover (GRI 401-1)

NEW HIRES[1]

GRI 401-1: Total number and rate of new employee hires by age

	New hires	New hires, %
Under 30	686 (624)	33.9 (31.4)
30–50	1,092 (1,085)	54.0 (54.5)
Over 50	246 (281)	12.1 (14.1)
Total	**2,024 (1,990)**	**100 (100)**

GRI 401-1: Total number and rate of new employee hires by gender

	New hires	New hires, %
Female	488 (447)	24.1 (22.5)
Male	1,535 (1,543)	75.9 (77.5)
Total	**2,024 (1,990)**	**100 (100)**

GRI 401-1: Total number and rate of new employee hires by region

	New hires	New hires, %
North America	346 (294)	17.1 (14.8)
South America	175 (196)	8.6 (9.8)
EMEA	1,052 (1,062)	52.0 (53.4)
China	210 (243)	10.4 (12.2)
Asia-Pacific	241 (195)	11.9 (9.8)
Total	**2,024 (1,990)**	**100 (100)**

[1] New hires calculation: (new hires per category/total number of new hires in 2023) *100. New hires exclude summer trainees.

TURNOVER[2]

GRI 401-1: Total number of leavers, voluntary leavers and turnover rate by age

	Number of leavers	Number of voluntary leavers	Voluntary turnover %	Turnover, %
Under 30	279 (203)	244 (174)	13.7 (13.5)	15.8 (15.8)
30–50	792 (730)	632 (574)	6.3 (7.0)	7.8 (8.9)
Over 50	483 (491)	117 (139)	1.9 (2.7)	7.9 (9.4)
Total	**1,554 (1,424)**	**993 (887)**	**5.5 (6.0)**	**8.6 (9.7)**

GRI 401-1: Total number of leavers, voluntary leavers and turnover rate by gender

	Number of leavers	Number of voluntary leavers	Voluntary turnover %	Turnover, %
Female	342 (314)	242 (229)	6.3 (7.3)	8.8 (10.1)
Male	1,212 (1,100)	751 (657)	5.3 (5.7)	8.6 (9.6)
Total	**1,554 (1,424)**	**993 (886)**	**5.5 (6.0)**	**8.6 (9.7)**

GRI 401-1: Total number of leavers, voluntary leavers and turnover rate by region

	Number of leavers	Number of voluntary leavers	Voluntary turnover %	Turnover, %
North America	293 (260)	134 (133)	6.3 (8.5)	13.8 (16.6)
South America	109 (77)	49 (52)	5.7 (8.0)	12.5 (11.8)
EMEA	833 (864)	564 (531)	5.1 (5.6)	7.5 (9.1)
China	165 (137)	110 (94)	4.7 (4.8)	7.0 (7.0)
Asia-Pacific	154 (86)	136 (77)	8.5 (7.9)	9.6 (8.8)
Total	**1,554 (1,424)**	**993 (887)**	**5.5 (6.0)**	**8.6 (9.7)**

[2] Turnover rate calculation: (number of leavers/total number of employees per category as of December 31, 2023) *100. Total turnover includes voluntary, involuntary and retirements.

Hazard identification, risk assessment and incident investigation (GRI 403-2 (2018))

Valmet managers identify, assess and control risks to HSE performance appropriate to the severity of the hazard or aspect liable to be encountered by the business, and following legal, contractual and internal risk management requirements. The duty to conduct risk assessments of the HSE hazards and aspects of work activities is satisfied by applying a multi-layered risk assessment methodology, including:

- Location-specific HSE risk registers
- Job-specific risk assessments and safe operating procedures
- Pre-task dynamic hazard assessments
- Chemical risk assessments
- Risk and opportunity assessments in sales and delivery projects, including HSE aspects
- HSE risk assessment of change in operations (such as a new organization, new plant, new/rebuilt facilities, new processes).

HSE impacts and risks are managed until they are eliminated, reduced or controlled (based on the hierarchy of controls) to the point of being acceptable through the implementation of safe work systems before any work activities commence. Workers participate in and are informed about the HSE risk and impact management related to their work. HSE risk assessments are reviewed periodically, with an emphasis on ensuring the effectiveness of critical controls, and always in the event of significant changes, as well as after injuries and serious near misses have occurred.

Everyone working for Valmet or in a workplace controlled by Valmet is responsible for reporting all incidents, as well as observations of hazards and hazardous situations, without delay to their manager and our global reporting system. This reporting triggers various activities within Valmet to ensure good incident management. Managers are responsible for incident investigations, including root cause analysis and corrective actions, all of which are documented in the reporting system. Workers and their representatives participate in and support the investigation and corrective actions. HSE alerts are produced for all recordable and high-potential near misses and are shared globally as part of monthly reporting.

Managers and workers are trained in how to perform risk assessments, incident reporting and investigations. All workers have the right to refuse unsafe work and should inform their manager or site contact immediately of all concerns. Valmet's HSE function ensures the quality of hazard identification, risk assessment and incident investigation processes, and that improvements and lessons are shared globally.

Occupational health services (GRI 403-3 (2018))

Valmet ensures employees' access to qualified occupational health services through country-based approaches that also comply with local legal requirements and provide service in the local language. Information on the available occupational health services is provided to employees during their onboarding. Services are provided during work hours. In the larger production units, these services are available at the location. Valmet contractually requires the employer of workers who are not Valmet employees to ensure their access to these services.

Worker participation, consultation and communication on occupational health and safety (GRI 403-4 (2018))

As stated in our HSE Policy, we facilitate the participation and consultation of our people and partners in HSE activities and practices. The backbone of our approach lies in joint management worker safety committees in all locations with more than 30 employees. Following a global guideline, these committees meet at least once a year and more often in production locations, have elected worker representatives, establish annual budgets and action plans, and follow standard agenda items covering all aspects of the development, implementation and evaluation of the local HSE management system.

In addition, we deploy a variety of other methods, including making HSE a routine meeting agenda item at team meetings, townhall events and one-to-one discussions, toolbox talk practices, management safety walk-and-talks, elected worker safety representatives, employee surveys, employee participation in risk assessments and pre-task safety discussions, HSE information on noticeboards, and intranet communications about HSE.

GRI 403-4: Percentage of employees represented in health and safety committees by region

	%
North America	82 (94)
South America	97 (97)
EMEA	96 (92)
China	93 (93)
Asia-Pacific	80 (90)
Total	**92 (92)**

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Worker training on occupational health and safety (GRI 403-5 (2018))

Valmet's global HSE training framework consists of four layers – global, worksite, role-specific and task-specific training. Its design is based on an assessment of legal, customer and industry HSE obligations, as well as HSE risks and impacts. All HSE training is provided free of charge and during paid work hours. Training effectiveness is evaluated through competence tests during the training session.

We have two mandatory global training programs, both available in the main employee languages. All employees complete the General Valmet HSE induction e-learning course during their onboarding, as well as any additional location-specific HSE induction. This e-learning course covers Valmet's HSE Policy, rules and minimum safety standards. It is also available for all external workers on our Partner Academy platform. All Valmet employees are also expected to participate in Safety Dialogue training as part of their onboarding. In this program, managers and employees explore attitudes, behaviors and skills to promote a positive safety culture at Valmet. Standard training material for our minimum safety standards, travel safety and other global HSE routines is also available in various languages in our learning systems.

All employees and external workers are required to continuously complete relevant worksite HSE inductions. During onboarding, inductions in local languages are held for the Valmet location and the specific HSE risks, rules and routines. Valmet HSE inductions are also held for everyone entering our temporary and remote worksites in our installation projects in the main project language and in English if required. In addition, everyone working for Valmet is required to complete customer mill inductions.

Role-specific HSE training requirements are defined in country- or location-based HSE training matrices reflective of local regulatory and industry requirements, as well as the Valmet minimum safety standards. These training programs are mainly provided for our employees by qualified external training service providers at the defined frequency and always in the local language. We require that all external workers are provided with relevant role-specific training meeting our requirements by their own employer. All workers are given task-specific training on safe operating procedures as required.

Promotion of worker health (GRI 403-6 (2018))

Valmet implements a global approach in which locations with 30 or more employees have a social committee comprised of employees based in the location and with the purpose of hosting social events and coordinating activities that build engagement and collaboration, as well as promoting wellbeing at work. Social committees support wellbeing at work through five evidence-based action areas – connect, be active, take notice, keep learning, and give. The social committee can be combined with the HSE committee – see GRI 403-4 on page 36.

Valmet facilitates employees' access to non-medical and healthcare services through a country-based approach utilizing a mix of mechanisms such as health insurance, company clinics and financial contributions. For workers who are not employees, their employer facilitates their access to these services.

Percentage of employees represented in social committees by region

	Headcount, %
North America	58 (68)
South America	87 (90)
EMEA	85 (82)
China	90 (80)
Asia-Pacific	56 (80)
Total	**80 (81)**

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (GRI 403-7 (2018))

A value chain perspective is embedded in our global management system (GMS) and our health and safety objectives, actions and routines.

Workers covered by an occupational health and safety management system (GRI 403-8)

All employees and external workers are covered by Valmet's global management system (GMS), an integrated quality, health, safety and environmental management system. Read more about the system in the Annual Review on page 62. The GMS is audited through several Groupwide internal processes, including risk management, logistics, HSE, corporate internal audit, sustainability assurance, and internal audits of the global management system.

The GMS is certified as a global multisite system by a third party according to the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards, but to varying scopes of coverage – see the table below. We are continually expanding our coverage, and the target is that all production locations and at least 80 percent of all workers will be covered by the system by 2025. We have defined an expansion roadmap toward this target. Currently, the ISO 45001:2018 certification covers the main production locations and project installations.

GRI 403-8: Workers covered by a certified management system (GRI 403-8 2018))[1]

	2023	2022	2021
ISO 9001:2015 (Quality management)	82	87	85
ISO 14001:2015 (Environmental management)	77	78	76
ISO 45001:2018 (Occupational health and safety management)[2]	75	75	72

[1] Valmet does not have a global tracking system for external worker headcount. Coverage of the occupational health and safety management system is calculated based on employee headcount, and it is assumed that this is also representative of the average coverage of external workers.

Work-related injuries (GRI 403-9 (2018))[1]

Based on a consolidation of local health and safety risk registers and an analysis of injuries and near misses, Valmet has identified twelve main hazards that pose a risk of high-consequence injury and defined them for each Minimum Safety Standard – as described in the management approach description (see page 21). These standards are designed to ensure the hierarchy of controls is implemented in all operations to eliminate hazards and minimize risks. Valmet's operations continuously implement injury prevention actions as part of annual improvement plans. In 2023, there were seven high-consequence injuries related to mechanical lifting and the use of tools, equipment and machines during work tasks (read more in our Annual Review on page 56). All injuries are investigated, and improvement actions are taken to prevent similar incidents in the future.

GRI 403-9: Number of hours worked by region (employees)[2]

	2023	2022	2021
North America	4,151,840	3,633,600	2,899,200
South America	1,740,800	1,460,640	1,107,200
EMEA	21,388,560	20,055,680	17,782,240
China	4,518,400	4,242,560	3,591,200
Asia-Pacific	3,073,280	2,657,280	1,752,960
Total	**34,822,880**	**32,049,760**	**27,132,800**

GRI 403-9: Number of hours worked by region (external workers)[3]

	2023	2022	2021
North America	189,901	195,225	165,862
South America	8,806,066	7,246,428	9,932,084
EMEA	8,119,383	8,586,188	5,207,832
China	1,217,795	913,841	895,072
Asia-Pacific	974,799	1,692,658	1,911,573
Total	**19,307,943**	**18,634,339**	**18,112,423**

GRI 403-9: Number of fatalities as a result of work-related injury (employees and external workers)

	2023	2022	2021
Employees	0	0	0
External workers	0	2	1

[1] The European Statistics at Work Methodology is used for recording and reporting accident statistics. This methodology follows the ILO Code. Incident data is collected in the global Spotlight reporting system. It covers all countries and operations, including work on customer and delivery project sites.

[2] Work hours for Valmet employees are calculated according to theoretical work hours based on active headcount.

[3] External workers are leased or contracted workforce whose work or workplace is controlled by Valmet. Work hours for external workers are consolidated from local reporting systems and are calculated based on both theoretical and actual work hours.

GRI 403-9: Number of high-consequence work-related injuries by region (employees)[4]

	2023	2022	2021
North America	0	2	0
South America	2	0	0
EMEA	1	3	0
China	0	0	1
Asia-Pacific	1	0	0
Total	**4**	**5**	**1**

GRI 403-9: Number of high-consequence work-related injuries by region (external workers)[4]

	2023	2022	2021
North America	0	0	0
South America	0	1	2
EMEA	2	0	0
China	0	1	0
Asia-Pacific	1	0	0
Total	**3**	**2**	**2**

GRI 403-9: Number of recordable work-related injuries by region (employees)[5]

	2023	2022	2021
North America	24	23	20
South America	4	5	2
EMEA	61	68	51
China	9	6	11
Asia-Pacific	7	1	0
Total	**105**	**103**	**84**

GRI 403-9: Number of recordable work-related injuries by region (external workers)[5]

	2023	2022	2021
North America	4	2	5
South America	27	26	56
EMEA	49	47	55
China	4	8	0
Asia-Pacific	4	4	6
Total	**88**	**87**	**122**

[4] A high-consequence work-related injury results in either more than six months of days away from work or permanent disability.
[5] A recordable work-related injury results in death, days away from work, restricted work or transfer to another job, or medical treatment beyond first aid (first aid cases are excluded).

GRI 403-9: Rate of fatal work-related injuries by region (employees)[6]

	2023	2022	2021
North America	0	0	0
South America	0	0	0
EMEA	0	0	0
China	0	0	0
Asia-Pacific	0	0	0
Total	**0**	**0**	**0**

GRI 403-9: Rate of fatal work-related injuries by region (external workers)[6]

	2023	2022	2021
North America	0	0	0
South America	0	0	0
EMEA	0	0.1	0
China	0	0	0
Asia-Pacific	0	0.6	0.5
Total	**0**	**0.1**	**0.06**

GRI 403-9: Rate of high-consequence work-related injuries by region (employees)[7]

	2023	2022	2021
North America	0	0	0
South America	1.1	0	0
EMEA	0.05	0.1	0
China	0	0	0.3
Asia-Pacific	0.3	0.6	0
Total	**0.1**	**0.1**	**0.4**

GRI 403-9: Rate of high-consequence work-related injuries by region (external workers)[7]

	2023	2022	2021
North America	0	0	0
South America	0	0.1	0.2
EMEA	0.2	0	0
China	0	1.1	0
Asia-Pacific	1.0	0	0
Total	**0.2**	**0.1**	**0.1**

[6] The rate of fatal work-related injuries is based on the number of fatal injuries per million hours worked.
[7] The rate of high-consequence work-related injuries is based on the number of high-consequence injuries per million hours worked.

GRI 403-9: Lost time incident frequency, LTIF, by region (own employees)[8]

	2023	2022	2021
North America	1.4	2.5	2.4
South America	1.7	0.7	0
EMEA	1.7	2.0	1.6
China	0.9	0.5	0.8
Asia-Pacific	1.0	0	0
Total	**1.5**	**1.6**	**1.4**

GRI 403-9: Lost time incident frequency, LTIF, by region (external workers)[8]

	2023	2022	2021
North America	5.3	5.1	18.1
South America	0.6	0.7	1.1
EMEA	3.6	3.7	7.9
China	0.8	4.4	0
Asia-Pacific	1.0	0.6	0.5
Total	**1.9**	**2.3**	**3.1**

GRI 403-9: Total recordable incident frequency, TRIF, by region (own employees)[9]

	2023	2022	2021
North America	5.8	6.3	6.9
South America	2.3	3.4	1.8
EMEA	2.9	3.4	2.9
China	2.0	1.4	3.1
Asia-Pacific	2.3	0.4	0
Total	**3.0**	**3.2**	**3.1**

GRI 403-9: Total recordable incident frequency, TRIF, by region (external workers)[9]

	2023	2022	2021
North America	21.1	10.2	30.1
South America	3.1	3.6	5.6
EMEA	6.0	5.5	10.6
China	3.3	8.8	0
Asia-Pacific	4.1	2.4	3.1
Total	**4.6**	**4.7**	**6.7**

[8] LTIF is based on the number of work-related injuries resulting in at least one calendar day away from work per million hours worked.
[9] TRIF is based on the number of recordable work-related injuries per million hours worked.

Work-related ill health (GRI 403-10 (2018))[1]

Valmet maintains up-to-date risk maps for all its operations to identify health hazards, implements necessary controls with the aim of preventing ill health and continuously monitors health. Workers in production and construction environments are at risk of:

- Skin disease caused by physical, chemical or biological agents
- Hearing impairment caused by noise from equipment
- Diseases caused by vibration from using handheld equipment
- Musculoskeletal disorders from manual handling (lifting, pulling, pushing) and repetitive movements
- Respiratory diseases from dust and chemical exposure
- Infectious diseases

In 2023, ten cases of musculoskeletal disorders, one hearing impairment, and one respiratory disease were diagnosed by local social insurance and the worker compensation authorities.[2]

GRI 403-10: Number of fatalities as a result of work-related ill health (employees)

	2023	2022	2021
Employees	0	0	0
Total	**0**	**0**	**0**

GRI 403-10: Number of recordable cases of work-related ill health by region (employees)[2]

	2023	2022	2021
North America	4	2	3
South America	0	0	0
EMEA	8	12	17
China	0	0	0
Asia-Pacific	0	0	1
Total	**12**	**14**	**21**

[1] Valmet does not collect occupational health data for external workers due to data privacy. This is done by the responsible employer.
[2] A recordable work-related ill health case is a diagnosed occupational disease case that has been registered at and accepted by the local social insurance or workers' compensation body.

GRI 403-10: Absentee rate by region (employees)[4]

	2023	2022	2021
North America	1.7	2.0	1.8
South America	1.8	1.7	0.4
EMEA	3.4	3.8	3.3
China	1.3	0.7	0.7
Asia-Pacific	1.4	1.4	0.9
Total	**2.7**	**2.9**	**2.6**

GRI 403-10: Occupational disease rate by region (employees)[5]

	2023	2022	2021
North America	1.0	0.5	1.0
South America	0	0	0
EMEA	0.4	0.6	0.9
China	0	0	0
Asia-Pacific	0	0	0.6
Total	**0.3**	**0.4**	**0.8**

[4] The absentee rate reflects the actual absentee days lost expressed as a percentage of total days scheduled to be worked by the active and inactive employees for the same period.
[5] The occupational disease rate is based on the number of recordable cases of work-related ill health per million hours worked.

Average hours of training per year per employee (GRI 404-1)

Total training hours recorded in 2023 were around 235,000 hours, with an average training investment per employee of EUR 481. The average number of training hours for a Valmet employee in 2023 was 14.5 hours (female employees 15.5 hours, male employees 14.2 hours). Training hours are reported for all employees, based on the information available in Valmet's people management system.

Programs for upgrading employee skills and transition assistance programs (GRI 404-2)

We encourage development throughout an employee's career at Valmet, making sure our people develop their competence continuously. We follow a 70-20-10 learning philosophy, with 70 percent occurring through on-the-job learning, 20 percent through learning relationships, and 10 percent through formal learning.

We always adhere to legal requirements and country practices regarding the management of career endings. In situations that have a significant impact on individuals and local communities, we take steps to provide additional support in the form of outplacement training, individual skill development, financing for new enterprises, entrepreneur training and compensation for relocation costs.

Percentage of employees receiving regular performance and career development reviews (GRI 404-3)

Valmet carries out a documented annual review and mid-year review discussion process comprising target setting, performance evaluation and development plan for its white-collar employees. These discussions are also encouraged for Valmet's blue-collar employees, some of which take place as group discussions.

GRI 404-3: Employees receiving regular performance reviews)[1, 2]

	Female, %	Male, %	Total, %
White-collar	99.5 (99.1)	99.6 (99.4)	99.6 (99.3)
Senior management	100 (100)	100 (100)	100 (100)
Managerial and specialist	99.5 (99.1)	99.6 (99.4)	99.5 (99.3)
Blue-collar	50.6 (83.7)	60.0 (75.7)	58.8 (77.2)

[1] Employees hired after September 1, 2023, not included.
[2] Employees category definitions:
   White-collar has the following two categories
   • Senior Management: Executive and Senior management roles responsible for strategy development and long-term operational plans.
   • Managerial and Specialists: Functional and department managers, team leaders, supervisors and white-collar specialist roles.
   Blue-collar: Workers in operational roles, mainly in manufacturing and field service.

Composition of governance bodies and employee breakdown (GRI 405-1)[1]

GRI 405-1: Board of Directors

Years	Female total, %	Male total, %	Total, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	0 (0)	0 (0)	0 (0)
Over 50	33.3 (33.3)	66.7 (66.7)	100 (100)
Total	**33.3 (33.3)**	**66.7 (66.7)**	**100 (100)**

GRI 405-1: Executive Team

Years	Female total, %	Male total, %	Total, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	14.3 (21.4)	14.3 (7.1)	28.6 (28.6)
Over 50	7.1 (7.1)	64.3 (64.3)	71.4 (71.4)
Total	**21.4 (28.6)**	**78.6 (71.4)**	**100 (100)**

GRI 405-1: Breakdown of employees by employee category and gender

	Female total, %	Male total, %	Total, %	Total
White-collar	17.7 (17.4)	55.3 (54.8)	72.9 (72.2)	13,210 (12,674)
Senior management	0.2 (0.2)	0.8 (0.8)	1.0 (1.0)	181 (186)
Managerial and specialist	17.5 (17.1)	54.5 (54.0)	71.9 (72.2)	13,029 (12,488)
Blue-collar	3.6 (3.7)	23.5 (24.1)	27.1 (27.8)	4,899 (4,874)
Total	**21.3 (21.0)**	**78.7 (78.9)**	**100 (100)**	**18,109 (17,548)**

GRI 405-1: Breakdown of employees by employee category and age group

	Age in years				
	Under 30, total, %	30–50, total, %	Over 50, total, %	Total, %	Total
White-collar	8.4 (7.6)	39.0 (39.1)	25.6 (25.6)	72.9 (72.2)	13,210 (12,674)
Senior management	0 (0)	0.4 (0.4)	0.6 (0.6)	1.0 (1.0)	181 (186)
Managerial and specialist	8.4 (7.6)	38.6 (38.7)	25.0 (24.9)	71.9 (71.2)	13,029 (12,488)
Blue-collar	3.2 (3.4)	14.4 (14.8)	9.4 (9.6)	27.1 (27.8)	4,899 (4,874)
Total	**11.7 (11.0)**	**53.4 (53.9)**	**35.0 (35.1)**	**100 (100)**	**18,109 (17,548)**

[1] Reported figures exclude new Tissue Converting business unit numbers.

GRI 405-1: Breakdown by nationality for the ten largest employee groups

Nationality	Total, %	Line managers by country, %
Finnish	34.0 (35.8)	31.4 (33.2)
Chinese	12.8 (13.3)	12.0 (12.9)
American	9.9 (9.6)	10.8 (11.7)
Swedish	8.6 (9.4)	8.4 (9.3)
Brazilian	5.7 (4.3)	6.7 (4.4)
Indian	5.5 (5.6)	6.1 (5.9)
Italian	4.0 (1.0)	5.9 (1.5)
Polish	3.3 (3.4)	3.3 (3.4)
German	2.2 (2.4)	2.2 (2.3)
Portuguese	1.4 (2.4)	2.2 (1.6)

GRI 405-1: Share of women in the workforce[1,2]

	Female total, %
All employees	21.0 (21.0)
All managers	17.7 (18.5)
Senior managers	22.0 (22.3)
Junior managers	17.7 (18.2)
Managers in revenue-generating roles	16.2 (15.7)
All STEM-related roles[3]	11.9 (12.0)

[1] All managers: All line managers
  Senior managers: All employees in job grades E, 14 and 13
  Junior managers: Line managers in job grades 6–12
  Managers in revenue-generating roles: Line managers in engineering, general management, operations and manufacturing, procurement and logistics, project management, sales, and service job families
[2] Calculations for Revenue and STEM exclude employees from acquired companies.
[3] All STEM-related roles: All employees with qualifications in science, technology, engineering and mathematics.

Operations and suppliers at significant risk for incidents of child, forced and compulsory labor (GRI 408-1, GRI 409-1)

Valmet employs more than 19,000 professionals around the world in more than 40 countries. Valmet has an extensive supplier network, including 30,000 active direct suppliers in 60 countries with different sustainability risk levels.

In compliance with the UN Guiding Principles on Business and Human Rights, Valmet has published a statement to promote its commitment to and respect for human rights. Valmet enforces the Human Rights Statement by actively assessing the fulfillment of human rights in its own operations and in its supply chain through human rights impact assessment and supplier sustainability audits.

In all its business relations, Valmet requires its business partners to respect all internationally recognized human rights and comply with the international principles related to human rights. Furthermore, the company's suppliers are required to comply with Valmet's Sustainable Supply Chain Policy, and the company has built a comprehensive process for ensuring compliance. The process includes suppliers' commitment to the Sustainable Supply Chain Policy, risk assessments, supplier self-assessments and supplier sustainability audits executed with a third party. Compliance with Valmet's Sustainable Supply Chain Policy is the starting point for entering into and maintaining any kind of supplier relationship with Valmet. We expect all our suppliers to comply with the requirements in the policy, and we have zero tolerance of the use of forced labor or child labor.

Suppliers provide Valmet with various metals-based products and components, electronics, and different services. According to our assessment, one third of our suppliers have an increased risk in terms of sustainability. We have assessed potential negative social rights impacts and identified Valmet's most salient risks that are connected with Valmet's operations. One of the identified potential salient risks is related to the possible use of forced and child labor.

Valmet has also acknowledged that countries such as China, India, Indonesia, Thailand, Mexico, and Brazil, where it has both its own operations and makes purchases, are commonly identified as risk countries in terms of negative human rights impacts. Valmet has identified local communities, migrant workers and third-party contracted labor as potentially vulnerable groups related to the salient potential human rights impacts.

New suppliers that were screened using environmental and social criteria (GRI 308-1, GRI 414-1)

Valmet screens all new direct suppliers from a sustainability risk perspective, using environmental and social criteria. The screening criteria are based on Valmet's requirements set in the Sustainable Supply Chain Policy, covering business ethics, compliance, human and labor rights, health, safety, climate and environmental management, and product compliance and safety topics.

Sustainability screening is an automated and integrated feature of Valmet's supplier approval process globally. Valmet's key performance indicators related to the sustainable supply chain are integrated into the global supplier sustainability management process. In 2023, 99 percent (99%) of all new direct suppliers were automatically screened for sustainability. The remaining suppliers have been manually assessed regarding the potential sustainability risk.

Negative environmental and social impacts in the supply chain and actions taken (GRI 308-2, GRI 414-2)

Valmet has integrated both environmental and social criteria into company policies and related processes to ensure the environment and human rights are respected and promoted throughout the value chain.

Valmet has around 30,000 active direct suppliers in 60 countries. Suppliers provide Valmet with various metals-based products and components, electronics, and different services. We have assessed that one third of our suppliers have a potential negative environmental and social impact. We have estimated that our supply chain accounts for approximately four percent of the environmental impacts of our entire value chain. Valmet strives to develop the transparency and traceability of its entire value chain from the sourcing of raw materials to the recycling of our products.

Valmet has assessed potential negative social rights impacts and identified Valmet's most salient risks connected to Valmet's value chain. The identified potential salient risks relate to freedom of association, possible use of forced and child labor, and occupational health and safety. Valmet has identified local communities, migrant workers and third-party contracted labor as potentially vulnerable groups related to the salient social impacts, both in our own operations and in our supply chain.

Through our sustainable supply chain activities, we collaborate with our suppliers and develop our products to reduce negative environmental and social impacts. In 2023, we conducted 43 supplier sustainability audits in 15 countries with a certified third-party auditor. The majority of audits took place in countries where the potential negative environmental and social impact is highest, such as China, India, Indonesia, Thailand, Mexico and Brazil. The findings of these audits were mainly related to human and labor rights and environmental management. Of all corrective actions agreed with suppliers in 2023, 72 percent had been completed and verified by the end of the year. Altogether 97 percent of all actions agreed with suppliers as part of the auditing process since 2015 had been completed and verified by the end of 2023. Valmet has a human rights impact assessment process for assessing negative human rights impacts in our high-risk locations. Valmet conducts human rights impact assessments in its own operations, carried out by an independent third party. In addition to its own employees, the assessment covers contractors working at Valmet's premises. Since 2018, Valmet has conducted five assessments globally (China, Indonesia, Thailand, India and Poland), covering 84 percent of Valmet employees in increased human rights risk countries. The latest assessment in Poland was conducted in late 2023. The majority of the findings were related to the position of service providers and sub-contractors, collective bargaining and wages. We will define and implement the corrective action plan, and the corrective actions will be completed and verified during 2024.

Assessment of the health and safety impacts of product and service categories (GRI 416-1)

Safety is an integral part of Valmet's technologies, automation and services. The safety requirements of all Valmet's solutions are carefully reviewed and assessed in the R&D process and must be fulfilled in each product development phase.

Valmet's solutions are required to be safe to use, and they are designed to meet or exceed all applicable safety standards and regulations. To ensure safe operations, customer training is included in all project deliveries. Moreover, the majority of Valmet's operations are certified to quality, health and safety, and environmental management standards, and processes that ensure product safety are followed.

In 2023, we continued to strengthen the cooperation between our business lines in the area of product safety. Our target is to improve our way to operate at the Valmet level, as well as to increase the synergy between our different operations. Valmet's Product Safety Management Team is continuously developing product safety management processes and practices, creating common product safety policies, and increasing communication across the business lines and area organizations.

Independent Practitioner's Limited Assurance Report

To the Management of Valmet Group

We have been engaged by the Management of Valmet Group (hereinafter also the "Company") to perform a limited assurance engagement on selected sustainability information for the reporting period from 1 January 2023 to 31 December 2023, disclosed in selected Information presented in the Report of the Board of Directors in Valmet's Financial Statements, Annual Review and GRI Supplement 2023 (hereinafter the Selected sustainability information).

Selected sustainability information
The selected sustainability information within the scope of assurance covers:

The economic, social and environmental sustainability indicators as identified in the GRI Content Index, which are included in the Valmet's GRI Supplement 2023.

Management's responsibility
The Management of Valmet is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Valmet Group's internal reporting instructions described in Valmet Group's GRI Supplement 2023 and the GRI Standards of the Global Reporting Initiative (collectively reporting criteria). The Management of Valmet Group is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence and quality management
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility
Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:
- Interviewing senior management of the Company.
- Conducting four site visits China, Thailand, India and Sweden.
- Interviewing employees responsible for collecting and reporting the Selected information at the Group level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

Valmet

GRI SUPPLEMENT 2023

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Valmet Group's Selected sustainability information for the reporting period ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Valmet Group's for our work, for this report, or for the conclusion that we have reached.

Helsinki 12 February 2024

PricewaterhouseCoopers Oy

Mikael Niskala
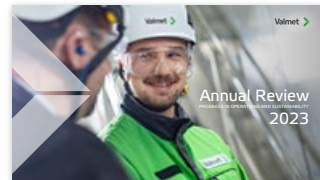Partner
Sustainability Reporting & Assurance

Karsten Westerling
Partner
Authorised Public Accountant (KHT)

Valmet
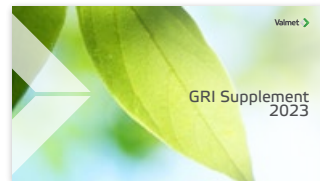## GRI SUPPLEMENT 2023

Valmet reports 2023
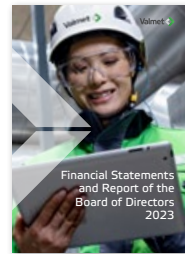
FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS 2023
The report includes Valmet's Financial Statements and Report of the Board of Directors for 2023.

ANNUAL REVIEW 2023
The report covers Valmet's market environment and the progress of its strategy, operations and sustainability in 2023.
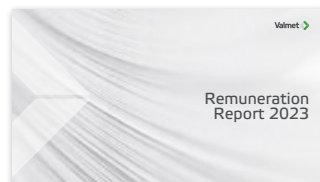
GRI SUPPLEMENT 2023
The report includes Valmet's sustainability reporting indicators and principles, and its alignment with the Global Reporting Initiative (GRI) Standards framework in 2023.
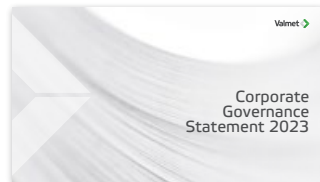
CORPORATE GOVERNANCE STATEMENT 2023
The report covers Valmet's governance principles and activities, the Board of Directors and management in 2023.

REMUNERATION REPORT 2023
The report covers Valmet's remuneration principles and remuneration in 2023.

Contacts

VISITING ADDRESS
Valmet Oyj
Keilasatama 5
FI-02150 Espoo, Finland

POSTAL ADDRESS
Valmet Oyj
PO Box 11
FI-02151 Espoo, Finland

Tel. +358 (0)10 672 0000

firstname.lastname@valmet.com

WWW.VALMET.COM

MEDIA CONTACTS
media@valmet.com

INVESTOR RELATIONS
ir@valmet.com

FOLLOW VALMET ON SOCIAL MEDIA

linkedin.com/company/valmet

x.com/valmetglobal

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