



2024

SUSTAINABILITY REPORT



ABOUT THE REPORT

Valio's Sustainability Report has always been an important way to inform our stakeholders about the progress of our sustainability work.

The EU's new sustainability reporting legislation, CSRD, brings a huge change to the sustainability reporting requirements and process. Valio is a large cooperative enterprise, which is why the reporting obligation will also apply to Valio in the future. However, we have wanted to carefully prepare for the reporting change; therefore, we voluntarily prepared the Sustainability Report already for the 2024 data, guided by the ESRS reporting standards.

The basis of the voluntary Sustainability Report is Valio's double materiality assessment, the result of which defines the themes described in the report. The content of the report has been designed to reflect as comprehensively as possible the material requirements related to the themes. The E1 section of the report has been assured by an external assurance provider. For the rest of the report, practice assurance has been carried out to help develop the content to meet the requirements of the standard.



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GENERAL DISCLOSURES



GENERAL DISCLOSURES

Basis for preparation of sustainability statement (BP-1, BP-2)6

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ESRS 2

GENERAL DISCLOSURES

BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT BP-1, BP-2

This Sustainability Report has been prepared from the perspective of the Valio Group. The new CSRD legislation requires Valio to report in the future in accordance with the requirements of the legislation. However, Valio's 2024 report has been voluntarily structured according to the ESRS requirements, and efforts have been made to reflect the requirements as comprehensively as possible in the content. The reporting requirements of the EU Taxonomy have not been taken into account. The requirements of ESRS E1 have been assured with limited assurance by an external assurance provider.

The Sustainability Report is consolidated to the same extent as Valio's financial statements, i.e. it includes all controlled group companies as disclosed in the notes of the financial statement. The report covers the same period, 1.1.2024-31.12.2024. Figures and other data presented in the report are accompanied by a more detailed breakdown of the coverage of the data where they differ from this definition. The Sustainability Report covers the material impacts, risks and opportunities identified in Valio's value chain. In particular, the long and extensive value chains of the supply chain make it challenging to include value chain workers in the reporting.

TIME HORIZONS

The definitions of short-, medium- and long-term used in reporting conform to the standard's requirements. Short-term refers to the calendar year, medium-term to 1-5 years, and long-term to more than 5 years.

VALUE CHAIN ESTIMATION

The report is based on existing operating principles, policies, actions and targets of Valio Ltd, its subsidiaries and Valio's joint ownership companies, as well as on verifiable primary source data. However, some of the greenhouse gas emissions data has been estimated using indirect data sources. Information about estimates used in the calculation is provided in conjunction with the information presented. The most significant uncertainty in the greenhouse gas emissions estimate is related to the source data of the downstream value chain.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

All numerical data in the report are based on data and calculations obtained through Valio's internal or external systems.

CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

The report based on the ESRS requirements has been implemented for the first time for the 2024 sustainability data.

DISCLOSURES STEMMING FROM OTHER LEGISLATION OR GENERALLY ACCEPTED SUSTAINABILITY REPORTING PRONOUNCEMENTS

Information on other legislation has not been included in the Sustainability Report.

INCORPORATION BY REFERENCE

Internal references have been used in the report to facilitate readability and reduce duplication of information. In the intensity figures, reference is made to the turnover as reported in the Valio Group’s financial statements.

USE OF PHASE-IN PROVISIONS IN ACCORDANCE WITH APPENDIX C OF ESRS 1

Valio has made use of the phase-in provisions in accordance with Appendix C of ESRS 1, even though the sustainability topics covered by ESRS E1, ESRS E2, ESRS E3, ESRS E4, ESRS E5, and ESRS S1 have been assessed to be material on the basis of Valio’s double materiality assessment. For more information on the assessment, see Results of the materiality assessment (SBM-3). Valio has more than 750 employees. ESRS-compliant metrics presented in the report have not been assured by an external assurance provider, unless specified otherwise in conjunction with the metric.

VALIO’S OWNERS, ADMINISTRATION AND MANAGEMENT GOV-1, G1-ESRS 2 GOV-1

COMPOSITION OF VALIO’S ADMINISTRATION

Valio is a limited liability company. It is owned by 13 cooperatives; Valio has a procurement agreement with five of them. These five cooperatives consist of a total of about 3,200 Finnish dairy farms that supply milk to Valio. These five procurement cooperatives own over 99% of Valio Group. The other eight cooperatives are Valio’s competitors.

Valio’s decision-making bodies are the General Meeting, the Supervisory Board, the Board of Directors, and Valio’s Executive Board.

The General Meeting is Valio’s highest decision-making body. Valio’s General Meeting is held annually, no later than in June. All shareholder cooperatives have the right to speak and vote at the General Meeting, regardless of the shareholder’s operational relationship with Valio. The General Meeting approves the financial statements, decides on the discharge from liability of the administration and the CEO, and elects the Supervisory Board members and auditors.

The Supervisory Board elects Valio’s Board of Directors and oversees the Board and CEO’s management of the company. Valio’s Supervisory Board is comprised of milk producers or their spouses, with different parts of the country having representation in the Supervisory Board whenever possible. The General Meeting elects the Supervisory Board members for a term of three years.

Valio’s Supervisory Board currently has 27 members, 23 of whom are dairy farmers and four are Valio’s personnel representatives. The Supervisory Board members are part of the five cooperatives that supply milk to Valio. Valio has no independent Supervisory Board members. Currently, 18% of the Supervisory Board members are women and 81% are men (5 women and 22 men).

The Board of Directors appoints the CEO of Valio and, based on the CEO’s proposal, the members of the Executive Board. The Board of Directors oversees the activities of Valio’s operational management and business operations without an ownership role. In 2024, Valio’s Board of Directors had four members, all of them dairy farmers. Valio has no independent Board of Directors members. In 2024, 100% of the Board members were men.

The Board of Directors as a whole has extensive experience in good governance and deep knowledge of and experience in the dairy sector. The members of the Board also have experience in board work and other positions of trust outside Valio.

In December 2024, two new members were elected to the Board as of 1.1.2025: Satu Pulkka and Matti Leikkanen. At the same time, Sauli Lähteenmäki resigned as Board member. Valio Group’s Board of Directors thus includes farmer Vesa Kaunisto from Veteli (Board Chair), farmer Pentti Suokannas from Askola, farmer Jarno Kämäräinen from Kiuruvesi, farmer Matti Leikkanen from Sastamala, and farmer Satu Pulkka from Vieremä.

Valio’s Executive Board is responsible for the day-to-day management of the business and exercises operational decision-making power. Responsibility for the company’s business and the Group’s shared services is divided among the members of the Executive Board. In 2024, 43% of the Executive Board members are women and 57% are men (3 women and 4 men).

The People function is headed by Senior Vice President **Katja Lindholm**, who reports to the CEO.

Valio Group’s Executive Board as a whole has extensive experience in international business, leadership and good governance in the food industry. Several members of the Executive Board also have experience in other industries and board work as well as other positions of trust outside Valio. The members of the Executive Board have a broad range of skills and experience in managing sustainability and responsibility matters and in assessing the related risks and opportunities.

VALIO'S BOARD OF DIRECTORS IN 2024



VESA KAUNISTO
BOARD CHAIR

Farmer, Veteli
Board member since 2013
Board Chair since 2015

EDUCATION
M.Sc., Animal/Livestock Husbandry
and Production

**RELEVANT EXPERIENCE
AND POSITIONS OF TRUST**

- Dairy farmer since 1994
- Pellervo Coop Center, Board member 2017-
- Hilla Group Oyj Board Chair 2020-
(member 2018-)
- Several other positions of trust in the
administration of cooperatives and
agricultural associations since 1996



PENTTI SUOKANNAS
BOARD VICE CHAIR

Farmer, Askola
Board member since 2015

EDUCATION
Agricultural technician

**RELEVANT EXPERIENCE
AND POSITIONS OF TRUST**

- Dairy farmer since 1988
- Askola Osuuspankki Board member
for more than 20 years



JARNO KÄMÄRÄINEN
BOARD MEMBER

Farmer, Kiuruvesi
Board member since 2017

EDUCATION
M.Sc., Farm/Farm and Ranch Management

**RELEVANT EXPERIENCE
AND POSITIONS OF TRUST**

- Dairy farmer since 1997
- Valio Supervisory Board member
2010-2016
- Valio Pension Fund and Mutual Insurance
Company Board member 2024-,
Board Chair 2025-
- Several other positions of trust in the
administration of cooperatives and
agricultural associations since 1998



SAULI LÄHTEENMÄKI
BOARD MEMBER

Farmer, Rusko
Board member since 2007

EDUCATION
Agricultural technician

**RELEVANT EXPERIENCE
AND POSITIONS OF TRUST**

- Dairy farmer since 1983
- Valio Pension Fund and Mutual Insurance
Company Board Chair 2013-2024
- Valio Supervisory Board member
2002-2006
- Several other positions of trust in
the administration of cooperatives,
agricultural associations, the municipality
of Rusko, and Turun Seudun Osuuspankki
since 1980

VALIO'S EXECUTIVE BOARD



ANNIKKA HURME
CEO

Executive Board member since 2004
Joined Valio Ltd in 1989

EDUCATION

Master of Food Sciences

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Valio Ltd, CEO 10/2014-
- 30+ years at Valio in roles involving marketing, product categories, sales and others
- Apetit Plc, Board member 04/2017-
- Finnish Food and Drink Industries' Federation (ETL), Board member 01/2015- (Chair 2019-2024)
- Valio Pension Fund and Valio Mutual Insurance Company, Board Vice Chair 2018-
- Finnish Fair Foundation, Board member 01/2024-
- Finnish Foundation for Cardiovascular Research, Board member 11/2018-



JYRI VIRRANTUOMI
CFO

Executive Board member since 2018
Joined Valio Ltd in 2018

EDUCATION

Master of Science in Economics and Business Administration

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Oras Group, CFO, 2017-2018
- Fiskars, Senior Vice President, Finance 2011-2017
- Prior to that, several management and expert roles in financial management since 1993



ELLI SILTALA
EVP, CORE BUSINESSES AND HOME MARKETS

Executive Board member since 2016
Joined Valio Ltd in 2001

EDUCATION

Master of Science in Economics and Business Administration

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Several management positions at Valio, including sales in Finland, Chairman of the Board of foreign subsidiaries and management of various businesses
- Ruokatieto ry, Board Chair from 2023, Board member 2019-
- Turku University Foundation, Board member 2021-2024
- Finnish Cultural Foundation, Board member 2018-2024
- Profeel Oy, Board member 2024-



JUHA PENTTILÄ
EVP, OPERATIONS

Executive Board member since 2018
Joined Valio Ltd in 1992

EDUCATION

Dairy Technician

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Management positions since 2008, including Plant Manager, Supply Chain Management Development Director, Head of IT and Head of Operations
- Prior to 2008, in a variety of expert and managerial positions
- Valionova Oy, Board Chair
- Suomen Lantakaasu Oy, Board member

VALIO'S EXECUTIVE BOARD



TUOMAS SALUSJÄRVI
EVP,
GROWTH BUSINESSES AND R&D

Executive Board member since 2014
Joined Valio Ltd in 2007

EDUCATION
Doctor of Philosophy

- RELEVANT EXPERIENCE AND POSITIONS OF TRUST**
- Several management positions at Valio since 2011, with responsibilities including international exports, growth business, R&D product categories and brand, and business development
 - Prior to Valio, a dozen years in various positions elsewhere in the food industry
 - Linkosuo Oy, Board member 12/2023-
 - Suomen Lantakaasu Oy, Board Chair 05/2023-
 - Oddlygood Ltd, Board Chair 1/2021-
 - Pro Luomu ry, Board member 2015-2021
 - HKScan Corporation, Board member 2017-2018
 - Profeel Oy, Board member 2024-



MARIANNE TAMMELA
EVP,
STRATEGY & INNOVATION

Executive Board member since 2021
Joined Valio Ltd in 2019

EDUCATION
Master of Science in Economics and Business Administration

- RELEVANT EXPERIENCE AND POSITIONS OF TRUST**
- Group and Executive Board responsibility for Valio's strategy and innovation functions in addition to being responsible for the PROfeel® business as CEO of Valio's subsidiary Profeel Oy
 - Several management positions at Valio from 2019, responsible for People, Strategy, Innovation and Safety functions, among others
 - Valmet Oyj, Director, 2016-2019
 - Various expert and managerial positions at Valio Ltd, 2009-2016
 - Oddlygood Ltd, Board member 2022-



ISMO NIKKOLA
EVP,
BRAND, SUSTAINABILITY AND COMMUNICATIONS

Executive Board member since 2023
Joined Valio Ltd in 2022

EDUCATION
Master of Science in Economics and Business Administration

- RELEVANT EXPERIENCE AND POSITIONS OF TRUST**
- Valio, SVP Global Brand and Marketing, 2022-2023
 - Avidly, Deputy CEO and Chief Strategy Officer 2015-2022
 - Previously several marketing and sales positions at Huhtamäki Oyj, Leaf, Oy Gustav Paulig Ab and Fazer Bakeries Oy, as well as strategy positions at various advertising agencies
 - Marketing Finland, Board member 2023-
 - Profeel Oy, Board member 2024-

VALIO ADMINISTRATION’S ROLE IN MANAGING SUSTAINABILITY IMPACTS, RISKS AND OPPORTUNITIES

Valio’s Executive Board monitors the company’s sustainability impacts, risks and opportunities at the top level. In Valio’s Executive Board, the administrative process of identifying and managing impacts, risks and opportunities is the responsibility of Valio’s EVP of Brand, Sustainability and Communications. Implementation of the administrative process is the responsibility of Valio’s ESG Director.

Valio’s Executive Board has approved the material impacts, risks and opportunities and the threshold used to determine them.

For 2025, a Board of Directors ESG Committee will be established to prepare the Board’s sustainability reviews and to pre-process the outcome of the materiality assessment. The ESG Committee consists of two members of the Board of Directors, Valio’s EVP of Brand, Sustainability and Communications, and Valio’s ESG Director. In addition, the Board of Directors and the Executive Board approve the outcome of the materiality assessment review and the content of the Sustainability Report.

Each member of the Executive Board is responsible for monitoring the identified impacts, risks and opportunities in their area of responsibility. In addition, the members of the Executive Board are responsible for the material topic-related policies and their implementation. The members of the Valio Executive Board also approve the targets related to the material topics in their area of responsibility, define the resources needed for the targets and monitor the progress of them.

Adequate availability of sustainability information on current and material sustainability topics to the Board of Directors and Executive Board is ensured in line with the sustainability governance model and through appropriate training. Valio’s Executive Board ensures that the Valio organization has adequate and competent resources to address material sustainability topics.

SUSTAINABILITY LEADERSHIP EVENTS GOV-2

SUSTAINABILITY GOVERNANCE MODEL

Valio has defined a sustainability governance model. Valio’s Board of Directors’ ESG review and the Executive Board’s Sustainability Forum is held twice a year. These events oversee the effectiveness of sustainability principles and due diligence processes, track the progress towards sustainability targets and address current sustainability topics. A separate management review of HSEQ matters and related management systems is held once a year for Valio’s Executive Board. Material impacts, risks and opportunities are taken into account in the company’s strategy in line with the strategy process.

During 2024, Valio’s Executive Board reviewed, among other issues, the following material impacts, risks and opportunities: changes in sustainability legislation, Valio’s Climate Programme, HSEQ and food safety management, employee wellbeing, and supply chain anomaly management.

DAY-TO-DAY MANAGEMENT OF SUSTAINABILITY

Each function and person with responsibility for material topics has a responsibility for the topic-related policies, targets and actions.

Valio’s ESG Director is responsible for the internal management, coordination and cooperation of the sustainability work. Cooperation groups comprising Valio experts have been defined around material topics. The groups meet regularly, share information and advance the topics in the matrix. The ESG working groups in the matrix are structured around environment, social and governance themes.

MANAGEMENT INCENTIVE SCHEMES GOV-3, E1-GOV 3

Valio’s Executive Board is rewarded both through a short-term incentive (STI) programme and a three-year incentive programme with long-term targets (LTI). At the beginning of each year, Valio’s Board of Directors establishes the metrics and criteria guiding remuneration for top management for that year. In conjunction, the Board of Directors confirms the achievements of the previous year’s metrics and the remuneration to be paid on the basis of these achievements.

In 2024, the sustainability-related targets were: increasing the milk return, promoting sustainable production through Food 2.0 projects and improved resource efficiency, and ensuring occupational safety. The targets apply to all members of the Executive Board. In the CEO remuneration model, the short-term targets and their weightings differ slightly from the rest of the Executive Board.

MILK RETURN

Through the price paid for milk, Valio has material impacts on the adequate income of milk producers. Valio’s business success is not measured by the traditional measure of operating profit, because instead of

profit, Valio maximizes the milk price it pays to cooperatives. Valio’s mission is to create the best possible milk return for the milk received from dairy farms. This affects the milk price, i.e. how much Valio can afford to pay the cooperatives for the milk. The cooperatives, in turn, pay producers a producer price, which is decided independently by the cooperatives.

The milk return is part of the guiding remuneration of every Valio employee, including top management.

SUSTAINABLE PRODUCTION

Advancing the Food 2.0 project

As a practical measure, Valio has launched an extensive research, development and innovation project, Food 2.0. Its aim is to create a Finnish nature-smart food system in which growth, profitability and added value are built on the basis of sustainable production. With themes such as regenerative agriculture, circular economy and resource efficiency, Food 2.0 is part of the management’s climate change-related remuneration. Read more about [Food 2.0 project](#).

#2025 Reducing milk raw material waste

Management’s long-term incentive (LTI) programme also takes into account resource-efficient production. This is pursued through various projects and concrete actions, such as reducing milk raw material waste.

Occupational safety

Management’s long-term incentive (LTI) programme additionally has a focus on reducing the Group’s number of injuries at work and ensuring a safe work environment for all employees.

DUE DILIGENCE PROCESS GOV-4

CORE ELEMENTS OF THE DUE DILIGENCE PROCESS	SECTIONS IN THE SUSTAINABILITY REPORT
Embedding due diligence in governance, strategy and business model	Responsibility for managing the material topics identified through the materiality assessment is with Valio's Executive Board and its subordinate management teams. Material topics are taking into account in line with the strategy process and are in this way embedded in the business model.
Engaging with affected stakeholders	In addition to reviewing the materiality assessment results, Valio engages with affected stakeholders at several other phases. Read more in the section SBM-2 - Interests and views of stakeholders
Identifying and assessing negative impacts on people and the environment	Negative impacts on people and the environment are identified and assessed as part of the materiality assessment. Read more in the section IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities
Taking action to address negative impacts on people and the environment	Actions to address material negative impacts are identified through Valio's sustainability focus areas or separate activity-specific development programmes. The actions are described in more detail in conjunction with each material topic.
Tracking the effectiveness of actions	The outcome of the actions is monitored as part of the implementation of the actions, in conjunction with the monitoring of targets, and through the reviewing of the materiality assessment.

RISK MANAGEMENT AND INTERNAL CONTROLS GOV-5

The continuity of Valio's business, processes and information systems is important, as we are a major recipient of milk and manufacturer and distributor of food products. We ensure that our daily delivery reliability to customers is at a high level, and at the same time we play a role in ensuring national security of supply.

At the heart of Valio's risk management are food safety, occupational safety, and the quality of products and operations. Success in these areas is important to avoid personal injury and liability risks for both consumers and Valio's customer companies. Valio's Internal Control regularly seeks the views of the company's risk management team on matters to be audited that have emerged from the company's Enterprise Risk Management (ERM) process.

RISK MANAGEMENT SYSTEM

Valio's risk management principles are based on the COSO ERM and ISO 31000 standards. In line with the Group's risk management policy approved by the Board of Directors, risks are classified as strategic, operational, financial, or compliance risks. The aim of the annual risk management process is to identify, assess and manage the risks that are most significant to the achievement of Valio's business objectives. The impact and likelihood of the risks is assessed through three different areas: financial impact, operational impact and reputational impact. Risk management is the responsibility of all organizational functions and is supported by the Risk Management Office (RMO) team. Overall responsibility for risk management is with Valio's Executive Board. The

Board of Directors is responsible for the risk management policies. Valio's strategy work examines not only risks but also opportunities.

SUSTAINABILITY-RELATED RISKS AND THEIR MANAGEMENT

From a sustainability perspective, Valio has identified its main risks as rising commodity costs, employee resilience-related issues, value chain's reputational damage and increasing extreme weather conditions. Valio manages these risks by optimizing its energy portfolio, supporting the wellbeing and resilience of its employees, requiring its partners to commit to its Code of Conduct and preparing for the impacts of extreme weather conditions. Valio's financing strategy takes into account the potentially increasing sustainability requirements for the procurement of financing.

We review the risks and opportunities related to sustainability topics as part of our materiality assessment. Material financial risks are recorded in Valio's ERM risk assessment system, which defines the owner of the risk at the level of the persons reporting to Valio's Executive Board members and the risk-related management actions and their owners. Material risks are taken into account in the selection of internal audit targets in conjunction with the internal control annual planning. As a result of the audit, findings and remedial needs are drawn up for the organization's audited activities. The functions are responsible for implementing the corrective measures.

Valio's RMO team reports annually to Valio's Executive Board and Board of Directors on the company's most significant risks and related changes

based on the information received from the ERM system. Internal control results are also reported annually to the Board of Directors and the Executive Board.

VALIO'S STRATEGY, BUSINESS MODEL AND VALUE CHAIN SBM-1

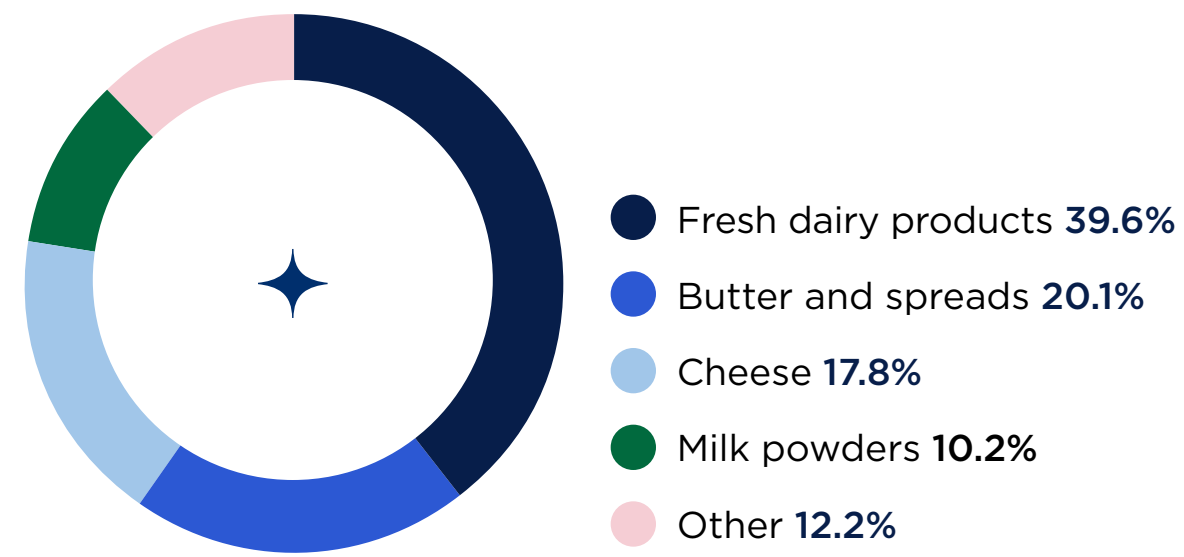
BUSINESS MODEL

Valio is owned by about 3,200 Finnish dairy farms through cooperatives. Valio is Finland's leading dairy and food company and the largest food exporter in Finland, producing and selling milk- and plant-based products and operating in the wholesale sector. In Finland, Valio manufactures products in 13 production plants around the country. In addition, Valio has two production plants in Estonia and sales offices in Sweden, China and the USA. Valio owns 50% of Suomen Lantakaasu Oy, which aims to promote a circular economy by producing biogas from dairy farm manure and agricultural byproducts. The other 50% owner is St1 Biokraft AB.

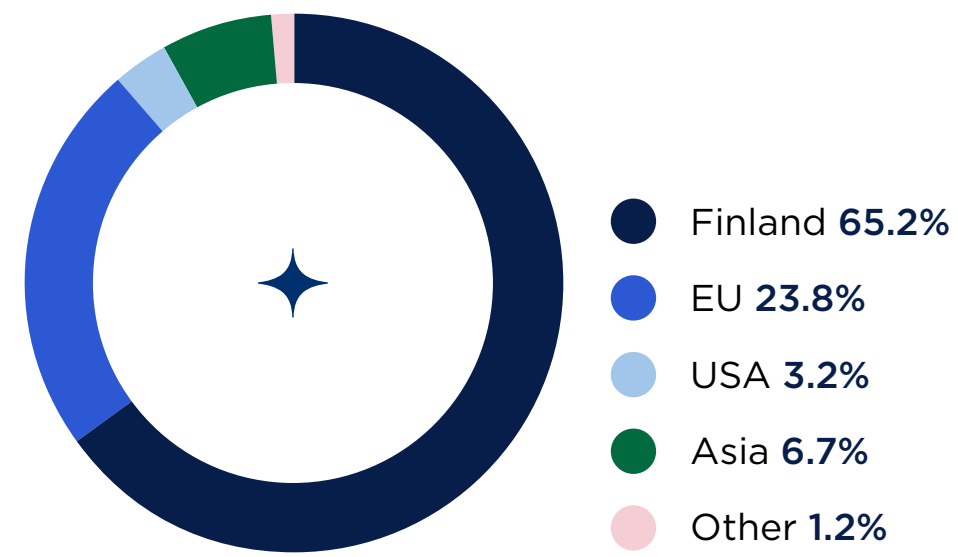
Valio exports consumer and industrial products to around 50 countries, supplying butter and milk powders for use in the food industry, as well as dairy snacks, cheeses and plant-based products for consumers. Valio exports account for about 25% of Finland's total food exports.

The number of employees by geographical region can be found in the section Headcount S1-6.

VALIO GROUP NET SALES BY PRODUCT GROUP, 2024



VALIO GROUP NET SALES BY AREA, 2024



STRATEGY

Valio's vision is to be a leading dairy and food company with loved brands and innovative solutions. The company's values are Consumer and customer focus, Responsibility, Renewal, and Collaboration, and its mission is "Together we make life better". Valio's most important asset is the committed and capable Valio people who execute the company's strategy in their daily work.

The priority of Valio's owner strategy is to enable the livelihoods of dairy farmers in different parts of Finland. The target is to pay a producer price that is at the level of the best cooperative dairies in Europe. The producer price is paid to dairy farmers through cooperatives. Valio's top management and different functions work together to develop and execute the strategy. Valio's Board of Directors approves the strategy.









VALIO'S VALUE CHAIN

Valio's value chain has many stages that impact the wellbeing of people, the environment and animals. The sustainability work related to Valio's value chain is based on topics identified as material to Valio.

Valio is owned by a total of 13 cooperatives. Of these, five are Valio's procurement cooperatives that supply milk to Valio. Milk is the main raw material for most of Valio's products, but a number of other raw materials are also used. Valio has 13 production plants in Finland and two in Estonia. The production plants specialize in the manufacture of different products.

Responsible operations in production plants and warehouses include caring for people and the environment, resource efficiency, and ensuring the food safety and quality of operations and products. Valio is committed to the delivery reliability of food and food security, to developing products and recipes that improve nutrition, wellbeing and health, to providing nutrition information for home and professional kitchens, and to marketing our products in a responsible way.

Our value-chain is long, from farm to table
THE MATERIAL ENVIRONMENTAL AND HUMAN RIGHTS IMPACTS IN VALIO'S VALUE-CHAIN

 ENVIRONMENTAL IMPACTS	<ul style="list-style-type: none"> • Climate change • Water consumption • Supply-chain's emissions • Biodiversity 	<ul style="list-style-type: none"> • Emissions and consumption of natural resources by suppliers and partners 	<ul style="list-style-type: none"> • Climate change • Water consumption and the nutrient load on water bodies • Biodiversity 	<ul style="list-style-type: none"> • Emissions from transportation 	<ul style="list-style-type: none"> • Climate change • Use of natural resources, including water consumption • Loss of materials, spoilage 	<ul style="list-style-type: none"> • Packaging waste • Food waste
	Plant-based raw-materials Primary production 	Raw materials processing 	Milk production 	Goods and services used 	Own operations 	Customers and consumers 
HUMAN RIGHTS IMPACTS 	<ul style="list-style-type: none"> • Working conditions • Adequate wage • Occupational health and safety • Equality, discrimination and harassment • Possible child labour, forced labour and migrant work 	<ul style="list-style-type: none"> • Working conditions • Adequate wage • Occupational health and safety • Equality, discrimination and harassment • Possible child labour, forced labour and migrant work 	<ul style="list-style-type: none"> • Occupational health and safety • Adequate wage • Work-life balance and wellbeing • Working conditions • Use and treatment of migrant workers • Gender equality • Discrimination and harassment 	<ul style="list-style-type: none"> • Working conditions • Adequate wage • Occupational health and safety • Equality, discrimination and harassment • Possible use and treatment of migrant workers 	<ul style="list-style-type: none"> • Working conditions • Occupational health and safety • Equality, discrimination and harassment • Training and skills development 	<ul style="list-style-type: none"> • Food and product safety • Product health benefits • Availability of products and security of supply • Responsible marketing and communication

SUSTAINABILITY FOCUS AREAS AND TARGETS

The focus areas of Valio Group’s sustainable business are based on its business and owner strategy and the materiality assessment. The sustainable business focus areas define the issues that are the priorities of Valio’s sustainability work and targets. The focus areas are reviewed after the review of the materiality assessment. Any need for change is coordinated by the ESG Director, and they are approved by Valio’s Executive Board.

The targets related to the focus areas are defined in the functions responsible for them. The targets are approved by the Valio Executive Board member who leads the function. In addition to the focus areas, the targets are linked to the UN Sustainable Development Goals.

Each Valio subsidiary and Valio’s wholesale business have their own sustainable business focus areas and targets that are based on Valio Group’s focus areas and take into account the specific characteristics of the subsidiaries.

Valio’s business customers (retail, wholesale, industrial) and consumers are increasingly demanding sustainable solutions and products in all markets. Through its sustainability focus areas, Valio focuses on advancing the sustainability of its entire value chain and the sustainability topics that are material to Valio and important to its stakeholders. These include a carbon-neutral milk chain, climate-smart packaging and resource efficiency in production, products promoting health and wellbeing, and innovative circular economy solutions.

SUSTAINABILITY FOCUS AREAS



REGENERATIVE AGRICULTURE AND RESOURCE EFFICIENCY

- ✦ Carbon-neutral milk chain 2035 and biodiversity on dairy farms
- ✦ Animal welfare
- ✦ Climate-smart packaging and resource efficiency in production



RESPONSIBLY PRODUCED SAFE FOOD






- ✦ Responsible supply chain and vitality of dairy farms
- ✦ Products promoting health and wellbeing
- ✦ Safe workplace with a good feeling



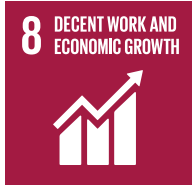




SUSTAINABLE FOOD SYSTEM

- ✦ Value creation for Finnish raw materials and work
- ✦ Food security and service level
- ✦ Innovative circular economy solutions

SUSTAINABILITY TARGETS AND KEY PERFORMANCE INDICATORS 2024

TOP-LEVEL TARGET (Link to SDG)	BASE YEAR	TARGET YEAR	KPI	KPI RESULT 2024	STATUS	ESRS STANDARD
Carbon-neutral milk chain by 2035 and nature work at dairy farms 	2019	2035	Progress of the Valio Climate Programme (percentage reduction in emissions without carbon sequestration) Climate Programme does not include the following types of emissions: wholesale products, capital investments, processing, use and disposal of products sold.	Emission reduction 21% 2019–2024 (2023: emission reduction 12% 2019–2023)	● On track	E1
	2019	2030	Progress towards Valio's Science Based Climate targets: Reduce Valio dairy farm climate impacts by 50%. This target applies to the average carbon footprint of raw milk on Valio's farms in Finland.	Achievement of target 32% (emission reduction 16%) (2023: achievement of target 9%, emission reduction 5%)	● On track	E1
	2019	2030	Progress towards Valio's Science Based Climate targets: Reduce Valio production plants' greenhouse gas emissions from electricity and heat energy (Scope 1 and 2 Finland and Estonia) by 47%.	Achievement of target 93% (emission reduction 44%) (2023: achievement of target 23%, emission reduction 11%)	● On track	E1
	2019	2030	Progress towards Valio's Science Based Climate targets: Reduce Valio milk collection logistics' greenhouse gas emissions (Scope 3, category 4) by 28%	Achievement of target 100% (emission reduction 32%) (2023: achievement of target 100%, emission reduction 28%)	● Completed	E1
Animal welfare 		2025	The target is to create and validate comprehensive animal welfare audit criteria and a protocol for measuring welfare by the end of 2025. Natural Resources Institute Finland, Valio Ltd, Atria, HKScan, Snellman and Animal Health ETT are involved in the project.	75% of project is ready	● On track	G1
		2024	90% are committed to voluntary sustainability actions that mitigate climate change, support biodiversity or promote animal welfare.	92% of Valio dairy farms committed to the voluntary sustainability work (situation on 31.12.2024)	● Completed	G1 E1 E2 E4
Environmentally smart packaging and resource efficiency in production  	2015	2025	Improve energy efficiency of Valio's operations by 7.5% by 2025 (compared to 2015).	14% (2023: 13%)	● Completed	E1
	2024	2030	Renewable or recycled packaging materials 80%.	73% (-)	● Progressing	E5
	2024	2030	Packaging materials suitable for reuse as raw material (i.e. recyclable) 100%.	84% (-)	● Progressing	E5
Products promoting health and wellbeing 	2023	2024	Safe products/0 public recalls.	Public recalls made globally: 2 (2023: 1). (Does not include the Valio Aimo procurement portfolio)	● At last year's level	S4
	2023	2024	Realisation of nutrition commitments (%) (Finland).	100%	● Completed	S4
	2023	2024	Growth in Heart Symbol products in domestic portfolio (no.).	New products: 18 (2023: 17) Total: 151 (2023: 138)	● Completed	S4

TOP-LEVEL TARGET (Link to SDG)	BASE YEAR	TARGET YEAR	KPI	KPI RESULT 2024	STATUS	ESRS STANDARD
Safe, mental health-friendly workplace  	2023	2024	Reduction in sickness-related absences (%) (Finland).	3.7% (2023: 4.0%)	Completed	S1
	2023	2024	Valio Voice employee engagement score among the top ten in the industry (above 7.9).	7.6 (2023: 8.1)	Needs improving	S1
	2023	2024	Injury frequency ≤ 5 (Finland and Estonia).	Lost time incident frequency (LTIF) 8.3 per million hours worked. (2023: LTIF 9.2 per million hours worked)	Progressing	S1
Responsible supply chains and dairy farmer wellbeing	2023	2024	Commitment to Code of Conduct 100% (direct sourcing from Finland)	100%	Completed	S2
Creating value for Finnish raw materials and labour 	2023	2024	Increasing the milk return.	52.2 cents per litre (2023: 51.6 cents per litre)	Progressing	S2
Food security and security of supply 	2023	2024	Our delivery reliability is over 99.3%.	Delivery reliability was 98.6% in Finland. (2023: 98.3%)	At last year's level	S4
Innovative circular economy solutions 		2035	Processing of Valio farm manure in biogas plants. The target is to process 2 million tonnes of Valio farm manure per year by 2035.	About 5% of the target achieved	At last year's level	S5

FOOD SYSTEM OF THE FUTURE

In Valio’s view, the sustainable food system of the future will be a combination of different forms of food production, such as plant-based food, sustainably produced milk and meat, and innovations in cellular agriculture. All these forms of food production need and support each other: for example, animal farms produce fertilizers for crop farms, animal feed is produced from the by-products of crops, and raw materials for cellular agriculture are produced from food industry by-products. For example, lactose produced by a Valio production plant can serve as a growth medium for cells that produce proteins and fat.

VALIO’S STRATEGIC TARGETS AND CHOICES RELATED TO THE FOOD SYSTEM OF THE FUTURE:

- Sustainably produced milk- and plant-based products for consumers. The aim is for a carbon-neutral milk chain by 2035.
- Quality products and solutions for professional kitchens and food industry customers through the Valio Aimo® wholesale business.
- For industrial customers, ways to develop products that support nutrition and wellbeing with Valio’s specialty milk powders. The powders make it possible to produce for example lactose-free, protein-rich and reduced-sugar products for consumers without compromising on taste and texture.
- Plant-based products for international consumer and hotel, restaurant and catering sector customers through the Oddlygood business. Oddlygood is a company established by Valio and jointly owned with Mandatum Asset Management.

- Valio and energy company St1 Biokraft’s joint venture, Suomen Lantakaasu Oy’s large-scale production of renewable biogas from manure and other agricultural by-products.
- Valio spends approximately 30 million euros annually on product development, research, and quality control.

RESEARCH, DEVELOPMENT AND INNOVATION PROJECT FOOD 2.0

In 2024, Valio launched Food 2.0, a research, development and innovation project to develop the food system of the future and promote the competitiveness of Finnish food exports. Valio’s role is to lead the cooperation of the project’s partner network and various research and development projects. Business Finland has granted 10 million euros in funding for the project and has also earmarked 20 million euros to finance projects in the Food 2.0 partner network. The project goal was to bring at least 100 food system-connected partners into the project in the first five years. This target was reached already in 2024.

INTERESTS AND VIEWS OF STAKEHOLDERS SBM-2, S1- ESRS 2 SBM-2, S2- ESRS 2 SBM-2, S4- ESRS 2 SBM-3

VALIO’S KEY STAKEHOLDERS

Valio’s key stakeholders are dairy farmers (Valio’s owners), personnel, customers, consumers, goods and services providers, as well as societal decision-makers and influencers. Valio interacts with local, national and international stakeholders. Identifying and responding to the different expectations of stakeholders is a cornerstone of operations.

Valio aims to promote transparency in its operations and engages in a broad dialogue with various stakeholders through in-person meetings and events, Valio’s online service and social media channels, consumer service, customer and owner magazines, and newsletters. Additionally, Valio partners with universities, research institutes, associations and other companies in various research and cooperation projects.

PEOPLE AFFECTED BY VALIO

In line with Valio’s owner strategy, Valio’s mission is to enable the livelihoods of dairy farmers in different parts of Finland. Valio is owned by Finnish milk producers through cooperatives, which make their voices heard in accordance with Valio’s governance model. In terms of impacts on the rest of the value chain, Valio takes into account the views of workers on a risk basis as part of its supplier management practices. Valio has several channels for consumer engagement. Read more about consumer engagement in the section [Consumer channels](#) S4.

Employees are at the core of Valio’s strategy. Valio’s most important asset is committed and capable employees who create a competitive edge compared to other companies. Valio’s strategy and business objectives are translated into practical action through day-to-day interaction and the performance and development discussions. The Valio Voice employee survey is a way to make the voice of Valio employees heard; the survey focuses on issues of strategic importance to Valio, such as employee engagement, health and wellbeing, and Valio’s values. Every other month, on average, organisational and HR-related themes, such as workforce planning,

coaching leadership, future capabilities and remuneration, are discussed at the Valio Executive Board level.

STAKEHOLDER IMPACT ON THE STRATEGY PROCESS

Valio’s strategy process is based on a living strategy principle. This means that Valio’s strategy and its timeliness are regularly assessed in relation to Valio’s external operating environment and its own capabilities to execute the strategy. The assessment also takes into account the expectations of key stakeholders towards Valio’s business. The strategy is regularly updated to reflect the needs emerging from the operating environment and stakeholders. During 2024, no changes were made to the strategy that would affect Valio’s key stakeholders or their views.

Valio’s experts provide the company’s administrative, management and supervisory bodies with regular reviews of Valio’s key stakeholders’ views and expectations in terms of the company’s sustainability impacts, as described in the table. These reviews are discussed as part of the regular meetings of these bodies. In addition, training on stakeholder views and expectations is organized for the administrative, management and supervisory bodies.

VALIO'S KEY STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	RESPONDING TO STAKEHOLDER EXPECTATIONS	STAKEHOLDER INVOLVEMENT AND INTERACTION
Owners (cooperatives and dairy farmers)	Milk price Securing economic viability Carbon-neutral milk chain Animal welfare Local production and employment impacts	Cooperative owner strategy Good governance Sustainable financial operation and maximum profit for producers Primary production services Carbon farming training Carbon-neutral milk chain	Cooperative meeting Board of Directors and Supervisory Board work Meetings, cooperation forums, events and webinars Valma intranet "Maito ja me" magazine
Suppliers of goods and services	Supplier relationship Long-term and fair partnership Development of activities Working conditions	Procurement Policy and principles Supplier tendering and procurement practices	Meetings and collaboration projects Supplier management procedures Food safety and quality audits Sustainability assessments and audits
Personnel (current and future)	Personnel wellbeing, occupational health and safety Diversity, non-discrimination and equal opportunities Competence development Good management Meaningful work Fair remuneration	Code of Conduct (Our way of working - One Valio) Personnel strategy, supervisory work and management Equality and non-discrimination plan Recruitment process Responsible corporate culture	Employee satisfaction survey (Valio Voice) Employee info briefings Elected representatives Target and development discussions Recruitment meetings Employer image surveys Valio Whistle reporting channel
Financiers	Responsible economic activity, performance and balance sheet Future outlook Managing sustainability risks Reducing greenhouse gases (climate risks) Reducing food waste	Responsible financing Sustainability programme Science Based Targets for emissions reductions (SBTi) Sustainability reporting	Meetings with financiers CDP responses Sustainability reporting
Customers	Food safety Carbon footprint of milk value chain Delivery reliability Traceability of origin of raw materials Habitats and biodiversity Reducing food waste Packaging materials and circular economy Wellbeing and nutrition Occupational safety and wellbeing	Sustainability programme Carbon-neutral milk chain Packaging commitments Biodiversity roadmap Sustainability reporting	Continuous interaction, meetings, customer feedback, customer surveys, sustainability reporting, customer portals, website

VALIO'S KEY STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	RESPONDING TO STAKEHOLDER EXPECTATIONS	STAKEHOLDER INVOLVEMENT AND INTERACTION
Consumers	<ul style="list-style-type: none"> Food quality and taste Food safety Food security Animal welfare, ethicality of animal-based raw materials Reducing food waste Affordability and domestic origin of food Production and origin of raw materials Climate impact of products Packaging and recycling Health, wellbeing and nutrition 	<ul style="list-style-type: none"> Sustainable brand Innovations and product development Nutrition commitments Product labels and consumer information Sustainability programme Packaging commitments Sustainability reporting 	<ul style="list-style-type: none"> Consumer service, consumer feedback and surveys, consumer information, responsible marketing policy, sustainability reporting, website, social media channels
Organisations (trade union, NGOs) and trade associations	<ul style="list-style-type: none"> Climate impacts and biodiversity Carbon-neutral milk chain Animal welfare Respecting human rights Responsible practices Food safety Economic conditions Domestic production, development of the operating environment 	<ul style="list-style-type: none"> Sustainability programme work Environmental management system Due diligence process Valio's Supplier and Distributor Code of Conduct Human rights assessments and audits Advocacy and cooperation processes 	<ul style="list-style-type: none"> Meetings, sustainability assessments and audits, sustainability reporting, meetings and active participation, memberships
Societal decision-makers	<ul style="list-style-type: none"> Food security, Security of supply and food sufficiency, Employment through local production, Carbon-neutral milk chain, Animal welfare, Respecting human rights, Responsible practices, Food safety 	<ul style="list-style-type: none"> Sustainability programme work Environmental management system Due diligence process Volunteer commitments Cooperation processes 	<ul style="list-style-type: none"> Information and meetings, Public affairs newsletter, Regional meetings
Media	<ul style="list-style-type: none"> Social influence and solutions Perspectives on the industry and the future Open interaction 	<ul style="list-style-type: none"> Consistent, regular and honest communication Expert availability 	<ul style="list-style-type: none"> Releases, media events, interviews Mediadesk
Authorities	<ul style="list-style-type: none"> Food safety Nutrition Animal diseases Environmental impacts Marketing practices 	<ul style="list-style-type: none"> Compliance with permits and anticipation 	<ul style="list-style-type: none"> Meetings Permit processes Oversight
Research facilities, universities and scientific community	<ul style="list-style-type: none"> Nutrition information Environmental impacts of food products Information sharing Internships and job opportunities 	<ul style="list-style-type: none"> Research collaboration and use of scientific data in product development, innovative work and operational development 	<ul style="list-style-type: none"> Collaboration and participation in projects Visits to Valio Speaking engagements Theses

OUTCOME OF THE MATERIALITY ASSESSMENT SBM-3

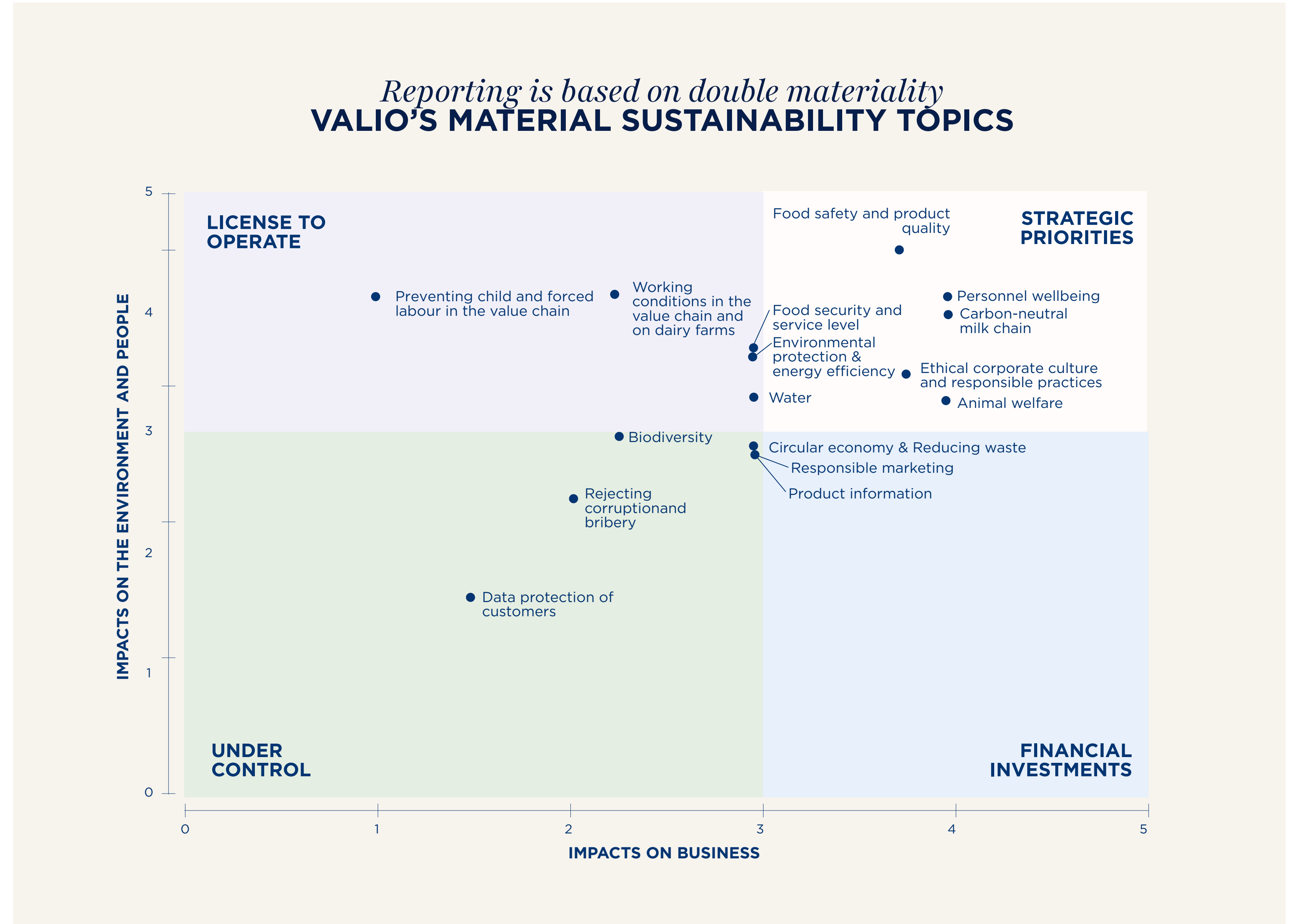
The outcome of the double materiality assessment determines the sustainability themes material to Valio from the perspective of the company’s own human rights and environmental impacts as well as the sustainability-related financial impacts on the company. Read more about the implementation of the double materiality assessment in the section [Managing impacts, risks and opportunities](#) IRO-1, E1- ESRS 2 IRO-1, E2- ESRS 2 IRO-1, E3- ESRS 2 IRO-1, E4- ESRS 2 IRO-1, E5- ESRS 2 IRO-1.

OUTCOME OF THE DOUBLE MATERIALITY ASSESSMENT

Food consumption and food production have globally significant impacts on the environment, society, animals and people. Food production is based on nature’s resources. Valio’s material negative impacts are related to the consumption of these resources. Valio’s biggest climate and biodiversity impacts are primarily medium- and long-term impacts and are related to milk production. Milk production also has positive impacts, e.g. on biodiversity.

In addition to environmental impacts, Valio’s operations impact people through the value chain operations and end products. Valio dairy farmers produce about 80% of Finnish milk, so Valio has an important role in securing domestic food production and maintaining the vitality of dairy farms. Valio is also a significant employer in Finland both through its own operations and indirectly through milk production and elsewhere in its value chain.

The outcome of the double materiality assessment is presented in more detail in the report in conjunction with each relevant topic.



REPORTABLE STANDARDS AND MATERIAL SUSTAINABILITY MATTERS

Based on the identified material impacts, risks and opportunities, the following were identified as material reportable standards for Valio:

STANDARD	SUB-TOPIC	OWN OPERATIONS	VALUE CHAIN
ESRS E1 Climate change	Climate change adaptation	X	X
	Climate change mitigation	X	X
	Energy	X	X
ESRS E2 Pollution	Pollution of air	-	-
	Pollution of water	-	X
	Pollution of soil	-	-
	Pollution of living organisms and food resources	-	-
	Substances of concern	-	-
	Substances of very high concern	-	-
	Microplastics	-	-
ESRS E3 Water and marine resources	Water	X	X
	Marine resources	-	-
ESRS E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	-	X
	Impacts on the state of species	-	-
	Impacts on the extent and condition of ecosystems	-	-
	Impacts and dependencies on ecosystem services	-	-
ESRS E5 Resource use and circular economy	Resources inflows	X	X
	Resource outflows related to products and services	X	X
	Waste	X	X
ESRS S1 Own workforce	Working conditions	X	-
	Equal treatment and opportunities for all	X	-
	Other work-related rights	-	-
ESRS S2 Workers in the value chain	Working conditions	-	X
	Equal treatment and opportunities for all	-	X
	Other work-related rights	-	X
ESRS S3 Affected communities	-	-	-
ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	-	X
	Personal safety of consumers and/or end-users	-	X
	Social inclusion of consumers and/or end-users	-	X
ESRS G1 Business conduct	Corporate culture	X	-
	Protection of whistle-blowers	X	-
	Animal welfare	X	-
	Political engagement	X	-
	Management of relationships with suppliers including payment practices	X	-
	Corruption and bribery	X	-

EFFECTS OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON THE STRATEGY

Valio aims to secure the livelihood of its owner entrepreneurs and their possibilities to succeed as dairy farmers in the medium and long term and to ensure that Finnish milk production retains its vitality. Sustainable business practices earn the best possible milk return for milk collected from dairy farms.

In its business model and strategy, Valio aims to take into account current and anticipated material impacts, risks and opportunities.

- Valio promotes and addresses its environmental and human rights impacts through its sustainability work. The actions taken to address these impacts are described in the report under each material topic
- Valio has advanced economic opportunities by, e.g., making significant investments in Suomen Lanta-kaasu Oy, which aims to produce renewable biogas from manure, and in the Food 2.0 research, development and innovation project, which aims to create a Finnish nature-smart food system. In addition, Valio researches and develops products with reduced emissions through various emission reduction measures. In 2024, Valio launched the Valio Carbo™ partnership programme enabling industrial customers to reduce the climate impact and emissions of their own value chain by purchasing emission reductions when purchasing raw materials. Such raw material include Valio Carbo™ milk powders and industrial butter.
- Valio manages financial risks through a risk management process and continuous development of its operations

FINANCIAL IMPACTS OF MATERIAL RISKS AND OPPORTUNITIES

Valio’s business is diversified into several different business areas in several different markets internationally. Valio actively invests in making its business more sustainable and developing its existing products, processes and ways of operating, as well as in exploring and developing new sustainable business opportunities. Valio has a systematic sustainability management model and risk management process. The company regularly assesses the timeliness of its strategy and updates it as needed.

During 2024, Valio made significant investments in areas related to material risks and opportunities.

Energy efficiency and environmental investments at production plants

During the year, Valio made significant investments in energy efficiency, e.g. at its Seinäjoki, Turenki and Haapavesi production plants. An overhaul of the drying process at the powder plant was launched in Seinäjoki in autumn 2024. The new multipurpose tower and process upgrade will improve the energy efficiency of the powder production process and bring additional milk powder production capacity to the plant. The overhaul will be completed by the end of 2026. A new carbon dioxide refrigeration plant was commissioned at the Turenki production plant to replace the old ammonia refrigeration plant. The removal of ammonia improves the safety of the plant. The new technology also improves the energy efficiency of the refrigeration plant. At the Haapavesi production plant, a project was launched to commission an electric steam boiler plant, which will enable

emission-free energy production for the plant's production needs. The new energy solution will be commissioned in March 2026.

In addition to energy efficiency, Valio's Seinäjoki factory has made a significant investment in water efficiency. The Seinäjoki powder plant's washing centre will be modernised along with the reception of the raw chemicals used in the washing process. The new washing centre will take care of the powder plant's washing process, recycle the washing water used in the plant's production process, and serve as a reception point for the washing chemicals. The washing centre will recover almost 90% of the washing chemicals, which can be reused. This significantly reduces chemical use, water consumption, and the volume of wastewater at the production plant. The new washing centre will be operational by the end of 2025.

In addition, a completely new laboratory building, which houses Valio's regional laboratory, was commissioned at the Seinäjoki production plant in 2024. The laboratory analyses the composition and quality of the milk from every Valio farm. The laboratory also carries out all the analyses required for the Seinäjoki production plant. Modern laboratory facilities and equipment make it possible to ensure food safety and quality and to promote animal welfare.

The energy efficiency and environmental investments mentioned above amounted to a total of more than 85 million euros.

Transport logistics

During 2024, Valio also invested in reducing emissions from transport. Since the beginning of May, a new bio-

gas-powered milk truck has been used to transport milk to Valio's dairies in Riihimäki and Jyväskylä. The liquefied biogas truck's emissions are 85% less than those of a diesel-powered collection truck. Valio currently has seven biogas-powered milk trucks.

Milk price and sustainability bonus

Valio pays the majority of its operating profit to the owner cooperatives in the form of the milk price. In 2018, Valio started paying a so-called sustainability bonus as part of the milk price paid to owners. The sustainability bonus is a compensation for sustainability actions implemented on farms. Valio paid its owners around 50 million euros in 2024 through the sustainability programme for actions that go beyond legal requirements.

Valio's Climate Programme

Read about the financial impacts related to Valio's Climate Programme in the section [Valio's Climate Programme](#) E1-1.

Food 2.0

In 2024, Valio launched a major research, development and innovation project, Food 2.0. The project has been granted 10 million euros in funding from Business Finland's challenge competition for leading companies. Valio itself will invest 15 million euros over the 5-year lifetime of the project.

Suomen Lantakaasu Oy

Suomen Lantakaasu Oy, the joint venture between Valio and St1 Biokraft, is currently building two industrial-scale biogas plants. In autumn, Suomen Lantakaasu made a decision to invest more than 80 million euros in a biogas plant in Kiuruvesi and,

together with Atria, a more than 60-million-euro investment in a biogas plant in Nurmo. The biogas plants under construction are scheduled for completion in 2026. Additionally, the company is also advancing two new plant projects in the Pedersöre-Kruunupyö and Nivala-Sievi regions.

Realized risks

In addition to the investments mentioned above, two events related to material risks had a financial impact on Valio during 2024. Port strikes in early spring stopped container traffic, cutting off Valio's exports to the US and China for four weeks. Products intended for export were temporarily stored, resulting in additional costs.

In December, Valio was targeted by a serious cyber-attack, which was quickly thwarted by Valio's IT security systems and practices. The attack was reported to the Office of the Data Protection Ombudsman and Traficom, and a criminal complaint was filed with the police. Valio also contacted the individuals targeted in the data breach and instructed them on what actions to take to protect their personal data. The investigation of the data breach and the additional security and development measures identified as a result of the investigation will result in additional costs for Valio.

The costs arising from the realization of either risk are not so significant that they would have affected Valio's operating results.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES IRO-1, E1- ESRS 2 IRO-1, E2- ESRS 2 IRO-1, E3- ESRS 2 IRO-1, E4- ESRS 2 IRO-1, E5- ESRS 2 IRO-1, G1- ESRS 2 IRO-1

Valio’s double materiality assessment was carried out at the top level from the perspective of the entire Valio Group’s operations and value chain at the end of 2023 in line with the process described in the following table.

In autumn 2024, Valio’s double materiality assessment was reviewed and harmonized. Based on this, there were no material changes to the identified impacts, risk or opportunities for Valio’s operations. The changes also had no impact on Valio’s sustainability focus areas and targets or on the reportable standards at the top level. Based on the review, a few sustainability matters were omitted from the material category. The changes were approved by Valio’s Executive Board in autumn 2024. For the 2025 review, the results of the materiality assessment will be approved also by Valio’s Board of Directors.

DOUBLE MATERIALITY ASSESSMENT PROCESS

<p>1. Identification of the operating environment and stakeholders to be assessed</p>	<p>For the purpose of the assessment, the material stages and stakeholders of Valio’s value chain were identified.</p>
<p>2. Identification of the environmental and human rights impacts of Valio’s value chain and sustainability-related business risks and opportunities</p>	<ul style="list-style-type: none"> • Valio’s actual or potential positive or negative impacts on the environment, people and society across the value chain in the short-, medium- or long-term were identified. • Identification of impacts, risks and opportunities (IROs) is based on existing human rights and environmental impacts, and risk and opportunity assessment data. • New risks were identified by subject matter experts and in a joint workshop. • The identified impacts, risks and opportunities were linked to the sustainability matters defined in the ESRS 1 standard. • In the identified impacts, risks and opportunities, Valio’s different businesses or countries were differentiated if there are significant differences between them and disclosure at the top level would distort the results.
<p>3. Assessment of the environmental and human rights impacts of Valio’s value chain and the business risks and opportunities related to sustainability</p>	<ul style="list-style-type: none"> • The severity of impacts was assessed on the basis of scale, scope and irremediable character of the impact. For potential environmental impacts, the likelihood of the impact was also taken into account. • The significance of the risks and opportunities of the business was assessed on the basis of the magnitude and likelihood of their economic impact. • Threshold values were defined for the severity of the impacts and the significance of the risks/opportunities, which define Valio’s material impacts and at the same time describe the sustainability matters to be reported under ESRS standards.
<p>4. Stakeholder dialogue and review of results</p>	<p>A stakeholder dialogue aimed to confirm whether the identified impacts, risks and opportunities are also the right ones from the stakeholders’ perspective. The dialogue was conducted using existing materials, personal interviews and a stakeholder survey.</p> <ul style="list-style-type: none"> • The material gathered from the personnel surveys supported the view that the identified human rights impacts are material from the personnel’s perspective. • For the supply chain, a survey was conducted with dairy farmers, goods suppliers and NGOs representing Valio’s value chain. Depending on the stage of the value chain, the respondents agreed 82%-100% that Valio had identified material environmental and human rights impacts. • Personal interviews were conducted with 10 representatives of Valio’s Board of Directors, customers, financiers, policymakers and union representatives. Their comments supported the identified impacts, risks and opportunities.
<p>5. Validation of results</p>	<ul style="list-style-type: none"> • The identified material sustainability matters and the underlying threshold values were presented to Valio’s Executive Board, which validated and approved them. • Based on the material sustainability matters, a new materiality matrix was created, which presents the material sustainability topics for Valio, assessed from a perspective of impacts and financial risks and opportunities. • Based on the matrix, Valio’s sustainability focus areas and targets were refined during 2024.

RISKS, OPPORTUNITIES AND IMPACTS RELATED TO CLIMATE CHANGE E1

The impacts, risks and opportunities associated with climate change have been identified as part of the materiality assessment process in the short-, medium- and long-term, as defined in the legislation. Read more about climate-related scenario analysis in the section [Material impacts, risks and opportunities related to climate](#) ESRS 2 SBM-3.

Milk production has significant impacts on climate change, which requires ambitious targets and measures. The material climate change impacts of Valio's operations are milk production's greenhouse gas emissions and energy consumption and the opportunity to reduce both of these. Physical risks related to climate change include problems with raw material availability and risks to product availability and plant operations due to extreme weather conditions. Transitional risks of climate change have been identified as changes in consumer behaviour and declining consumption of milk-based products, increasing sustainability requirements for financing, tightening sustainability legislation and rising commodity cost. Material opportunities related to climate change include the concentration of livestock production to the world's northern areas, low-emission products, changing consumer behaviour and increasing consumption of plant-based products, and lower cost of financing.

RISKS, OPPORTUNITIES AND IMPACTS RELATED TO BIODIVERSITY E4 AND EUTROPHICATION E2

Valio's impacts, risks and opportunities related to biodiversity and ecosystems have been identified as part of the materiality assessment process.

In 2024, Valio assessed in greater detail its impact on biodiversity using the Science Based Targets for Nature framework. The first two steps of the framework (1. Assess, 2. Interpret and prioritize) were reviewed for land use and freshwater. The assessment was carried out using the WWF Risk Filter Suite tool and applied to both Valio's own operations and the value chain. The results of the assessment will be taken into account in the 2025 update of the materiality assessment.

In other than milk-related procurement, Valio's biodiversity risks have been identified especially in the primary production of deforestation-causing raw materials. Outside Europe, agriculture is the main cause of deforestation. Especially in tropical regions, where species diversity is high, many species and their habitats are disappearing due to the forest clearing. Deforestation also accelerates climate change and undermines water regulation in these areas. In 2024, Valio did not have the need to implement any biodiversity-related mitigation measures.

REVIEW AND APPROVAL OF THE MATERIALITY ASSESSMENT

Valio reviews its materiality assessment at least annually before the sustainability reporting process. The review is carried out by the managers and experts with responsibility for the topic. As part of the review, it is ensured that at least those impacts, risks and opportunities already identified are up to date. If there have been major changes in Valio's business, value chain or operating environment, the assessment will require a more extensive update, i.e. in addition to ensuring timeliness, the review shall identify new material impacts, risks and opportunities associated with the changes.

Stakeholders will be engaged in the review of the materiality assessment whenever appropriate, especially in the case of the bigger changes. The aim is to obtain the views of the affected groups on whether the identified impacts are also relevant from their perspective. Stakeholders for whom Valio's sustainability data is material from an economic perspective (e.g. customers, financiers) are engaged in the review of identified financial risks and opportunities.

THE LINK BETWEEN MATERIALITY ASSESSMENT AND RISK MANAGEMENT AND CORPORATE GOVERNANCE

Valio's material financial risks are recorded in the business risk assessment system, in which the risks are assigned an owner at the level under the Valio Executive Board as well as governance actions and their owners. Identified material financial risks and opportunities are integrated into Valio's strategy process in accordance with the annual clock.

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Valio’s identified material sustainability impacts, risks and opportunities are linked to the ESRS standards and to the defined sustainability matters. On this basis, Valio’s material disclosure requirements have been defined and are described in the index table. A more detailed definition of the content of the material data at the data point level has been carried out during the reporting process. For non-material data, the reporting criteria are described in the internal processes.

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ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Transitional provisions	
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ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Transitional provisions	
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ESRS E1

CLIMATE CHANGE

CLIMATE CHANGE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

IMPACTS	<ul style="list-style-type: none"> Greenhouse gas emissions from milk production Energy consumption
RISKS	<p>Physical risks</p> <ul style="list-style-type: none"> Problems with raw material availability Risks to product availability and plant operations due to extreme weather conditions <p>Transitional risks</p> <ul style="list-style-type: none"> Changes in consumer behaviour and declining consumption of milk-based products Increasing sustainability requirements for financing Tightening sustainability legislation Rising commodity costs
OPPORTUNITIES	<ul style="list-style-type: none"> Livestock production is concentrated to the northern regions of the world Low-emission products Changing consumer behaviour and increasing consumption of plant-based products Lower cost of financing

MANAGEMENT INCENTIVE SCHEMES RELATED TO CLIMATE CHANGE E1-GOV 3

Management incentive schemes related to climate change are reported under [Management incentive schemes](#) GOV-3, E1-GOV 3.

VALIO'S CLIMATE PROGRAMME E1-1

The target of Valio's Climate Programme is a carbon-neutral milk chain by 2035. This means reducing and sequestering at least as much greenhouse gas emissions from the atmosphere as are generated on dairy farms, during transports, at production plants, in the manufacturing of packaging, and elsewhere in milk's value chain. The Climate Programme covers all emission categories (Scope 1, Scope 2 and Scope 3), and the emissions it takes into account end up in Valio's value chain in the customers' product deliveries. In addition, from the beginning, the programme has included land use-related soil emissions and sinks. The programme's actions and their commercialization have been integrated into Valio's business strategy from 2024 onwards. Valio's Climate Programme is approved by Valio's Executive Board and the Board of Directors.

Valio is committed to science-based SBTi climate targets for 2030 in line with the Paris Agreement. The Science Based Targets initiative (SBTi) approved Valio's target in 2021. The reference year for the targets is 2019 and the targets cover all Valio's own production plant operations (Scope 1 and 2) in Finland and Estonia. For the rest of the value chain, the SBTi

targets commit to emission reductions in logistics and milk production. To align with changes in the international green house gas protocol (GHG Protocol), Valio will update its SBTi targets in 2025 to include soil emissions and emissions sinks.

Emissions reductions in primary production, production plants and logistics are reflected in the reduced carbon footprint of Valio's products. In Valio's Climate Programme, the calculation of emissions and carbon sinks is based on the latest scientific knowledge and innovations. Valio uses the calculation to monitor its emissions and the progress of the Climate Programme across its value chain, from dairy farms to consumers. Read more about Valio's Carbo® Environmental calculator in the section [Actions and resources related to climate change](#) E1-3.

KEY ACTIONS OF VALIO'S CLIMATE PROGRAMME:

1. Soil actions (maximizing carbon sinks and minimizing soil emissions, restoring low-yielding peatland)
2. Reducing emissions from milk production (improving animal welfare, productivity and feed use, innovations to reduce methane emissions)
3. Improving the efficiency of nitrogen use in arable farming
4. Manure-based biogas production
5. Increasing renewable energy, improving energy efficiency
6. Biological and technological carbon capture and utilization of biogenic carbon dioxide

In its climate work, Valio follows the Intergovernmental Panel on Climate Change's (IPCC) good practice guidance and prioritization: avoid, reduce and, only after that, offset. Valio has no plans, nor has it decided, to purchase carbon credits to offset its own emissions. Valio has not identified any locked-in greenhouse gas emissions in its operations. Valio is not excluded from the EU's Paris Agreement benchmarks.

Read more about the actions taken under Valio's Climate Programme in the section [Actions and resources related to climate change](#) E1-3. Read more about the progress of the Climate Programme targets in the section [Targets related to climate change](#) E1-4.

COST IMPACTS OF THE CLIMATE PROGRAMME

Valio finances its climate work systematically. Valio has a climate and sustainable business team that is responsible for implementing the Climate Programme. The Climate Programme is part of Valio's business

strategy, and the related investments are factored into the investment and financing plan related to the implementation of Valio's strategy.

Sustainability bonus

Valio pays the majority of its operating profit to the owner cooperatives in the form of the milk producer price. In 2018, Valio started paying a sustainability bonus as part of the milk price paid to owners. The sustainability bonus is compensation for dairy farm-level sustainability actions that go beyond legal requirements and which are defined in the separate sustainability programme. The maximum sustainability bonus in 2018 was 2 cents per milk litre. At that time, the measures eligible for compensation were related to improving animal welfare. After 2023, Valio expanded its sustainability programme to include climate work and biodiversity measures. At the same time, the maximum sustainability bonus was increased to 3 cents per milk litre. Through the sustainability programme, Valio paid its owner entrepreneurs around 50 million euros in 2024 for actions that exceeded the legal requirements.

In 2024, Valio decided to raise the maximum amount of the sustainability bonus to 4 cents per milk litre. As of 1.5.2025, Valio pays 1 cent per litre for mandatory actions, 1 cent per litre for a voluntary carbon farming action and a maximum of 2 cents per litre for other voluntary actions.

Emission reductions for Valio customers

In 2024, Valio piloted the Valio Carbo™ partnership programme for its industrial customers. The aim of the programme is to sell industrial products and emission reductions implemented in the milk value chain,

using a service product model. The business model is based on the principle of insetting, whereby emissions and emission reductions generated in the value chain are passed through the various parties in the chain to the end customer or consumer.

The first climate action of the Valio Carbo™ partnership programme has been to reduce the methane produced by dairy cows using a feed innovation that can reduce cow methane emissions by around 25-30%. Under the programme, industrial customers invest in the use of the additive at Valio dairy farms and the milk volume of these farms is allocated on a mass balance basis to the Valio Carbo™ partnership programme products.

An independent third party verifies the farm-level emission reductions and an emission reduction certificate is issued to customers. The customer can then account for the emission reduction in their own greenhouse gas inventory (Scope 3).

Suomen Lantakaasu Oy's investments

Suomen Lantakaasu Oy is a 50/50 joint venture of Valio and St1 Biokraft. The company aims to invest in renewable biogas production in Finland to reach a target capacity of 1 TWh/year by 2030.

In 2024, Suomen Lantakaasu Oy made its first investment decision on two biogas plants producing liquefied biomethane, in Nurmo and Kiuruvesi. The plants are scheduled to be in production in 2026 and will primarily use manure as feedstock, but also food industry side streams. The estimated capex of these investment decisions is around 160 million euros. The investment will be financed through capitalization by

the owners, investment grants (TEM and EU RRF) and market-based lending. In 2025, Suomen Lantakaasu Oy will continue planning other plant investments in the Kruunupyö-Pedersöre and Nivala-Sievi regions. In addition, in early 2025, the company will make investment decisions on satellite plants belonging to the Kiuruvesi plant complex.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE ESRS 2 SBM-3

The material impacts, risks and opportunities related to climate change are described at the beginning of Climate change E1 and in the section [Risks, opportunities and impacts related to climate change](#) E1.

Following the IPCC's Fifth Assessment Report, Valio assessed the impact of climate change on its core business (milk production and the manufacture, marketing and sale of dairy products). Following a review of the strategy in 2017-2018, it was decided to start preparing a climate programme for the milk value chain. The programme was published in November 2018, and its target is net zero emissions in Valio's milk value chain by 2035. Read more about Valio's Climate Programme in the section [Valio's Climate Programme](#) E1-1.

The climate resilience of Valio's business strategy has also been examined from the perspective of the product portfolio. Alongside Valio's core business based on dairy products, development of a new business based on plant-based products has started. Valio launched the plant-based Oddlygood product range in 2018 and in spring 2022 acquired the plant-based focused Gold&Green brand, intellectual property

and R&D function from Paulig. In addition, Valio has invested in Enifer, a Finnish biotech start-up company that uses food industry side streams in the production of protein. Milk-, plant- and cell-based food all have a role in Valio’s business strategy.

Scenario and resilience analysis

Valio has not carried out a quantitative climate scenario analysis and strategy resilience analysis in accordance with ESRS standards.

Valio has used scenario analysis to examine the resilience of its business model and strategy in relation to the physical, transitional and systemic risks related to climate, biodiversity and ecosystems. The scenario analysis was carried out in spring 2023. Valio’s scenarios were based on the future scenarios of the Finnish Natural Resources Institute’s (LUKE) Finnish Livestock Production Future Scenarios and Societal Impacts (KOTIETU) project; the scenarios assessed the impacts of different livestock production intensity options on arable land, environmental conditions (soil, water bodies, biodiversity, landscape, air, climate), on farmers’ income, on regional economy, and on foreign trade.

The resilience of Valio’s business model and strategy was assessed against the project’s three future scenarios for the period 2023–2040:

- **Environment Finland:** Various instruments of social policy to minimize agriculture’s carbon emissions to the atmosphere and nutrient inputs to water bod-

ies, and to maximize the conservation of biodiversity in agriculture. Agricultural subsidies are based on environmental impacts and livestock products are taxed, increasing their relative price and reducing consumption. As a result, livestock production is significantly reduced and mainly serves environmental purposes.

- **Health Finland:** The significance of individual and public health-strengthening policy as a driver of consumption choices strengthens. Products that are harmful to health when consumed in excess, such as red meat and meat products, are taxed. In terms of consumption behaviour, these are replaced by vegetable and fish products. As a result, the production and consumption of red meat decreases somewhat.
- **Livestock Finland:** Progressive climate change is drying up important agricultural production areas near the equator. Finland’s comparative advantage and competitiveness is strengthened, and growing demand drives strong export-driven growth in Finnish livestock production. As a result, the output of Finnish livestock production doubles.

The project’s two other visions for the future were a Vegetarian Finland, where commercial livestock production ends and Finns eat only vegetarian food, and Self-sustaining Finland, where increasing self-sufficiency in animal-based products and production inputs primarily serves security of supply. The impacts of

these future scenarios on Valio’s business model and strategy was not assessed in detail due to limited data.

Based on the scenario analysis, Valio’s Executive Board concluded that Valio’s business model and strategy have taken into account significant system-level changes related to future scenarios and they are reflected also in Valio’s sustainable business priorities: minimizing the adverse environmental impacts of the agriculture through the development of regenerative agriculture and a sustainable food system, and improving individual-level and public health through products that promote health and wellbeing.

Valio’s strategy is based on the concept of a sustainable future food system (Food 2.0), which, in Finland, includes responsible livestock production, resource-efficient crop production and new technologies (e.g. cellular agriculture). The integrations of different value chains are essential in the food system and enable the circulation of energy, nutrients and side streams, and thus reduce climate emissions and nature impacts and create new business opportunities. Read more about Valio’s strategy and the Food 2.0 project in [Valio’s strategy, business model and value chain](#) SBM-1.

POLICIES RELATED TO CLIMATE CHANGE E1-2

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Environmental Policy	<p>In line with its Environmental Policy, Valio is committed to resetting milk's carbon footprint to zero in its production chain in Finland by 2035.</p> <ul style="list-style-type: none"> • Aims to reinforce carbon sinks in the value chain and to bind more atmospheric carbon dioxide into grass fields • Aims to use the side streams of its value chain as an energy source in a way that replaces fossil fuels • Aims to reduce emissions from organic fields • Aims to build understanding of the climate impacts of its value chain by developing new calculation methods to support management • Commits to developing new technologies to reduce the climate emissions of milk production <p>In line with its Environmental Policy, Valio is committed to improving energy efficiency and reducing emissions:</p> <ul style="list-style-type: none"> • Favors clean, resource-efficient production technology that is climate- and water-friendly, and in transportation, efficient solutions with a low environmental impact • Favors renewable fuels in heat production 	Valio Group	<p>The policy has been approved by Valio's Executive Board and is available on the intranet and Valio's website.</p> <p>The policy is reviewed regularly.</p>
Valio's Supplier and Distributor Code of Conduct	<p>Valio has a Supplier and Distributor Code of Conduct through which supply chain partners commit to Valio's sustainability principles. In line with the principles, Valio's partner shall identify the major climate impact of its operations and undertake to reduce greenhouse gas emissions where reasonable.</p>	Valio suppliers, distributors and other partners	
Milk production guidelines	<p>Common milk production guidelines have been compiled for Valio dairy farms; the guidelines describe the statutory requirements and Valio's requirements and recommendations. These also include guidance on the environment and natural resources. The dairy farmer undertakes to comply with the production guidelines as part of the Production and quality agreement signed with the cooperative.</p>	Valio Group dairy farms in Finland	<p>Milk production guidelines are available to all Valio dairy farmers on Valma (the online service for farmers).</p> <p>Milk production guidelines are drawn up together with experts from Valio's Primary production and the cooperatives, and are reviewed and updated regularly.</p>

ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE E1-3

Valio is reducing its climate emissions in line with its Climate Programme and SBTi targets. During 2024, the company implemented key actions, which you can read more about below. The Climate Programme actions will continue the coming years.

CARBO® ENVIRONMENTAL CALCULATOR

Valio dairy farms calculate their carbon footprint using the certified Carbo® Environmental calculator, developed for the Finnish climate and conditions. The calculator is based on the calculation method of the Intergovernmental Panel on Climate Change (IPCC). The calculator, developed from 2018, works at the farm level, meaning that it can accurately determine the environmental indicators of an individual farm. The Carbo® Environmental calculator was taken into use in Valio Group in 2020 and is currently used by around 2,200 Valio farms every year. This corresponds to about 80% of Valio's milk intake.

In 2024, the number of Carbo® Environmental calculator users grew, as it became available to Juustoportti producers as well as Atria, HKFoods and Snellman cattle farms. The Carbo® Environmental calculator is thus used by 90% of Finland's cattle chain. The companies have also formed a consortium to jointly develop the calculator into a single, standardized national tool. The work will improve the environmental impact assessment in the Finnish livestock sector and create common rules for emission calculations.

DAIRY FARM SUSTAINABILITY BONUS

Valio's sustainability programme for primary production consists of mandatory sustainability actions for

all Valio dairy farms and voluntary actions the farms can choose from each year. In 2024, 92% of the farms chose to implement voluntary actions. Read more about the sustainability bonus in the section [Valio's Climate Programme](#) E1-1.

REGENERATIVE AGRICULTURE

Climate change can be mitigated in agriculture by increasing the carbon sequestration of fields through carbon farming and by improving soil health through regenerative farming. Farmers can improve the soil's carbon sequestration ability, e.g., by increasing the variety and deep-root species of grasses, by providing favourable conditions for soil microbes and by keeping fields green year-round.

Valio organizes carbon farming training for dairy farmers in order to promote more environmentally sustainable farming and food production. Dairy farmers are trained in regenerative farming together with research institutes, expert organizations and other stakeholders. By the end of 2024, Valio had trained about 1,600 farms in regenerative farming, i.e. an estimated 40% of all Valio farms. Valio pays a voluntary sustainability bonus for regenerative farming when the farmer makes a 5-year commitment to producing 80% of their feed according to the principles of regenerative farming. In 2024, regenerative farming was practiced on nearly 130,000 hectares, which represents about 40% of the arable land of Valio farms.

CARBON-NEUTRAL DAIRY FARM PILOT

The majority of the climate impacts of Valio's milk value chain are generated at dairy farms. That is why Valio is investing in farm-level actions to reduce emissions. The adoption of climate actions and solutions

varies by farm, and the emission reduction potential of the actions differ from each other. Valio aims to identify the best practices for adopting the climate actions that have the most potential and to identify the impacts the emission reduction actions have on the milk production costs.

In 2024, Valio launched a five-year Carbon-Neutral Dairy Farm (ILMA) pilot with the aim of achieving carbon neutrality on first Finnish dairy farms. Four Valio dairy farms from different parts of Finland are participating in the ILMA pilot. The pilot farms will implement the emission reduction actions identified by Valio and estimated as having the most potential. At the same time, the impacts of the actions on daily farm life, milk production costs and greenhouse gas emissions will be assessed. In addition to climate actions that affect greenhouse gas emissions, actions related to biodiversity will be implemented in the ILMA pilot.

In the first year of the pilot, Valio selected the farms where the pilot will be carried out. Together with the pilot farms, Valio determined the baseline (2023) for the raw milk carbon footprint and started the farm-specific planning of the climate actions to be implemented on the pilot farms in 2025. All pilot farms also introduced a feed additive to reduce methane emissions in ruminating dairy cows. In addition, at three pilot farms, measurements were started to determine the achievable carbon sequestration of arable land through regenerative farming methods. In corporation with the Rural Women's Advisory Organization, a baseline assessment of agricultural biodiversity was carried out at all the farms and actions to be taken during the pilot were identified.

METHANE EMISSIONS-REDUCING TECHNOLOGY/FEED ADDITIVE

Methane emissions-reducing technology

The methane produced in the rumination process of cows accounts for about 40–50% of Valio's milk carbon footprint when the soil's carbon balance is not taken into consideration. We are actively exploring new technologies to reduce methane emissions.

The feed additive (3-NOP, 3-Nitrooxypropanol) developed by the Dutch feed industry company DSM can reduce ruminal methane emissions from cows by about 25–30%. There have been about 70 scientific studies on the use and safety of 3-NOP, and EU food safety authorities have determined that use of the substance is safe both for animals and humans. Bovaer® feed additive has marketing approval in the EU and has been approved for use in dairy cattle feed in the EU. In 2024, Valio extended trial use of the additive to a few dozen dairy farms. The possibility of introducing the additive on a large scale in the future is being explored. The feed innovation reduces Valio's raw milk carbon footprint by more than 10%.

Valio also continued its work in two EU-funded international consortia studying methane capture and break down in barns. The work of the consortia started in autumn 2022 and will continue for four years.

Valio Carbo™ partnership programme

In 2024, Valio launched the climate work-related Valio Carbo™ partnership programme for its industrial customers. Through the partnership programme, customers can reduce the climate impact of their value chain and their Scope 3 emissions. A methane emissions-re-

ducing feeding solution is the first climate action included in the partnership programme. Read more about the Valio Carbo™ partnership programme in the [Valio Climate Programme](#) E1-1.

REDUCING PEATLAND EMISSIONS

About one fifth of the arable land of Valio farms is organic soil and peatland, which, from a climate change perspective, is a challenge because of the abundant release of carbon from the soil into the atmosphere.

Valio encourages dairy farms to cultivate peatland in a climate-smart way by maintaining crop cover through grassland cultivation and raising the water table where possible. Investing in the health and yield of fields improves land use efficiency and reduces product-specific environmental impacts. In 2024, around 70% of Valio dairy farms' peatland will be grass-covered. Regarding low-yielding peatland, the most effective climate action is to re-wet the fields to natural wetlands or to restore them back to swamps. In 2024, Valio restored the first low-yielding peatland at an organic dairy farm in northern Finland. New restoration sites were also identified during the year.

SUOMEN LANTAKAASU OY

By delivering manure to Suomen Lantakaasu Oy's biogas plants, dairy farms can reduce their own raw milk carbon footprint. This reduces greenhouse gas emissions from the storage of manure on dairy farms, and dairy farms can also reduce their use of fossil fertilisers. Biogas plants use biomass from dairy farms to produce biomethane to replace fossil fuels. Thus, in addition to their own emission reductions, dairy farms enable emission reductions in the transport sector.

Nurmon Bioenergia Oy, majority-owned by Suomen Lantakaasu Oy, made an investment decision in autumn 2024 to build a biogas plant in Nurmo with an annual biomass processing capacity of 240,000 tonnes. The majority of the biomass to be processed in the biogas plant is manure from farms in the plant's area of impact. Construction of the biogas plant in Nurmo is proceeding according to plan. The plant is expected to be operational in 2026.

Suomen Lantakaasu Oy's plan to build four biogas plants in Upper Savo is also progressing as planned. The planned complex includes a biogas plant in Kiuruvesi and three satellite plants. The biogas plant in Kiuruvesi received an environmental permit during the year, resulting in a favourable investment decision in autumn. Construction of the plant started in 2024 and it is expected to be operational in 2026. During the year, environmental permit applications were also submitted for three satellite biogas plants. A total of 107 binding feedstock contracts were signed during the year with farms in the Upper Savo biogas plant's area of impact.

In addition to these projects, in 2024 Suomen Lantakaasu Oy started planning biogas production in the Central Ostrobothnia and Ostrobothnia regions and in North Ostrobothnia.

During 2025, Suomen Lantakaasu's ongoing biogas projects will be advanced, biogas production will be developed, and understanding of the positive climate impact of biogas production will be increased.

ENERGY EFFICIENCY

Improving energy efficiency is an important part of Valio’s Climate Programme. Valio has committed to improving energy efficiency by signing an Energy Efficiency Agreement and by joining the Food industry’s energy efficiency programme in Finland. In line with the programme, Valio production plants are implementing actions to improve energy efficiency, the progress of which will be monitored through an internal reporting system at the monthly level. In addition, the measures are reported annually to Motiva’s statistics. During 2024, Valio increased its purchase of renewable electricity guarantees of origin and, as a result, 73% of the electricity used by the company in Finland is emission-free.

During the year, Valio’s Haapavesi production plant started investing in an electric boiler with a partner. Once the boiler is completed, in early 2026, most of the steam produced through combustion at the production plant will be replaced with heat produced with electricity. Currently, Valio produces steam partly with electric boilers at its Vantaa and Riihimäki production plants.

In 2024, Valio further improved its energy efficiency through a number of small energy efficiency actions. More than 60 energy efficiency actions were implemented at production plants in Finland and Estonia during the year.

Examples of other energy-efficiency actions taken at plants in Finland in 2024:

- Improving operational efficiency of refrigeration plants: suction pressure increase, condensing pressure decrease, heat recovery optimization

- LED lighting replacements
- Replacement of the thermisation exchanger
- Optimization of auxiliary boiler heat retention
- Optimization of raw milk intake refrigeration

Examples of energy efficiency actions taken at plants in Estonia in 2024:

- LED lighting replacements, motion-sensor-controlled lighting
- Heat recovery optimization system using waste heat from the flue gas of boilers to heat the packaging material warehouse in winter
- Insulation of cooling water tanks and piping

TRANSPORT LOGISTICS

Valio’s logistics in Finland independently handles all logistics activities in the value chain. About 1,700 million litres of milk annually are collected from some 3,200 Valio farms and transported to Valio’s production plants around Finland. The products made by the plants are delivered to warehouses and from there they are distributed to customers in Finland, to Valio’s subsidiaries in Estonia, Sweden, China and the USA, and to Valio’s export customers in about 50 countries. Valio’s subsidiaries in different countries independently coordinate any logistics related to their own product range.

Milk collection

Milk collection from dairy farms in Finland is carried out by some 40 subcontractors and 60 trucks. The trucks were on the road for more than 20 hours per day, every day, in 2024. The average age of the collection fleet is about two years. When choosing its partners, Valio verifies that all the trucks meet the latest EURO 6 emissions standards.

Two biogas-powered trucks were added to the milk collection fleet in 2024. There were a total of seven biogas-powered trucks on the road during the year. The biogas-powered vehicles were driven a total of more than 1.46 million kilometres in 2024. Valio is growing the size of its transport fleet to increase load sizes and to reduce emissions. In 2024, milk collection trucks were driven 723,000 fewer kilometres than in the previous year.

Product distribution

Distribution of Valio’s products in Finland is handled by 125 transport contractors and 226 delivery trucks. Distribution routes are planned by Valio’s own personnel, who ensure that the fleet is used efficiently and the customers’ needs are taken into consideration. Valio distributes about one fifth of all Finland’s temperature-controlled food every year.

In 2024, Valio’s distribution in Finland made about 1.72 million customer visits, which means around 5,500–6,500 customer encounters per day, depending on the delivery day. Distribution routes are optimized in an effort to run full loads and to avoid unnecessary driving. Valio’s joint distribution with other companies reduces the environmental load of product distribution and decreases the number of kilometres driven.

The following actions impacted emissions from distribution logistics in 2024:

- Continuous and active route planning, with the aim of reducing the number of kilometres driven in distribution and transfers.
- Improving ordering efficiency and planning delivery dates together with customers so that products are

not ordered too often but without compromising delivery reliability

- Aligning the deliveries of customers who purchase logistics services from Valio as much as possible with Valio’s deliveries.
- Increasing the renewable fuel-powered distribution fleet.
- Exploring and simulating the utilization potential of fossil-free distribution solutions, including uninterrupted cold chain management.
- Further developing the transport emissions calculation model and making it available to customers in a way that benefits their own sustainability actions in their own operating environment.

In international transport, Valio promoted fossil-free logistics by using renewable diesel (HVO) to fuel some of its transports between Finland and Sweden and by using a ferry service fuelled by liquefied biogas (LBG).

CLIMATE PROGRAMME ACHIEVED EMISSIONS REDUCTIONS

Valio’s Climate Programme progressed as planned. According to the 2024 greenhouse gas inventory, emissions in the milk value chain have been reduced in Finland by 21% when carbon removals are excluded, compared to 2019, and by 25% when carbon removals from carbon farming are conservatively taken into account.

Scope 1 and 2 emissions from energy use at production plants decreased by 44% from 2023 and by 51% from the 2019 baseline year of the Climate Programme. The decrease was driven by the transition to emission-free energy sources and improvements in energy efficiency. The Climate Programme’s indirect Scope 3 emissions

decreased by 12% from 2023 and by 22% from 2019. Of this, the emissions reduction for Finnish raw milk was 12% in 2023–2024 and 22% in 2019–2024, and the emissions reduction for logistics was 7% in 2023–2024 and 19% in 2019–2024. Emission reductions in milk production are the result of a decrease in the amount of milk received, improved productivity and resource efficiency at dairy farms, and the removal of low-yielding fields from cultivation as a result of, e.g., structural development. In logistics, there was an increasing shift to zero-emission energy sources, and transport efficiency was improved.

Actions to reduce climate emissions are resourced in line with the Climate Programme. At present, the availability of resources does not limit the achievement of the targets for Valio. Read more about the cost impacts of the Climate Programme in the section [Valio's Climate Programme](#) E1-1.

TARGETS RELATED TO CLIMATE CHANGE E1-4

Climate-related targets are part of Valio's sustainability focus area targets, which are used to monitor the effectiveness of policies and actions. Read more in the section [Sustainability focus areas and targets](#).

IMPROVING ENERGY EFFICIENCY

Valio's goal under the Finnish food industry's Energy Efficiency Agreement 2017–2025 is to improve the efficiency of energy use in Valio's own operations by 7.5% from the 2015 level. To date, the combined impact of the energy efficiency actions is equivalent to around 14% of the 2015 energy consumption (2023: 13%). This is a total annual energy saving of

102.7 GWh (2023: 92.7 GWh). The target has therefore already been exceeded, but Valio will continue to implement further efficiency measures to minimize its environmental impact and improve its cost efficiency. During 2024, efficiency in annual heat use improved by 5.3 GWh (2023: 20.1 GWh) and annual electricity use by 4.6 GWh (2023: -0.2 GWh).

CARBON-NEUTRAL MILK CHAIN AND SBTI TARGETS

Greenhouse gas-related targets are included in Valio's sustainability focus areas targets. The target of Valio's Climate Programme is a carbon-neutral milk chain by 2035.

Additionally, Valio is committed to science-based SBT climate targets for 2030, in line with the Paris Agreement. The Science Based Target initiative (SBTi) approved Valio's targets in 2021. Valio's SBTi target is to halve greenhouse gas emissions from milk production per litre of milk received by 2030 compared to the 2019 level. In addition, the target is to reduce emissions from energy use at production plants by half and to reduce emissions from milk collection logistics by one third.

GREENHOUSE GAS EMISSIONS REDUCTION TARGET OF VALIO'S CLIMATE PROGRAMME

GREENHOUSE GAS EMISSIONS	UNIT	BASE YEAR	2035 TARGET
Scope 1 Valio production plants in Finland (100% included in target)	tCO ₂ -ekv.	2019	100% zero-emission energy
Scope 2 Valio production plants in Finland (100% included in target)	tCO ₂ -ekv.	2019	100% zero-emission energy
Scope 3 Category 1: raw milk in Finland (100% included in target) Category 4: logistics in Finland (100% included in target)	tCO ₂ -ekv.	2019	100% carbon-neutral milk production 100% zero-emission logistics

VALIO'S SBTI TARGETS

GREENHOUSE GAS EMISSIONS	UNIT	BASE YEAR	2030 TARGET
Scope 1 and scope 2 Valio production plants in Finland and Estonia (100% included in target)	tCO ₂ -ekv.	2019	47% emission reduction compared to 2019
Scope 3 Category 1: Valio's raw milk intake in Finland (100% included in target) Category 4: logistics in Finland (100% included in target)	kgCO ₂ -ekv. / kg EKM (Energy Corrected Milk) tCO ₂ -ekv.	2019	50% smaller raw milk carbon footprint compared to 2019 28% reduction in emissions compared to 2019

MEANS TO ACHIEVE VALIO'S CLIMATE PROGRAMME AND SBTI EMISSION REDUCTION TARGETS

MEANS TO ACHIEVE VALIO'S CLIMATE PROGRAMME AND SBTI EMISSION REDUCTION TARGETS	SHARE OF EMISSION REDUCTION ACTIONS
Climate actions at farms (e.g. animal welfare, feeding and breeding, renewable energy and energy efficiency, nutrient efficiency and circular economy solutions)	25%
Peatland emissions reductions	11%
Valio's renewable energy and energy efficiency	7%
Carbon farming in fields and carbon sequestration technologies	11%
Restoration and biogas in transport	13%
Additional actions, including new technologies	33%

ENERGY CONSUMPTION AND MIX E1-5

ENERGY CONSUMPTION AND MIX

Total energy consumption in MWh related to own operations

ENERGY CONSUMPTION AND MIX E1-5	UNIT	2024 (FINLAND)	2024 (ESTONIA)	2024 (TOTAL)
Fuel consumption from coal and coal products	MWh			0
Fuel consumption from crude oil and petroleum products	MWh	24,100		24,100
Fuel consumption from natural gas	MWh	6,460	13,990	20,450
Fuel consumption from other fossil sources	MWh	67,350	17,660	85,010
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	84,660	17,910	102,570
Total fossil energy consumption	MWh	182,570	49,560	232,130
Share of fossil sources in total energy consumption	%	22.8 %	100.0 %	27.2 %
Consumption from nuclear sources	MWh			0
Share of consumption from nuclear sources in total energy consumption	%			0
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biofuels, biogas, hydrogen from renewable sources)	MWh	314,330		314,330
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	276,490		276,490
Consumption of self-generated non-fuel renewable energy	MWh	29,090		29,090
Total renewable energy consumption	MWh	619,910	0	619,910
Share of renewable sources in total energy consumption	%	77.2 %	0.0 %	72.8 %
Total energy consumption	MWh	802,480	49,560	852,040

Metrics assured by an external operator.

Valio's total energy consumption has remained at about the same level, but the share of renewable electricity has increased significantly. Around 2/3 of the total fuel used for heat production is renewable and 73% of the purchased electricity is renewable wind power. Renewable biofuels, like wood chips, sawdust, bark and bio-pellets, are sometimes in short supply. To ensure security of

supply, Valio maintains the possibility to burn peat. The use of electricity in heat energy procurements is clearly increasing.

Heat procurement at the factories is divided between produced and purchased energy. The produced

energy share includes the production from heating plants that serve only Valio factories. The purchased energy share includes the production from heating plants that serve also non-Valio customers. Thus, for the produced share, the table reflects the fuels used for heat production and, for the purchased share, the amount of net heat received.

ENERGY PRODUCTION

ENERGY PRODUCTION	UNIT	2024
Renewable energy production	MWh	312,950
Non-renewable energy production	MWh	112,150

Metrics assured by an external operator.

The table shows the energy production of the heating plants that produce heat exclusively for Valio's use, as well as the solar power plants in the wholesale operations.

ENERGY INTENSITY PER NET REVENUE

ENERGY INTENSITY PER NET REVENUE	UNIT	COMPARATIVE	N: 2024	% N / N-1
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/tEUR	-	0.37	-

NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS USED TO CALCULATE ENERGY INTENSITY

NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS USED TO CALCULATE ENERGY INTENSITY	tEUR
Net revenue (others)	
Total net revenue (Financial statements)	2,278,466

Metrics assured by an external operator.

The intensity figure divisor used is the consolidated turnover figure in Valio's financial statements.

GREENHOUSE GAS EMISSIONS E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	RETROSPECTIVE				MILESTONES AND TARGET YEARS			
	2019 (BASE YEAR)	2023 (COMPARATIVE)	2024	% 2024/2023	2025	2030	(2050)	ANNUAL INTERIM TARGET (% RELATIVE TO THE BASE YEAR)
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	83,200	48,900	42,886	-12	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	79		23		-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	59,500	43,000	34,968	-19	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	97,500	112,400	59,353	-47	-	-	-	-
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	2,280,700	1,824,800	2,342,629	29	-	-	-	-
1. Purchased goods and services	2,020,800	1,824,800	2,067,330	14	-	-	-	-
2. Capital goods	62,100	4,200	19,319	360	-	-	-	-
3. Electricity transmission and fuel production losses	25,800	21,500	28,381	32	-	-	-	-
4. Upstream transportation and distribution	47,000	41,200	118,530	188	-	-	-	-
5. Waste generated in operations	3,700	1,900	2,336	23	-	-	-	-
6. Business travel	800	1,600	1,544	-4	-	-	-	-
7. Employee commuting	3,800	2,900	2,799	-3	-	-	-	-
8. Upstream leased assets	-	-	52	100	-	-	-	-
9. Downstream transportation	-	0	8,739	100	-	-	-	-
10. Processing of sold products	63,000	44,500	37,914	-15	-	-	-	-
11. Use of sold products	53,700	63,900	22,826	-64	-	-	-	-
12. End-of-life treatment of sold products	0	14,300	32,859	130	-	-	-	-
13. Downstream leased assets	-	-	-		-	-	-	-
14. Franchises	-	-	-		-	-	-	-
15. Investments	-	-	-		-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ eq)	2,423,400	1,916,700	2,429,831	27	-	-	-	-
Total GHG emissions (market-based) (tCO ₂ eq)	2,461,400	1,986,100	2,454,216	24	-	-	-	-

Metrics assured by an external operator.

EMISSIONS CALCULATION PRINCIPLES

Metrics assured by an external operator.

There have been no significant changes in Valio’s operations compared to the previous reporting year. However, Valio’s greenhouse gas (GHG) emissions calculation has been significantly updated and refined compared to previous reporting years. The current GHG inventory is significantly more comprehensive and detailed than before, which means that the figures are not directly comparable with previous years or with the 2019 baseline.

Valio’s GHG inventory calculation is based on consumption, production and procurement data collected from Valio. GHG emissions have been calculated using primary input data based on mass, volume, unit or distance, when available. Where precise consumption, production or procurement data were not available, the calculation is based on cost data. The calculation has been carried out separately for each country company and for Oddlygood. The results of the GHG inventory have been reported at Group level taking into account the activities of all country companies.

The emissions calculation uses primary data obtained from suppliers. Where supplier-specific data is not available, nationally representative emission factors, publicly available emission databases (e.g. EPA, Defra) or studies, and the commercial Ecoinvent database have been used, when possible. The calculation takes into account fossil and land use emissions, which are reported as a single total figure. For Valio Finland’s raw milk production, peatland emissions have so far been reported as additional data outside the GHG inventory itself. Land-use change

emissions have not been calculated. Land-use change emissions related to milk production in Finland and Estonia will be calculated for the first time in spring 2025. Biogenic carbon dioxide emissions have been reported and calculated separately according to the GHG Protocol guidelines.

The main assumptions made in the calculation relate to the value chain’s downstream emission sources, which are related to the downstream processing, use and end-of-life treatment of sold products. Valio has no information on the downstream processing or use of the products it sells. The broad product profile makes it impossible to calculate detailed emissions in these categories.

In 2024, 73% of the energy purchased by Valio in Finland and Estonia was emission-free. All energy reported as emission-free by the Group is within the Scope of regulatory-compliant guarantees of origin.

SCOPE 3 GHG EMISSIONS

All material emission sources in the value chain throughout the Group’s operations have been taken into account in Valio’s GHG inventory. 66% of the value chain emissions in Valio’s GHG inventory are calculated using primary data.

The following Scope 3 emissions categories have been taken into account:

Category 1: Purchased goods and services

- Includes production of raw milk and other raw materials, wholesale products, packaging materials, excipients, cleaning agents and wholesale products, contract manufacturing (Valio Finland, Valio USA and Oddlygood) and service purchases.

- For the production of raw milk purchased by Valio Finland, the calculation has been carried out by collecting data on a farm-by-farm basis, taking into account all emission sources related to the farms’ activities. Peatland emissions have so far been reported as additional data outside the GHG inventory itself. Emissions from land-use change have not been calculated. Land-use change emissions related to milk production will be calculated for the first time in spring 2025.
- For other raw materials, excipients and chemical purchases, the calculation has been carried out at a general level, combining raw materials into top-level product categories and calculating emissions on a mass basis, using mainly the Ecoinvent database and, to a lesser extent, publicly available emission databases, such as Agribalyse, or product-specific studies. Fossil and land-use emissions have been taken into account in the calculation. Valio has own production operations only in Finland and Estonia. In addition, Valio has contract manufacturing in a few countries.
- Valio Finland’s wholesale products have been calculated on a cost basis using Valio’s Sievo emission calculation tool. Sievo uses the Exiobase emission factors as the basis for cost-based emission calculation. The tool has been used as a basis for calculating emissions also from the production of packaging materials purchased by Valio Finland.
- Emissions from the manufacture of wholesale products and Valio Estonia and Valio USA’s packaging materials have been calculated on a mass basis using the Ecoinvent database.
- Service purchases have been calculated on a cost basis using the US Environmental Protection Agency’s emissions database. The cost-based factors in

the emissions database correspond to 2022 US dollars and have therefore been adjusted, where necessary, for inflation and currency conversion to reflect consumption data. The emission factors have not been adjusted in other respects for different national circumstances, so, for example, the emission factors for Finland and Sweden are likely to overestimate due to different energy production breakdowns.

- In addition, emissions data obtained directly from suppliers has been used in the calculation wherever possible.

Category 2: Capital goods

- Includes capex investments made by the Group, categorized into top-level procurement packages.
- Emissions from capex investments are calculated on a cost basis using the US EPA emissions database. The cost-based factors in the emissions database correspond to 2022 US dollars and have therefore been adjusted, where necessary, for inflation and currency conversion to reflect consumption data.

Category 3: Upstream energy and fuel, and transmission losses

- Includes emissions from the primary production of the fuel consumed in Valio’s own operations, upstream emissions from energy purchased and consumed by Valio, and transmission losses.
- Emissions from the primary production of fuel are calculated based on the quantity and quality of fuel consumed. Where fuel consumption data were not available, the calculation is based on kilometres driven. Emission factors have been retrieved from a database maintained by the UK Department for Environment, Food and Rural Affairs (Defra).

- The upstream emissions and transmission losses of purchased electricity are calculated based on the amount of energy consumed, the national transmission loss share and the national emission factors for electricity production. For heat, the calculation is based on the same principles, but the emission factor used is the figure supplied by Defra.

Category 4: Upstream transportation and distribution

- Includes all inbound and outbound transports managed and paid for by Valio, as well as emissions from the primary production of the fuel used in transports. This category includes transports for which Valio receives precise information from its transport partners and, at a rougher level, shipments for which precise route information is not available.
- For transports managed by Valio Finland, emissions are calculated on route-by-route basis. For transports from Finland to subsidiaries, the emissions calculation is mainly based on emissions reports supplied by the transport companies.
- Where emissions reports or more detailed calculations were not available, calculations have been made based on tonnes transported, top-level routing at the national level (km) and assumed mode of transport. All transports were assumed to be by land and/or sea. Emission factors for transport are based on the Defra database.
- Emissions from the primary production of fuels have been included in the transport emissions calculations.

Category 5: Waste generated in operations

- Includes the management of waste generated by Valio’s operations, including production plants, warehouses and offices.

- For Valio Finland, the emission calculation is based on the emission figures generated by the waste reporting system used by the company. For other locations, the emission calculation is based on the amounts of waste generated or estimated to be generated in the operations and on Ecoinvent’s emission factors, taking into account geographical representation. For Valio USA, the calculation is cost based.

Category 6: Business travel

- Includes emissions from employee travel during the workday and, as a voluntarily reported source, emissions from accommodation. Where possible, the primary production of fuels is also included in travel.
- The calculation of business travel emissions has been based mainly on emission reports supplied by travel agencies. Where some emission reports were not available, emissions from business travel have been calculated based on general emission factors.
- Emissions from the primary production of fuels have also been taken into account in the calculation of emissions from business travel, where possible.

Category 7: Employee commuting

- Includes employee travel between work and home and, as a voluntarily reported source, emissions from teleworking. Emissions from the primary production of fuels are included in travel.
- Employee commuting distances are calculated based on average commuting distances and typical modes of transportation. Emissions from the primary production of fuels have been included in the calculation of travel emissions.

- Emissions from teleworking have been estimated based on the teleworking share of total working time and average electricity consumption, according to the Defra database.

Category 8: Upstream leased assets’ primary production

- Includes emissions from the manufacture of the leased assets, which Valio Sweden has voluntarily accounted for as part of its inventory.

Category 9: Downstream transportation and distribution

- Includes outbound goods transports and distribution to the extent that Valio does not organize transports. In practice, this means customer collections.
- The calculation for Valio Finland is based on tonnes transported, top-level routing at the national level (km) and assumed mode of transport. All transports were assumed to be by land and/or sea. Emission factors for transport are based on the Defra database.
- For Valio China and Valio USA, the emissions calculation is based on the emissions from upstream transports and an estimate of the share of customer collections in total transports.

Category 10: Processing of sold products

- Includes a rough estimate of emissions from the processing of products sold by Valio to industrial customers.
- The calculation takes into account products supplied to industrial customers. The calculation is based on general emission factors from the Agribalyse database, taking into account the processing

emissions of the assumed downstream product. The upstream calculation has been done by selecting only one downstream product for each product group, while in reality there are many different downstream processes in industry.

Category 11: Use of sold products

- Includes a rough estimate of emissions from the cold storage and use (heating) of products sold by Valio to end users, such as consumers and restaurant operators.
- The calculation takes into account products delivered to consumers and restaurant operators, etc. The calculation is based on general emission factors from the Agribalyse database, taking into account emissions from refrigeration and use.

Category 12: End-of-life treatment of sold products

- Includes emissions from the end-of-life treatment of the packaging of sold products and food that ends up as food waste. The amount of waste is estimated based on national estimates of the share of waste in all food production.
- The calculation includes emissions from the end-of-life treatment of packaging materials and non-food wholesale sold products as well as the amount of food going to bio-waste based on national estimates of the share of waste. Bio-waste is assumed to end up either in wastewater treatment (liquid products) or in physical bio-waste treatment (solid products). The source of the emission factors used in the calculations is mainly the Ecoinvent database and, for Valio USA, the US Environmental Protection Agency’s database.

Based on materiality, the following value chain Scope 3 emission categories have been excluded from Valio’s GHG inventory:

- Category 13: Downstream leased assets
 - Valio has no such activities, so the emission category is not material.
- Category 14: Franchises
 - Valio has no such activities, so the emission category is not material.
- Category 15: Investments
 - Valio has no investment activities

BIOGENIC CARBON DIOXIDE EMISSIONS

Biogenic carbon dioxide emissions from Valio’s operations have been taken into account as part of the GHG emissions calculation in accordance with the GHG Protocol guidelines. Biogenic CO₂ emissions have been calculated for emissions from the combustion of biomass or biofuels. According to the GHG Protocol, CO₂ emissions from the combustion of biogenic mass can be considered as part of the short carbon cycle, with a corresponding amount of carbon dioxide being sequestered in the plant mass during its growth phase. Therefore, biogenic CO₂ emissions are reported as additional data outside the GHG inventory itself.

In 2024, Scope 1 biogenic emissions from Valio’s operations amounted to 124,610 tCO₂. Valio Finland’s operations were identified as causing biogenic emissions at regional heating plants that use biomass (wood pellets, sawdust, swarf, bark and wood chips) as fuel. Included in the Scope 1 biogenic emissions are those heating plants in which Valio is the only customer. No biogenic Scope 1 emission sources were identified for operations located in other countries.

In 2024, Scope 2 biogenic emissions from Valio’s operations amounted to 36,264 tCO₂. Biogenic emissions were mainly caused by Valio Finland’s operations (36,263 tCO₂). Biogenic emissions from Valio Sweden’s operations were 1 tCO₂.

Included in the Scope 2 biogenic emissions are those heating plants with other customers besides Valio. Valio Sweden’s thermal energy emissions were determined according to the emission data reported by the heat supplier, Stockholm Exergi. The data included the Stockholm office and warehouse operations. No biogenic Scope 2 emission sources were identified for operations located in other countries.

In 2024, Scope 3 biogenic emissions from Valio’s operations amounted to 32,196 tCO₂. Biogenic emissions were mainly caused by Valio Finland’s operations (32,194 tCO₂). Biogenic emissions from Valio Sweden’s operations were 2 tCO₂.

Valio Finland’s operations were identified as causing biogenic emissions in the value chain for district heat purchased and consumed and for the end-of-life treatment of sold products. District heating emissions were calculated as biogenic emissions from primary production of heat energy lost during transmission, using the emission factor for average heat production in Finland. Emissions from sold food products were calculated as the share of waste based on the average food waste in Finland (12.5%) and the emissions from waste treatment based on the assumed waste treatment method. For Valio Sweden, minor emissions related to mixed waste treatment were identified, based on the treatment of municipal waste in Sweden.

Valio USA sells cheese produced under contract manufacturing in the United States, for which waste was calculated based on the national waste rate (35%). Emissions from the disposal of cheese that ended up as waste were calculated using the emission factor for food waste disposal published by the U.S. Environmental Protection Agency. It was possible to itemize potential biogenic CO₂ emissions from the emission factor, so all emissions are reported as part of the inventory itself.

No biogenic Scope 3 emission sources were identified in operations located in other countries.

GHG INTENSITY BASED ON NET REVENUE E1-6

Metrics assured by an external operator. The divisor used for the intensity figure is the consolidated turnover figure in Valio’s financial statements.

GHG INTENSITY BASED ON NET REVENUE

GHG emissions intensity (total GHG emissions per net revenue)

GHG INTENSITY PER NET REVENUE	UNIT	2024
Total GHG emissions (location-based) per net revenue	tCO ₂ e/tEUR	1.07
Total GHG emissions (market-based) per net revenue	tCO ₂ e/tEUR	1.08

NET REVENUE USED TO CALCULATE GHG INTENSITY

NET REVENUE USED TO CALCULATE GHG INTENSITY	tEUR
Net revenue (other)	
Total net revenue (in financial statements)	2,278,466

ESRS E2

POLLUTION

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION

IMPACTS	<ul style="list-style-type: none"> Impact of primary milk production on eutrophication, i.e. pollution of water bodies
RISKS	<ul style="list-style-type: none"> No risks assessed as material
OPPORTUNITIES	<ul style="list-style-type: none"> No opportunities assessed as material

POLICIES RELATED TO POLLUTION E2-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Environmental Policy	In line with its Environmental Policy, Valio wants to support biodiversity in the milk production value chain. The supporting actions are divided into managing negative impacts and increasing positive impacts. Pollution, such as the eutrophication of water bodies, is one of the negative impacts of milk production that reduces biodiversity. Managing diffuse agricultural pollution is essential, particularly in water bodies, where ecological status is assessed as less than good.	Valio Group	<p>The policy has been approved by Valio's Executive Board and is available on Valio's Intranet and website.</p> <p>The policy is reviewed regularly.</p>
Guidelines on milk production practices	The common guidelines on milk production practices drawn up for Valio dairy farms describe statutory requirements as well as Valio requirements and recommendations. They also include guidelines on the environment and natural resources. The dairy farmer undertakes to comply with the production practice guidelines in a Production and quality agreement entered into with the cooperative	Valio Group dairy farms in Finland	<p>The production practice guidelines are available on Valma (the online service for farmers) for all Valio dairy farmers.</p> <p>The production practice guidelines are developed together with Valio's Primary production and cooperative experts, and are reviewed and updated regularly.</p>

ACTIONS AND RESOURCES RELATED TO POLLUTION E2-2

In Valio's primary milk production, nutrient cycling is promoted primarily through regenerative farming and biogas production. In grassland farming, nutrient management is based on manure and its efficient use. Efficient nutrient cycling offers cost effectiveness to the farmer by providing a return on production inputs. Efficient use of manure nutrients also reduces the water impacts of farming.

Regenerative farming actions can optimize nutrient use and improve the nutrient-holding capacity of soil. Good soil health and productivity of arable land reduces nutrient leaching. Nutrient leaching is influenced by soil type, water management, soil structure, nutrient availability, microbiota, root structure, natural conditions and fertilization techniques. Read more about Valio's actions in 2024 in the section [Actions and resources related to climate change](#) E1-3.

The treatment of manure and other agricultural by-products in biogas plants improves nutrient cycling and reduces emissions to air and water. In 2024, Suomen Lantakaasu Oy, a joint venture of Valio and St1 Biokraft, continued the development and construction of industrial-scale manure-based liquefied biogas production. Read more about the progress in the section [Actions and resources related to climate change](#) E1-3.

Valio participated in the food chain's work on water responsibility in the Archipelago Sea Programme, which started in 2024. The effort aims to increase the food chain's actions and practices to reduce the water pollution load. The actions focus on primary

production, and the project aims to implement effective water protection measures to protect the marine environment of the Archipelago Sea and to mitigate diffuse agricultural pollution.

As part of its Food 2.0 project, in 2024 Valio prepared a study modelling the nutrient cycle of the entire Finnish food system together with VTT Technical Research Centre of Finland and other research partners. The nutrient cycle model aims to pinpoint nutrient leakage points in the food system and identify technological and regulatory means to close the cycle. We will pursue funding for the project in 2025 and the aim is to start the actual work in the autumn. Read more about the Food 2.0 project in the section [Valio's strategy, business model and value chain](#) SBM-1.

TARGETS RELATED TO POLLUTION E2-3

Valio does not have separate time-bound and outcome-oriented water eutrophication targets in line with ESRS requirements for monitoring the effectiveness of policies and actions related to water impacts of dairy farms. Valio supports the objectives of the EU Water Framework Directive and the Nature Restoration Regulation.

ESRS E3

WATER AND MARINE RESOURCES

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER RESOURCES

IMPACTS	<ul style="list-style-type: none"> Water consumption during production and in the production of raw materials
RISKS	<ul style="list-style-type: none"> Challenges in availability of raw materials due to drought Tightening of legislation on water consumption
OPPORTUNITIES	<ul style="list-style-type: none"> Savings from more efficient water consumption

POLICIES RELATED TO WATER RESOURCES E3-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Environmental Policy	In line with its Environmental Policy, Valio favours clean and resource-efficient production technologies that are water friendly. In addition, Valio's Environmental Policy requires that its key partners support Valio's practices.	Valio Group	The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website.
Valio's Supplier and Distributor Code of Conduct	Valio communicates its principles to supply chain actors through the Supplier and Distributor Code of Conduct. Supply chain partners must identify, manage and reduce the significant environmental impacts of their activities and demonstrate continuous improvement in the environmental performance of their operations, including through more efficient use of natural resources.	Valio suppliers, distributors and other partners	The policy is reviewed regularly.
Valio dairy farm production practice guidelines	The common guidelines on milk production practices drawn up for Valio dairy farms describe statutory requirements as well as Valio requirements and recommendations. They also include guidelines on the environment and natural resources. The dairy farmer undertakes to comply with the production practice guidelines in a Production and quality agreement entered into with the cooperative.	Valio Group dairy farms in Finland	<p>The production practice guidelines are available on Valma (the online service for farmers) for all Valio dairy farmers.</p> <p>The production practice guidelines are developed together with Valio's Primary production and cooperative experts, and are reviewed and updated regularly.</p>

ACTIONS AND RESOURCES RELATED TO WATER RESOURCES E3-2

In Valio's production, water consumption is most affected by the product mix, i.e. the number of product names, the number of semi-finished products needed to make a single product, and the size and number of production batches. All these factors contribute to how much washing must be done to the production equipment. The increasing production of plant-based products on the same production lines as milk-based products further increases the need for washing to control allergen risks. In 2022, Valio developed a concept to improve water efficiency at production plants; the concept primarily identifies the plant's water consumption points and the ability to monitor the water consumption of the main consumption points. The concept involves measurements, inspections and calculations. It enables the planning of actions to reduce water use and expand the use of recycled water. Valio's target is to carry out a concept-aligned study of one production site per year. In 2024, the study was carried out for one site, in line with the target. Typically, water consumption efficiency is boosted through operational optimization and efficiency improvements and other actions, which are widely pursued.

The monitoring of production plant wastewater volumes in relation to the amount of raw milk received is included in Valio's environmental targets. The monitoring of wastewater volume simultaneously takes into account the consumption of clean water, maximization of the use of recycled water and the load on wastewater treatment plants caused by the wastewater volume. The Valio project that will have the most significant impact on the wastewater load and waste-

water volume in the near future is the construction of a new washing centre at one of its sites. The commissioning of the plant is scheduled for 2025–2026.

TARGETS RELATED TO WATER RESOURCES E3-3

Valio does not currently have time-bound and outcome-oriented water consumption targets in line with the ESRS requirements for monitoring the effectiveness of related policies and actions. The sustainability targets will be modified possibly in the upcoming years. Currently, Valio monitors the effectiveness of its water consumption policies and actions by the volume of wastewater in relation to milk received.

VOLUME OF WASTEWATER IN RELATION TO MILK RECEIVED

The monitoring of production plant wastewater volumes in relation to the amount of raw milk received is included in Valio's company-level environmental targets. The monitoring of wastewater volume simultaneously takes into account the consumption of clean water, maximization of the use of recycled water and the load on wastewater treatment plants caused by the wastewater volume. In practice, a reduction in wastewater volume always leads, either directly or indirectly, to a reduction in the consumption of domestic water. Valio's environmental targets are based on concrete wastewater reduction projects planned at the production plants, aimed at reducing the use of clean domestic water.

In 2024, Valio's environmental target for its Finnish operations was based on the volume of wastewater in relation to the raw milk received. The aim was to limit the growth of the indicator to no more than 0.7%

during 2024. The indicator increased by 4.0% during the year. This was due to market-driven changes in production, an acquisition with impacts that were not known at the time the target was set, and a decrease in the volume of raw milk received. For 2025, a target has been set for specific wastewater volume, which is calculated taking into account not only the volume of raw milk received but also the amount of plant-based production.

Targets are set for the calendar year and their achievement is regularly monitored in the Valio Executive Board members' follow-up meeting as well as once a year in the top management review of the ISO 14001-certified environmental management system.

WATER CONSUMPTION E3-4

Water consumption (related to material impacts, risks and opportunities).

WATER CONSUMPTION AT VALIO PRODUCTION PLANTS, BY SOURCE

WATER CONSUMPTION AT VALIO PRODUCTION PLANTS, BY SOURCE	UNIT	2024 (FINLAND)	2024 (ESTONIA)	2024 (TOTAL)
Municipal water	m ³	4,521,347		452,1347
Groundwater (own wells)	m ³	400,994	582,856	983,850
Surface water (own treatment)	m ³	104,365		104,365
Domestic water consumption, total	m³	5,026,108		5,609,562
Cooling water withdrawal from water body (returned to water body)	m ³	3,257,654		3,257,654
Total water recycled and reused	m ³	1,077,678		1,077,678
Total water consumption	m³	9,361,440	582,856	9,944,894
Stored water				
Total water stored	m ³	0	0	0
Changes in water storage	m ³	0	0	0
Water consumption in water risk areas in cubic meters	m³	0	0	0

Description of methodologies and assumptions

The purchased water is based on continuous measurement of the total water intake billed by the waterworks. The intake of own water (groundwater and surface water) and cooling water is measured as the total water intake through continuous process measurement. Recycled water is measured as the use of recycled water. There is also unmeasured use of recycled water that has not included in the reported.

WATER INTENSITY BASED ON NET REVENUE

Total water consumption in own operations in cubic meters per million EUR net revenue.

WATER INTENSITY PER NET REVENUE	UNIT	2024
Total water consumption in own operations per net revenue	m ³ /tEUR	4.36

NET REVENUE USED TO CALCULATE WATER INTENSITY

NET REVENUE USED TO CALCULATE WATER INTENSITY	tEUR
Net revenue (other)	
Total net revenue (in financial statements)	2,278,466

The divisor used for the intensity figure is the consolidated turnover figure in Valio's financial statements.

ESRS E4

BIODIVERSITY AND ECOSYSTEMS

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY

IMPACTS	<ul style="list-style-type: none"> • Climate impacts of milk production • Grazing of cows • Primary production of raw materials contributing to deforestation
RISKS	<ul style="list-style-type: none"> • No risks assessed as material
OPPORTUNITIES	<ul style="list-style-type: none"> • No opportunities assessed as material

BIODIVERSITY TRANSITION PLAN E4-1

A scenario and resilience analysis related to biodiversity can be read in the section [Material impacts, risks and opportunities related to climate](#) ESRS 2 SBM-3.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY ESRS 2 SBM-3

Valio’s material impacts on biodiversity are related only to milk production and the primary production of risk raw materials, and Valio has no operational control over these sites. No material impacts on land degradation, desertification or soil sealing have been identified.

Food production has many impacts on biodiversity. In the double materiality assessment, the climate impacts of milk production, grazing and the primary production of raw materials contributing to deforestation were identified as having material impacts on nature.

The biggest source of greenhouse gas emissions in Finnish milk production is from the methane produced by cows and from peatland cultivation. On the other hand, in the milk value chain, regenerative farming can sequester carbon in arable land. Accelerating climate change has a negative impact on species and habitats, but reducing climate emissions and increasing sinks in the primary production of milk can effectively mitigate its climate impacts.

The positive impacts and opportunities of milk production are related to the ability of grazing animals to maintain unique habitats through grazing. The biodiversity-supporting impact of grazing is based on a diverse grass seed mix in pastures and the fact that cattle graze lightly on vegetation throughout the growing season. At the same time, cattle manure piles remain in the pasture, attracting insects and the birds that prey on them. Natural pastures and traditional biotopes, which can be used for grazing young cattle and dry cows, maintain endangered habitats. Grazing increases the number of plant species, for example by levelling out competition between plants, giving smaller plants more light and space to grow. One in four endangered species in Finland live in traditional biotopes.

Valio’s sites are located in areas zoned as industrial, two of which have nesting areas for the Siberian flying squirrel. There are Siberian flying squirrel’s migration routes in the vicinity of Valio’s headquarters area. One moss that is classified as critically endangered has been found in the area of one of the production plants. Valio’s operations have no identified impacts on endangered species.

POLICIES RELATED TO BIODIVERSITY E4-2

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Environmental Policy	In line with its Environmental Policy, Valio wants to support biodiversity in the milk value chain. This means managing and reducing negative impacts and increasing positive impacts. Valio is aware of its environmental impacts and is committed to continuously developing its operations to reduce them.	Valio Group	The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website.
Valio's Supplier and Distributor Code of Conduct	Valio has a separate Code of Conduct for suppliers and distributors, through which the company sets the sustainability principles for the supply chain. The Supplier and Distributor Code of Conduct will be updated in 2025. Among other things, the updated Code of Conduct will take into account in more detail the requirements of the new Deforestation Regulation.	Valio suppliers, distributors and other partners	The policy is reviewed regularly.
Raw materials policies	Valio has identified raw materials with globally known sustainability risks, the sourcing of which is given special attention. Of these, coffee, cocoa, soy and palm oil have separate raw material policies that support their responsible sourcing. The production of these raw materials may be linked to deforestation and, together with timber, beef and rubber, they are covered by the EU Deforestation Regulation.	Valio Group	Raw materials policies are approved by Valio's BU Leadership meeting and available on Valio's intranet and website.
Production practice guidelines	The common guidelines on milk production practices drawn up for Valio dairy farms describe statutory requirements as well as Valio requirements and recommendations. They also include guidelines on reducing climate impacts, maintaining biodiversity and soil condition and nutrients. The dairy farmer undertakes to comply with the production practice guidelines in a Production and quality agreement entered into with the cooperative.	Valio Group dairy farms in Finland	<p>The production practice guidelines are available on Valma (the online service for farmers) for all Valio dairy farmers.</p> <p>The production practice guidelines are developed together with Valio's Primary production and cooperative experts, and are reviewed and updated regularly.</p>

Read more about the principles related to the climate impacts of milk production in the section [Policies related to climate change](#) E1-2.

In its production practice guidelines, Valio encourages dairy farmers to not only protect biodiversity but to also increase the protection based on their own resources. Recommended biodiversity indicators for dairy farms include, for example, the surface area of pastures, the surface area of nature management fields, the number and surface area of buffer strips, traditional biotopes, wetlands etc, and the number of animals of indigenous breeds or the surface area of arable land of landrace crops.

Common production practice guidelines have been introduced for Valio dairy farms. The guidelines include aspects of sustainable agriculture. Among other things, the production practice guidelines recommend grazing for all animal groups and encourages regenerative farming. The voluntary sustainability bonus described in Valio's production practice guidelines is part of the dairy farmers' income formation. Valio provides financial support for the management of material nature impacts, for example by paying for animal grazing and for climate actions taken by farms.

ACTIONS AND RESOURCES RELATED TO BIODIVERSITY E4-3

Valio promotes sustainable farming practices by paying dairy farms a sustainability bonus. The voluntary actions of Valio Group's sustainability programme encourage Valio dairy farmers to go beyond the statutory requirements in their sustainability work. In the sustainability programme, milk producers can earn extra cents for the milk they produce, through actions that support biodiversity, by increasing cow grazing and outdoor exercise, and by working to reduce the farm's carbon footprint. For example, in 2024, 76% of Valio farms grazed one of their livestock groups. Read more about the sustainability bonus in the section [Valio's Climate Programme](#) E1-1.

Regenerative agriculture is an integral part of Valio's four-year research, development and innovation project Food 2.0. The project aims to create a nature-smart food system in Finland in which growth, profitability and added value are built on the basis of sustainable production. In 2024, Valio started creating a network of partners for the project and developing research projects on issues related to managing the climate impacts of milk production and the impacts of cow grazing. Read more about the Food 2.0 project in the section [Valio's strategy, business model and value chain](#) SBM-1.

In 2024, Valio continued participating in the EU's five-year CircHive project, which is developing methods for biodiversity footprint and natural capital accounting. The development of metrics related to biodiversity will continue in 2025. Valio wants to develop a tool that is tailored to conditions at dairy farms in Finland.

Valio has identified key risk raw materials from a sustainability perspective. In 2024, Valio started establishing a system and more detailed policies for the risk raw materials defined in the EU Deforestation Regulation to help it meet its due diligence obligation in the value chain. During 2025, this work will be implemented in practice and become part of the company's operations. Read more about the progress of the risk raw material policies in the section [Value chain sustainability targets](#) S2-5.

For more information on actions related to the climate impacts of milk production, see the section [Actions and resources related to climate change](#) E1-3.

At Valio, actions related to biodiversity and ecosystems are combined with nature-based solutions. For example, regenerative farming, grazing on high value areas and wetlands are actions that are based on the potential of nature's own processes. Valio encourages dairy farms to implement these actions in its production practice guidelines and pays a voluntary sustainability bonus to the farms that do so.

TARGETS RELATED TO BIODIVERSITY E4-4

At present, Valio does not have time-bound and outcome-oriented biodiversity and ecosystem targets in line with ESRS requirements for monitoring the effectiveness of the related policies and actions. Valio's Nature Programme is expected to be rolled out in 2026. It is linked to the Climate Programme, and it aims to achieve significant positive impacts on the state of nature. The Nature Programme is built around the negative pressures on nature identified by IPBES (Intergovernmental Panel on Biodiversity and Ecosystem Services) and the positive impacts identified in Valio's value chain. In 2024, Valio continued developing the Nature Programme through a series of workshops.

ESRS E5

RESOURCE USE AND CIRCULAR ECONOMY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

IMPACTS	<ul style="list-style-type: none"> Consumption of natural resources Use and disposal of packaging materials Waste (raw materials, products, food)
RISKS	<ul style="list-style-type: none"> Regulation targeting packaging materials and tightening legislative requirements
OPPORTUNITIES	<ul style="list-style-type: none"> New innovations in circular economy

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY E5-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Environmental Policy	Valio has an Environmental Policy that is applicable to its operations. Accordingly, Valio is committed to setting environmental targets to reduce its environmental impacts and to improve its material efficiency. In line with the policy, Valio takes into account the environmental impacts of packaging materials. In order to promote a circular economy, packaging materials made from renewable materials and, where possible, from recycled materials, and suitable for collection and recycling schemes are favoured. In addition, circular packaging arrangements in the supply of raw materials and chemicals are favoured to avoid waste. Waste management aims to sort recyclable materials at source and deliver them for recycling. Valio Ltd has an ISO 14001-certified environmental management system covering its operations in Finland and Estonia.	Valio Group	<p>The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website.</p> <p>The policy is reviewed regularly.</p>
Supplier and Distributor Code of Conduct	Valio has a separate Code of Conduct for suppliers and distributors, which sets out the supply chain sustainability principles. It requires suppliers to identify, manage and reduce the significant environmental impacts of their activities and to take reasonable steps to protect the environment and to use natural resources more efficiently.	Valio suppliers, distributors and other partners	
SUP Green Deal	In October 2023, Valio signed a Green Deal with the Ministry of the Environment and other industry operators to reduce the use of plastic single-use packaging. In the agreement, Valio commits to reduce the amount of plastic used in single-use portion packaging by 15% by the end of 2026 (base year 2022). This means 143 tonnes less plastic per year.	Finland	Accessible on Commitment2025 website

ACTIONS AND RESOURCES RELATED TO CIRCULAR ECONOMY E5-2

RESOURCE EFFICIENCY IN PRODUCTION

Valio aims to use raw materials and commodities resource-efficiently. In waste management, the aim is to implement the first-priority principle of diverting as much material as possible for reuse and recycling. In 2024, Valio continued to focus on the diversion of plastics and cardboard to material recycling in the waste management of its sites. In fact, the collection volumes of these fractions increased significantly.

In production and washing, Valio uses recycled water, i.e. water that has been collected from production, evaporation processes and membrane processes and, when necessary, purified. Expanding the use of recycled water has potential and supports the target of reducing wastewater volume and, indirectly, also reducing the use of clean water. Valio's production plants in Finland are connected to municipal wastewater treatment plants, and the necessary industrial wastewater agreements are in place with their operators. The load limits in these agreements are also part of the production plants' environmental permits. Valio's production plants in Estonia have their own wastewater treatment plants.

In 2024, Valio's investments to reduce its environmental impacts in Finland amounted to 1.0 million euros, and the total environmental expenditure recognized as an expense was 14.3 million euros. The single most significant investment contributing to environmental impact management was the participation in the costs of renovating the wastewater treatment plant at one site.

ENVIRONMENTALLY SMART PACKAGING

Valio continued its efforts towards more environmentally smart packaging in 2024. The measures taken are in line with the obligations of the new Packaging and Packaging Waste Regulation.

In 2024, projects aligning with the SUP Green Deal to reduce the consumption of single-use plastic portion packaging were implemented: the plastic used in Valio yoghurt cups was reduced by 8% and the switch from plastic to carton cups continued with PROfeel® puddings and some PROfeel® quarks, for example. The year also saw the introduction of cheese block packaging with 9% less plastic and sliced cheese packaging with 10% less plastic. By the summer of 2024, Valio switched to tethered caps for all beverage packaging under 3 litres, compliant with the SUP directive. Under the SUP Green Deal, Valio commits to reducing the plastic used in single-serving SUP packaging by 15% by 2026, compared to 2022.

Valio aims to further increase the use of renewable and recycled materials in its single-use packaging. In the future, all Valio packaging will be recyclable. In the coming years, Valio aims to clarify the requirements of the Packaging and Packaging Waste Regulation and to start projects to prepare for them within the transitional periods of the regulation. The projects will aim at reducing the amount of packaging material, meeting the packaging reuse obligation, recyclable packaging and increasing the use of recycled plastic.

MILK RAW MATERIAL WASTE

Reducing milk waste in Valio's production is important from a cost, productivity and environmental perspective. By reducing waste, products can be made from a smaller quantity of raw material, as the milk can be utilized in its entirety. At the same time, fewer emissions are generated. In 2024, Valio reduced waste in its production through dozens of development projects. Waste reduction is part of the strategic #2025 programme, launched in 2022, which aims to increase the milk return through efficiency improvements, operational development, and new profitable business.

Valio's main objective is to reduce waste from the use of milk raw material and from quality defects and operations by 50% over a four-year period (2022-2025). In 2024, Valio continued the #2025 programme-related renewal of operational reporting and the strengthening of technological capability as well as implementation of Lean Six Sigma projects. This enables better knowledge-based management, development of the milk raw material reporting system to support day-to-day management and real-time analysis. We expanded the use of the technology platform of the plants' automation systems to support and assist various operational applications. In doing so, we are making waste a more transparent part of daily management practices.

TARGETS RELATED TO RESOURCE EFFICIENCY AND CIRCULAR ECONOMY E5-3

Packaging-related targets are included in the targets of Valio's sustainability focus areas. Read more in the section [Sustainability focus areas and targets](#). Additionally, Valio monitors the effectiveness of its resource efficiency and circular economy policies and actions through milk raw material waste and wastewater load.

Currently, Valio's resource efficiency targets to monitor the effectiveness of resource efficiency policies and actions are not fully compliant with ESRS requirements. The sustainability targets will be modified possibly in the upcoming years.

PACKAGING

Valio aims for environmentally smart packaging. The company is committed to protecting products and thereby minimising food waste, to using packaging materials that are suitable for reuse as raw materials, and to minimising climate impacts by using renewable or recycled packaging materials. The carbon footprint of Valio's packaging is less than one percent of the product's total carbon footprint.

In 2024, Valio updated its targets to comply with the new Packaging and Packaging Waste Regulation and the requirements of the Sustainability Reporting Standard. The goal is that all self-produced single-use packaging of our branded products are recyclable by 2030. In addition, the aim is that 80% of all packaging materials used are made from either renewable or recycled materials.

MILK RAW MATERIAL WASTE

In 2024, Valio succeeded in further reducing waste by around 5 million litres of milk, which is equivalent to around 138 tanker truckloads of milk. Projects under the #2025 programme reduced milk raw material waste by around 8% compared to the previous year.

WASTEWATER LOAD

In 2024, Valio had a target for wastewater load in relation to raw milk received. Valio’s wastewater load stems from raw materials from production and products that end up in wastewater. The target aims to prevent the generation of waste and to improve the efficiency and minimize the use of raw materials and

commodities. It is part of Valio’s obligations under the ISO 14001-certified environmental management system.

Valio’s target for wastewater load in 2024 was to limit the year’s increase in the COD load in wastewater relative to raw milk received to no more than 0.1%. Although Valio’s wastewater load decreased as predicted, the indicator ended up 1.3% higher due to a decrease in the volume of milk received. The 2025 target is set for the specific wastewater load, which is calculated taking into account not only raw milk but also plant-based production.

RESOURCE INFLOWS E5-4

Resource inflows related to its material impacts, risks and opportunities.

USE OF RAW MATERIALS AND MATERIALS AT VALIO PRODUCTION PLANTS IN 2024

USE OF RAW MATERIALS AND MATERIALS AT VALIO PRODUCTION PLANTS IN 2024	UNIT	FINLAND	ESTONIA	TOTAL
Raw milk	tn	1,690,544	220,797	1,911,341
Fruits and fruit preparations	tn	10,579	1,562	12,141
Other raw materials (sugar, salt, vegetable oil etc.)	tn	24,593	704	25,297
Total raw materials	tn	1,725,716	223,063	1,948,779
Packaging materials	tn	21,331	2,478	23,809

Valio’s main raw material is milk. Other raw materials include juice concentrates, vegetable oils, berries, sugar, fruit purees, chunks and concentrates, and cereals. In 2024, Valio used 23,811 tonnes of packaging material to package its products.

SHARE OF RENEWABLE AND RECYCLED MATERIALS

SHARE OF RENEWABLE AND RECYCLED MATERIALS	UNIT	FINLAND	ESTONIA	TOTAL
Total renewable/recycled materials used in packaging production	tn	15,648	1,700	17,348
Share of renewable/recycled materials used in packaging production	%			73

Of the packaging materials used by Valio, 73% (17,349 tonnes) were made from renewable or recycled materials.

The milk raw material quantity is obtained from Valio’s calculation for monitoring the use of raw material. Other raw material quantities are obtained from the SAP report of the Valio procurement function’s purchased raw materials after the quantities of all purchased items have been converted into kilo-

grams and grouped by procurement category. The quantity of purchased water comes from measurements and invoices from water companies.

The figures, kilograms and percentages used in the target setting for packaging materials are based on the year’s actual sales. These figures include own brands produced in Valio’s own production facilities, including Oddlygood®, Gold&Green®, Alma and PROfeel®.

RESOURCE OUTFLOWS E5-5

Packaging durability and waste outflows.

PRODUCTS AND MATERIALS

PACKAGING	UNIT	REPORTING PERIOD	FINLAND	ESTONIA	TOTAL
Rate of recyclable content in Valio packaging	tn	2024	17,769	2,309	20,077
Rate of recyclable content in Valio packaging	%				84

WASTE

WASTE OUTFLOWS	UNIT	2024
Non-hazardous waste		
Composting and biogas processing (food waste)	tn	17,046.01
Material recycling (plastic, metal, glass, paper)	tn	2,025.9
Waste to energy	tn	1,209.6
Non-hazardous waste diverted from disposal, total	tn	20,281.51
Incineration	tn	478.4
Landfill waste	tn	15.2
Non-recycled waste, total	tn	493.6
Non-hazardous waste, total	tn	20,775.11
Hazardous waste		
Reuse	tn	
Recycling	tn	
Waste to energy	tn	
Hazardous waste diverted from disposal, total	tn	
Incineration	tn	
Hazardous landfill waste	tn	
Non-recycled hazardous waste, total	tn	
Hazardous waste	tn	176.0
Total amount of waste generated	tn	20,951.1
Share of renewable and recycled materials		
Total non-recycled waste	tn	493.6
Share of non-recycled waste	%	2.4

In 2024, Valio used 23,811 tonnes of packaging material to package its products. 84% (20,077 tonnes) of the packaging materials were suitable for reuse as raw materials, or recyclable packaging materials.

Valio's waste volumes are based on the waste volumes reported in the environmental reports of its sites. The data for the sites are based either on information obtained directly from waste companies or on reports obtained through the central waste reporting service on actual waste volumes. The same data are used for reporting under the environmental permits of the sites, i.e. the data are also monitored by the environmental protection authorities.

The figures, kilograms and percentages used in the target setting for packaging materials are based on the year's actual sales. These figures include own brands produced in Valio's own production facilities, including Oddlygood®, Gold&Green®, Alma and PROfeel®.



SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

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ESRS S1

OWN WORKFORCE

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

IMPACTS	<ul style="list-style-type: none"> Working conditions (including working time, work-life balance, privacy) Health and safety Equality and non-discrimination Training and skills development
RISKS	<ul style="list-style-type: none"> Employee resilience challenges and sick-leave costs
OPPORTUNITIES	<ul style="list-style-type: none"> Committed, capable and content employees

INTERESTS AND VIEWS OF STAKEHOLDERS ESRS 2 SBM-2

Recognition of the interests, views and rights of Valio's own workforce in Valio's strategy and business model is reported in the section [Interests and views of stakeholder](#) SBM-2, S1- ESRS 2 SBM-2, S2- ESRS 2 SBM-2.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL ESRS 2 SBM-3

Material impacts related to workforce are identified as part of the materiality assessment. Read more about the materiality assessment process in the section [Impacts, risks and opportunity management](#) IRO-1, E1- ESRS 2 IRO-1, E2- ESRS 2 IRO-1, E3- ESRS 2 IRO-1, E4- ESRS 2 IRO-1, E5- ESRS 2 IRO-1.

Valio has extensive positive impact opportunities related to its own workforce. Material impacts in terms of its own employees have been identified as working conditions, health and safety, equality and non-discrimination, and training and skills development. These impacts relate to the nature of the work and the working environment. At production plants, the emphasis is on work safety and in office work on working time. The business risks identified are the challenges of employee resilience and sick-leave costs, and the business opportunity identified is committed, capable and content employees. The identi-

fied impacts, risks and opportunities are taken into account in the strategy and operations. People are at the heart of Valio's strategy, and Valio wants to ensure that its workforce has a fair, equal, supportive, safe and healthy workplace.

POLICIES RELATED TO OWN WORKFORCE S1-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Valio's Code of Conduct	Policies affecting Valio's employees are defined at the top level as part of Valio's Code of Conduct. The principles are related to leadership approach, equality, competence development, terms of employment, working time, remuneration, and safety and wellbeing at work. The principles on discrimination and harassment cover the forms of discrimination covered by European Union regulations and national legislation. The policies are introduced as part of the Code of Conduct training, and any behaviour in violation of it is addressed immediately.	Valio Group	The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website. The policy is reviewed regularly.
Supervisory handbook	Each country of operation has its own supervisory handbook or equivalent document describing the policies and practices related to the employment and working conditions of workforce. The document is more specific than at Group level and takes into account the requirements of local legislation.	Country-specific policy documents	Supervisory handbooks are the responsibility of HR in each country and are available to employees.
Occupational Health and Safety Policy	Valio has an Occupational Health and Safety Policy that applies to the Group as a whole. The goal of the policy is to remove or minimize risks to personnel, operations and property, to control stress factors, to ensure uninterrupted operations, and to ensure the occupational health and work ability of personnel throughout the employment life cycle. Valio has a policy-compliant occupational health and safety management system, and the company is committed to developing occupational health and safety controls in all of its operations and to complying with the legal and other key requirements applicable to its operations.	Valio Group	The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website. The policy is reviewed regularly.
ISO 45001 standard	Valio's operations comply with the requirements of the occupational health and safety standard ISO 45001, and operations are developed in line with the standard. The implementation of standard-aligned operations was started in 2021 and completed in Finland in 2023. A decision on possible certification of the system will be made separately.	Valio Group	Valio's head of HSEQ is responsible for the business model.

MANAGEMENT OF HUMAN RIGHTS IMPACTS

In line with its Code of Conduct, Valio is committed to respecting key international agreements and guidelines, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child.

Valio manages and mitigates the human rights risks it identifies as part of its human rights due diligence process. The impacts identified through the human rights impact assessment guide the actions at Valio, and the development of topics requiring action is included in the action plans of the functions responsible for the topics. Topics include:

- safety and wellbeing of employees
- diversity and employer practices
- safe and healthy products
- sustainability in the supply chain

No impacts on Valio's own employees in relation to human trafficking, forced labour and the use of child labour have been identified. In accordance with the Code of Conduct, Valio does not tolerate the use of child labour, human trafficking, forced labour, or work in which an individual is put in a position similar to forced labour.

Quality leadership and supervisory work are part of the Valio leadership promise. Our leadership culture is based on coaching leadership that is inclusive and supportive. The aim is to strengthen the psychologically safe working environment where employees can generate new insights, new ideas and solutions. We actively develop the competence and leadership of Valio employees.

ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES S1-2

COOPERATION

There is regular interaction between management and employees, and issues are discussed openly. Valio has a permanent cooperation body ("Cooperation Group") with representatives from all Valio personnel groups. The meetings of the Cooperation Group, which take place approximately 4-5 times per year, fulfil the obligation of continuous dialogue between the employer and the employee representatives in line with the Cooperation Act. The term of office of the Cooperation Group's members and alternates is two (2) years, and the term of office changes at the turn of the calendar year.

A meeting of Valio's senior management and representatives of all personnel groups is held twice a year. These events encourage dialogue, giving employees the opportunity to increase their understanding of Valio's business and to raise any topics they wish to discuss with management representatives.

COOPERATION IN OCCUPATIONAL HEALTH AND SAFETY

The safety-related situation, information and news are passed through the occupational health and safety delegates, the occupational health and safety officers, and the safety steering group and safety management team to the Valio Executive Board. All Valio's sites have a joint body for occupational health and safety, the occupational health and safety committee, comprising representatives of the employer and the employees. It meets at regular intervals to develop occupational

health and safety issues in the workplace through dialogue. The activities and roles of the occupational health and safety committee are defined in Valio’s internal procedure guidelines. The occupational health and safety delegates represent workers in day-to-day activities, such as in risk assessments and in investigations of work injuries and hazardous situations.

PROCESSES AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS S1-3

Valio has defined thematic remedial action policies for cases of non-compliance and for situations where potential violations of Valio’s Code of Conduct occur.

VALIO OBSERVATIONS CHANNEL

In Finland, Valio has in place an observation system where employees can report initiatives as well as observations and near misses related to safety and food safety. All observations are investigated. The thoroughness of the investigation and the resourcing and scheduling of the defined control measures are based on the estimated magnitude of the risk.

Employees are regularly informed about the existence and features of the observation system, and they are trained in its use. The use and contents of the system are presented in mandatory safety training for all employees, and information about the system is also included in the induction plan of every Valio employee.

VALIO WHISTLE CHANNEL

If a person working for Valio experiences or observes financial misconduct or other unlawful or unethical conduct, they are instructed to discuss the matter first with their own supervisor or to report it to Valio’s HR

Director, Legal Affairs, or Risk Management. Sensitive issues can also be reported through the Valio Whistle reporting channel, which is available to all employees on Valio’s intranet. Read more about the Valio Whistle channel in the section [Business conduct policies and corporate culture](#) G1-1.

ACTIONS RELATED TO OWN WORKFORCE S1-4

WORKPLACE PRACTICES

Valio’s white-collar employees and senior salaried employees in Finland have flexible working hours or flexible working time. Work-life balance is also supported by hybrid working practices (recommended average of 2 days per week of on-site work where possible). This practice was further refined during 2024.

Based on the results of the 2024 Valio Voice employee survey, health and wellbeing (including a safe working environment, work-life balance and an open culture of discussion) was selected as one of the focus areas for 2025. Resilience at work is supported through, for example, biannual mental wellbeing weeks, coaching for supervisors, and cooperation with occupational health care.

Valio promotes workforce availability by developing models for employing foreign-language speakers and by intensifying cooperation with educational institutes (with two pilot projects carried out in 2023-2024). In addition, Valio actively participates in industry fairs and recruitment events and targets its employer marketing to social media platforms.

COMPETENCE DEVELOPMENT

The aim of competence development at Valio is to ensure that the workforce has opportunities to develop their skills in their current positions and to prepare for changing competence needs. Job-specific competences and various qualifications provide a strong foundation of skills, especially in production, warehousing and wholesale operations. Work safety and food safety are critical in Valio’s production environment. At the beginning of 2024, procedural guidelines on quality and food safety training were introduced; the guidelines define role-specific training requirements and their refresher requirements. The guidelines were updated in late 2024 to cover also Valio-level requirements for occupational safety and environmental training.

During 2024, the entire personnel of the headquarter’s functions as well as the production plant and warehouse employees participated in a coaching programme to strengthen the culture of coaching leadership and work approach. The coaching programme will continue in 2025-2026 in the subsidiaries, thereby covering Valio employees in all countries of operation. The embedding of the coaching leadership culture in the Finnish production plants and support operations will continue in 2025, for example, by developing ways to assess and measure coaching leadership and through HR development services to support supervisors and leadership teams in their development needs and leadership challenges. The principles of coaching leadership have been integrated into the induction processes for supervisors and all new Valio employees. In addition, new supervisors participate in ‘Succeed as a supervisor’ training that also covers topics on supporting wellbeing at work, and performance and competence management.

Business insight is developed through coaching programmes in competence areas that are important for Valio’s competitiveness. The growth, networking and transferring the tacit knowledge of Valio employees are supported through networks, sparring, coaching and mentoring. The most valuable benefit of the global mentoring programme that ended in 2024 was the interaction of the mentor pair and the increased insight about Valio’s business.

Common training courses defined annually at Group level ensure that all Valio employees have sufficient knowledge of important current topics. In 2024, all Valio employees globally were required to complete training in Code of Conduct, information security and data protection. In 2025, the focus will be on safety and performance-based management. The training will continue to focus on information security and risk management topics to ensure that employees know how to respond appropriately to potential data security threats and understand the requirements of data protection legislation.

Eduhouse’s e-learning service supports continuous learning alongside work. In 2024, Valio employees spent around 2,500 hours developing their work-life skills; project management, data tools and artificial intelligence were among the most popular training topics. AI competence has been identified as a particularly important future work-life skill, which will be developed by expanding the Microsoft 365 Copilot pilot, by providing comprehensive training and by sharing best practices through AI ambassadors.

NON-DISCRIMINATION

Valio’s equality and non-discrimination plan covers the years 2024–2026. In 2024, it focused in particular on strengthening work communities and increasing inclusion through a coaching leadership programme. The programme focused on embracing diversity so that all employees can feel valued and do their best. Among other things, DiSC profiles were created for supervisors and specialists to help them understand and make the most of diversity in working life. In 2024, Valio supervisors in Finland also completed mandatory training on conflict and improper behaviour.

Valio continued the work on the employment of non-Finnish-speaking workers. The safe event liaison model was piloted at a few events and the experiences were very positive. The model will be adopted at Valio’s large events that all employees participate, such as Christmas parties.

WELLBEING AT WORK

In 2024, Valio promoted the mental wellbeing theme globally for the fourth consecutive year. The theme for spring 2024 was sufficient resources, with the topic of respectful encounters as a work community resource. Valio sees the work community and supportive colleagues as a strength that it wants to further strengthen. Actions around this theme included a webinar on respectful encounter and a supervisor sparring. It offered supervisors the tools to ensure the resources for a smooth daily life both at work and in free time. The autumn theme was good sleep, and it focused on brain health and in particular on the importance of sleep and exercise for brain health.

Actions to strengthen mental wellbeing and a focus on the prevention and timely treatment of musculoskeletal disorders produced good results. Absences related to mental health challenges and musculoskeletal disorders decreased in 2024 compared to the previous year. The good results were achieved through close cooperation between supervisors, employees, HR, occupational safety and the occupational health care.

In recognition of Valio’s commitment to mental wellbeing, it was nominated again in 2024 as a “Mental Health Friendly Workplace” by the MIELI Finnish Association for Mental Health.

WORK SAFETY

In 2023, a renewed work permit procedure was rolled out at Valio’s sites in Finland to improve the safety of particularly hazardous work in production and maintenance. In 2024, the rollout started at two plants in Estonia. Valio also updated its hot work procedure and authorization process to further improve the safety of people and property. To prevent serious accidents at work, the safety rules were updated and a topic-related internal communication campaign was carried out.

In 2024, a major project was launched in the Group’s HSEQ (Health, Safety, Environment, Quality) organization to create and describe standardized procedures for assessing explosion hazards, for classifying potentially explosive atmospheres, for preparing explosion protection documents and for the documentation of these. The project is a major effort for which the planning, piloting and rollout is expected to continue until 2026. The project will improve risk management of fire and explosion hazards from chemicals and dusts.

TARGETS RELATED TO OWN WORKFORCE S1-5

At present, Valio’s own workforce-related targets to monitor the effectiveness of workforce-related policies and actions are not fully compliant with ESRS requirements. The sustainability targets will be modified, possibly in the coming years.

Targets related to own workforce are part of Valio’s sustainability focus area targets, which are used to monitor the effectiveness of policies and actions. Read more in the section [Sustainability focus areas and targets](#).

INJURY FREQUENCY RATE

Valio works to prevent every injury and accident. Compared to the previous year, work-related injuries decreased both in number and frequency. An important success in Finland reducing the injury absence rate (days of sick leave/million hours worked) by half compared to the previous year – for the second year in a row. The injury absence rate in 2024 was 68 days of absence, and the number of absences due to injuries was the lowest in Valio’s measurement history. In 2024, work-related injuries were mild, on average, and the periods of disability caused by them were short. Valio had several sites that were injury-free: Helsinki juice plant, Haapavesi plant, Pitäjänmäki headquarters, Tampere terminal, Helsinki wholesale, Vantaa wholesale and Kuopio wholesale. In addition, Valio’s largest production plants, Lapinlahti and Seinäjoki, achieved Valio’s injury frequency rate target of five or less.

All Valio people can follow development in the injury frequency rate on the intranet homepage.

SICKNESS ABSENCES

Valio Ltd’s sickness absence rate in 2024 was 3.7%. Compared to the previous year, it decreased by 0.3 percentage points and the number of sick leave days decreased by 6.7%. Valio focused in particular on the prevention and timely treatment of both musculoskeletal disorders and mental health disorders, which yielded good results. Absenteeism due to musculoskeletal disorders decreased by 9.7% in 2024, while absenteeism due to mental disorders decreased by 10%. Sickness absence rate is reported as a ratio to theoretical working time.

ENGAGEMENT RESULT OF VALIO VOICE EMPLOYEE SURVEY

Valio aims to be among the industry’s top ten in the employee survey’s engagement score. In the 2024 results, Valio’s eNPS score was 7.6 globally, placing Valio in the top 25% of the industry. Work to improve this ranking is continuing.

OTHER HR TARGETS

Mandatory training

Common training courses decided annually at Group level ensure that all Valio employees have sufficient knowledge of important current topics. The aim is that all Valio employees complete the required training during the year. The completion rate for training on Code of Conduct, information security and data protection published in 2024 was close to 100% globally. In 2025, the focus will be on safety and performance-based management.

HEADCOUNT S1-6

NUMBER OF EMPLOYEES (ALL OPERATING COUNTRIES)

NUMBER OF EMPLOYEES	UNIT	PRORATED 31.12.2024	AVERAGE PRO RATA FOR THE CALENDAR YEAR	EMPLOYEES 31.12.2024	MALE	FEMALE	OTHER	NOT REPORTED
Finland	Headcount	3,591	3,710	3,967	2,227	1,740	-	-
Estonia, Latvia, Lithuania	Headcount	458	464	458	203	255	-	-
Sweden	Headcount	70	70	70	32	38	-	-
USA	Headcount	28	27	27	6	21	-	-
China	Headcount	25	26	26	7	19	-	-
Total employees	Headcount	4,172	4,297	4,548	2,475	2,073		

Description of methodologies and assumptions:

The number of personnel has been calculated on a country-by-country basis. The term “adjusted number of personnel” refers to the number of personnel relative to the working hours completed (FTE). The average number of personnel is the sum of adjusted number of personnel (FTE) for each month and divided by calendar year. The current personnel situation refers to all individuals in an employment relationship.

EMPLOYEES BY CONTRACT TYPE (ALL OPERATING COUNTRIES)

EMPLOYEES BY CONTRACT TYPE	UNIT	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
Number of employees	Headcount	2,073	2,475	-	-	4,548
Number of permanent employees	Headcount	1,819	2,182	-	-	4,001
Number of temporary employees	Headcount	254	293	-	-	547
Number of part-time employees	Headcount	126	177	-	-	303

Description of methodologies and assumptions:

The term “employees in an employment relationship” refers to all individuals who are employed under an employment contract. “Variable working hours” refers to all permanent and temporary employees who have a contract with variable working hours.

EMPLOYEES WHO HAVE LEFT THE UNDERTAKING DURING THE REPORTING PERIOD (ALL OPERATING COUNTRIES)

EMPLOYEES WHO HAVE LEFT THE UNDERTAKING DURING THE REPORTING PERIOD (ALL OPERATING COUNTRIES)	UNIT	2024
Number of employees who have left the company	Headcount	936
Employee turnover	%	20.6

Description of methodologies and assumptions:

Reporting period refers to the calendar year. When calculating departed individuals, every employee is included only once even in an event of multiple separate employments during the reporting period. The turnover rate is the ratio of the number of departed individuals to the number of staff on the last day of the year, multiplied by 100. The number of staff on the last day of the year includes all employees with employment relationships.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE S1-8

COLLECTIVE BARGAINING COVERAGE

COVERAGE RATE	EMPLOYEES - EEA
0-19%	Estonia
20-39 %	
40-59 %	
60-79 %	
80-100 %	Finland

GENDER DISTRIBUTION OF PERSONNEL S1-9

GENDER DISTRIBUTION AT TOP MANAGEMENT LEVEL

GENDER DISTRIBUTION AT TOP MANAGEMENT LEVEL	UNIT	2024
Women	Headcount	3
Women	%	42.9
Men	Headcount	4
Men	%	57.1

Description of methodologies and assumptions:

The gender distribution of top management on the last day of the year.

EMPLOYEE AGE DISTRIBUTION (ALL OPERATING COUNTRIES)

EMPLOYEE AGE DISTRIBUTION (ALL OPERATING COUNTRIES)	UNIT	2024
Under 30 years old	%	17
30-50 years old	%	51
Over 50 years old	%	32

Description of methodologies and assumptions:
The age distribution of employees on the last day of the year.

HEALTH AND SAFETY METRICS S1-14

HEALTH AND SAFETY METRICS - EMPLOYEES

HEALTH AND SAFETY METRICS - EMPLOYEES	UNIT	2024
People in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Number of cases	0
Number of recordable work-related accidents for own workforce	Number of cases	57
Rate of recordable work-related accidents for own workforce	Cases per million hours worked	8.3

Description of methodologies and assumptions:
All employees in an employment relationship with Valio are covered by the occupational health and safety management system. Fatalities due to occupational injuries and work-related health issues in 2024 include individuals employed by Valio. The number of work-related accidents in 2024 is defined as accidents that led to absence, occurring within a property managed by Valio to an individual employed by Valio, whose treatment costs have been covered by statutory accident insurance. The rate of work-related accidents refers to accidents leading to absence, occurring within a property managed by Valio to an individual employed by Valio, whose treatment costs have been covered by statutory accident insurance per million hours worked in 2024.

The injury frequency rate figure takes into account hours worked only in Finland and Estonia.

PAY GAPS S1-16

PAY GAP BETWEEN FEMALE AND MALE EMPLOYEES (ALL OPERATING COUNTRIES)

PAY GAP BETWEEN FEMALE AND MALE EMPLOYEES (ALL OPERATING COUNTRIES)	UNIT	2024
Employees	%	0.21

Description of methodologies and assumptions:
The calculation used the average fixed base monthly salary of employees with monthly salaries as of December 31, 2024. Employees working variable hours and paid based on hours worked at a basic hourly rate were not included. The fixed base salary refers to the fixed base monthly salary agreed upon in the employee's employment contract, which does not include any additional compensation, holiday pay, or bonuses.

GRIEVANCES S1-17

In 2024, Valio received 50 reports through the Valio Whistle channel and one from outside the channel, all of which were handled in accordance with the policy. Three reports concerned bullying or discrimination. None of the incidents resulted in prosecution, fines or other penalties.

ESRS S2

WORKERS IN THE VALUE CHAIN

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN

<p>IMPACTS</p>	<p>Supply chain:</p> <ul style="list-style-type: none"> Working conditions, adequate wages, health and safety Possible child labour, forced labour and use of migrant workers <p>Milk production:</p> <ul style="list-style-type: none"> Adequate wages Health and safety Working conditions and resilience Gender equality and harassment Possible use of migrant workers
<p>RISKS</p>	<ul style="list-style-type: none"> No risks assessed as material
<p>OPPORTUNITIES</p>	<ul style="list-style-type: none"> No opportunities assessed as material

INTERESTS AND VIEWS OF STAKEHOLDERS ESRS 2 SBM-2

Read about how the interests, views and rights of workers in the value chain are taken into account in Valio’s strategy and business model in the section [Interests and views of stakeholders](#) SBM-2, S1- ESRS 2 SBM-2, S2- ESRS 2 SBM-2.

MATERIAL SOCIAL IMPACTS, RISKS AND OPPORTUNITIES IN THE VALUE CHAIN ESRS 2 SBM-3

Valio has identified the material impacts, risks, and opportunities in its value chain as part of its materiality assessment. Read more about the materiality assessment in the section [Impact, risk and opportunity management](#) IRO-1, E1- ESRS 2 IRO-1, E2- ESRS 2 IRO-1, E3- ESRS 2 IRO-1, E4- ESRS 2 IRO-1, E5- ESRS 2 IRO-1. At the top level, Valio’s materiality assessment covers all workers in Valio’s value chain. Potential social and environmental impacts may target workers in milk’s primary production and in the supply or distribution chain.

Potential impacts in the supply chain include working conditions, adequate wages, health and safety, as well as possible child labour, forced labour and the use of migrant workers. In milk production, the material potential impacts relate to work safety and wellbeing, working conditions and resilience, gender equality and harassment, the possible use of migrant workers and adequate wages.

The most serious impacts of social responsibility, such as child labour or forced labour, are particularly concentrated in the primary production of certain raw materials, where public sources have identified potential serious human rights impacts. These raw materials are mainly plant products of agricultural production or raw materials of animal origin in the global South (e.g. cocoa and coffee). An increased risk of forced labour has also been identified in Finland for berry raw materials.

POLICIES RELATED TO VALUE CHAIN WORKERS S2-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Valio's Supplier and Distributor Code of Conduct	Valio has a Supplier and Distributor Code of Conduct, which commits supply chain partners to Valio's sustainability principles. The principles cover good business conduct and the relevant aspects of social and environmental responsibility identified in Valio's value chain. Valio requires that its partners have similar principles in place for their supply chain partners.	Valio suppliers, distributors and other partners	The policy has been approved by Valio's Executive Board and is available on Valio's intranet and website. The policy is reviewed regularly.
Guidelines on milk production practices	The common guidelines on milk production practices drawn up for Valio dairy farms describe statutory requirements, as well as Valio requirements and recommendations. They also include guidelines for dairy farm workers. The dairy farmer undertakes to comply with the production practice guidelines in a Production and quality agreement entered into with the cooperative.	Valio Group dairy farms in Finland	The production practice guidelines are available on Valma (the online service for farmers) for all Valio dairy farmers. The production practice guidelines are developed together with Valio's Primary production and cooperative experts, and are reviewed and updated regularly.

Through its Supplier and Distributor Code of Conduct, Valio aims to promote respect for universally accepted human rights and international principles of responsible business conduct in its supply chain, and thus they serve as the basis for Valio's supply chain sustainability requirements. These rights and principles are recorded in the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. They are also further defined in international declarations, agreements, standards, guidelines and codes of practice such as those drafted by the International Labour Organisation, the Ethical Trading Initiative and the International Organization for Standardization (ISO).

Valio's Supplier and Distributor Code of Conduct includes a ban on child labour and forced labour. Responsibility in the supply chain is managed through supplier and raw material management practices and through raw material and country policies. Supply chain workers are included in the management of sustainability through, e.g., sustainability audits. Valio is committed to remedying and compensating or reimbursing for a possibly realised human rights violation where necessary, considering its own relationship with the impact (cause, contribute, link).

The criminal investigation and trials of the suspected human trafficking case against a Valio supplier and linked to the harvesting of wild berries, which emerged towards the end of 2022, continued through 2024 and will continue in 2025. No new supply chain violations occurred in 2024.

VALUE CHAIN MANAGEMENT PROCESSES S2-2

MILK PRODUCTION

Valio and Valio's milk procurement cooperatives support dairy farmers by offering a wide range of advisory services to Valio Group dairy farmers. Advisory services are provided and developed by service teams comprising primary production experts from Valio and the cooperatives. There are six teams, organized by areas of responsibility: quality (milk quality), milking (milking and milk processing equipment), health (animal health and welfare), grassland (grass production), farm tank (milk cooling systems), and development (dairy farm investments and development).

In addition to advisory services, the teams provide dairy farmers with training and guidance to support responsible dairy farming. The Seinäjoki regional laboratory offers dairy farmers comprehensive and partly free laboratory services for the analysis of milk and feed samples. The common communication channel for producer services is Valma, an intranet for dairy farmers, through which they can provide feedback and suggestions for improvements to producer services. The feedback is processed by the service teams.

SUPPLY CHAIN

Read more about the supplier management model in the section [Supplier relations](#) G1-2.

PROCESSES AND CHANNELS FOR VALUE CHAIN GRIEVANCES S2-3

Valio takes seriously any grievances identified in the value chain. If Valio or another party identifies grievances, Valio’s internal investigation team immediately initiates actions to clarify the situation and remedy the grievances. The investigation is conducted in cooperation with Valio’s supply chain partners.

The complexity of the supply chain for products and raw materials can make it challenging for workers in the chain to identify who they are manufacturing the products for. That is why Valio’s Supplier and Distributor Code of Conduct requires actors in its supply chain to have their own internal process to address workplace problems and to protect workers who report or suspect problems from potential retaliation.

In addition, the Valio Whistle channel for reporting possible grievances is available on Valio’s website and is accessible also to individuals outside Valio. Read more about the channel in the section [Business conduct policies and corporate culture](#) G1-1.

VALUE CHAIN SUSTAINABILITY ACTIONS S2-4

MILK PRODUCTION

Valio shared information on zoonosis risks in an article published in the issue of Maito ja me, in Valma and in the Maidontekijät newsletter for dairy farmers. Training days for milk collection drivers in 2024 covered work safety for collection drivers and protection against infectious diseases.

Future Valio Farmers is a new training programme jointly run by Valio and the cooperatives. Valio designed the training programme in 2024, and the participants were selected in December. The programme targets young dairy farmers or individuals who are interested in becoming an entrepreneur in the sector. The training programme will focus on topics of dairy farm management with the aim of supporting young entrepreneurs to become top professionals in their field. An important part of the programme is networking with others in a similar life situation. The programme will start with in-person sessions in March 2025 and will run until autumn 2026. Training will include four two-day-long in-person sessions, with team-based intermediate tasks in between. Participants will also prepare a development plan for their own business.

VALIO’S SUPPLY CHAIN

The material impacts, risks and opportunities related to workers in the value chain are managed in procurements through the supplier and manufacturer approval process.

The aim of the sustainable sourcing programme is to increase the procurement organisation’s knowledge of different areas of sustainability, meet growing customer expectations and make procurement more sustainable from an environmental, economic and social responsibility perspective. The sustainability programme’s actions extend to 2025.

As in the previous year, Valio organized sustainable sourcing training in 2024 with the aim of increasing knowledge and providing skills to meet the requirements of future legislation. Close collaboration with

suppliers on ESG topics continued: Valio was able to make more efficient use of CO₂ data from suppliers, developed and extended the climate performance assessment tool to include social responsibility, and took the tool into use for all indirect procurement tenders. Development of the LCA calculation with suppliers of raw materials and packaging materials will continue in 2025.

In 2024, Valio was actively involved in the development of marketing procurement and industry principles through Marketing Finland’s and LOGY’s marketing procurement groups. The aim was to harmonize marketing sector practices and to bring transparency to tendering and cost structures. Valio’s principles for responsible marketing procurement will be finalized during 2025. Valio’s procurement function is also involved in the Nordic Source and LOGY sustainability groups.

In 2024, Valio prepared for the implementation of the deforestation regulation. Preparation will continue as a Valio-level project in 2025 during the transitional extension period. Preparation included participation in a co-development project, coordinated by GS1, in which the project defined a solution proposal for the collection and sharing of the information required by the regulation among the actors. Valio streamlined its own sustainability tool portfolio. The majority of Valio’s direct suppliers are members of the Sedex organization, so it was decided to end the amfori membership and focus on using the Sedex platform more effectively.

In 2024, Valio continued the rollout of supplier management practices aligned with the One Valio prin-

ciple to its subsidiaries. The aim is to have uniform supplier management processes, requirements and systems. System development will continue to make it smoother to meet the procurement sustainability requirements both for Valio’s procurements and for suppliers.

RISK RAW MATERIALS

Valio has extensively assessed the raw material-specific sustainability risks and has identified the raw materials that require special attention and more specific management practices based on the supply chain sustainability risks. Valio has raw material policies for four raw materials: soy, cocoa, coffee and palm oil. Read about the progress of the policies in the section [Value chain sustainability targets](#) (S2-5).

In autumn 2023, Valio commissioned a social responsibility audit of one of its berry suppliers to examine the operations against Valio’s requirements. The audit, conducted by the certification company’s auditor and a third-party human rights expert, revealed structural deficiencies in the sector, including the cost of entry for berry pickers, recruitment practices in the country of departure, and working hours.

Requirements for Valio’s berry suppliers were refined for the 2024 picking season and several camp inspections were carried out during the season. The camp inspections verified the responses to the sustainability questionnaires sent to berry suppliers in advance and reviewed the implementation of the agreed remedial actions for the non-compliances that had arisen in the previous season. During the inspections, Valio reviewed the pickers’ conditions, recruitment practices, accommodation and their condition, as well as

safety. The results of the 2024 season’s inspections were discussed with the berry suppliers and their remedial actions will be verified during the 2025 season.

Valio wants to continue to buy responsibly produced domestic wild berries. In 2024, Valio participated in Fairtrade Finland’s pilot project to create supply chain-wide sustainability certification criteria for domestic wild berries. The certification criteria were published in summer 2024 but have not yet been tested in practice.

The criminal investigation and trials of the suspected human trafficking case against a Valio supplier and linked to the harvesting of wild berries, which emerged towards the end of 2022, continued through 2024 and will continue in 2025. No new supply chain violations occurred in 2024.

VALIO AIMO® WHOLESALE

In the Valio Aimo® wholesale business, planning of the Valio Aimo sustainability programme was launched in late 2023 and the sustainability programme was approved by the Valio Aimo management team in January 2024. The sustainability programme focuses on Valio Aimo’s portfolio management and the specification of its sustainability processes, including risk identification, supplier and product criteria specification, and the updating of guidelines. In 2024, Valio carried out an environmental and human rights mapping for the Valio Aimo portfolio, built a risk tool to identify product-specific risks, and prioritized the product categories for which the sourcing guideline updates will be initiated first. The risk raw material policies of Valio Aimo pri-

vate label products were updated to align with Valio’s risk raw material policies. Valio will explore the extension of the policies to own-import products during 2025.

The delivery of product-specific carbon footprint data to customers and its automation was explored in late 2024. Technical solutions and an approach to customer reporting were identified in the project, and implementation is planned for spring 2025.

VALUE CHAIN SUSTAINABILITY TARGETS S2-5

Valio currently does not have time-bound value chain worker targets in line with ESRS requirements for monitoring the effectiveness of policies and actions related to workers in the value chain. The sustainability targets will be modified possibly in the upcoming years.

The targets related to workers in the supply chain are part of Valio’s sustainability focus area targets, which are used to monitor the effectiveness of the policies and actions. Read more in the section [Sustainability focus areas and targets](#).

MILK RETURN

Valio has material impacts on adequate wages of milk producers through the price paid for milk. Valio’s mission is to create the best possible milk return for the milk received from dairy farms. This affects the milk price, i.e. how much Valio can afford to pay the cooperatives for the milk. The cooperatives pay the producers a producer price, which is decided independently by the cooperatives. In 2024, the milk return was 52.2 cents per litre.

COMMITMENT TO THE SUPPLIER AND DISTRIBUTOR CODE OF CONDUCT

Read more about supplier approval principles and practices in the section [Supplier relations](#) G1-2.

Valio requires all its direct suppliers to commit to Valio’s Supplier and Distributor Code of Conduct. As in the previous year, in 2024 the 100% target was achieved. Supplier approval criteria are monitored more broadly through the indicators below.

MONITORING OF SUPPLIER APPROVAL CRITERIA

TARGET	KPI RESULT 2024
Commitment to Code of Conduct, %	<ul style="list-style-type: none"> ● Direct procurement 100% (2023: 100%) ● Indirect procurement 64% (2023: 56%) ● Contract manufacturing 95% (2023: 98%) ● Total 70% (2023: 63%)
Sustainability audit of direct procurement suppliers and manufacturers in high-risk countries by 2027	64% (2023: 48%)
Number of food safety audits of manufacturers	44 (2023: 52)
Number of sustainability surveys sent to manufacturers	230 (2023: 202)

PROGRESS OF RAW MATERIALS POLICIES

TARGET	KPI RESULT 2024	PROGRESS 2024	STATUS
Only certified coffee is used.	100%	Valio purchases only certified coffee.	● Achieved
Only certified cocoa is used.	98%	The proportion of certified cocoa purchased decreased from 99% to 98% in the previous year. One uncertified cocoa product will be replaced with a certified product during 2025. Formula: certified cocoa purchased/all cocoa purchased	● At last years level
No palm oil in consumer products and palm oil in industrial products verifiably certified.	100%	No palm oil in consumer products and palm oil in industrial products verifiably certified.	● Achieved
No soy in consumer products (excl. Oddlygood). The origin of the soy used in Oddlygood® products is Europe or North America and the soy is of non-GMO quality. Soy is not used in animal feed in Finland.	100%	Valio has maintained its 2024 target: no soy in consumer products (excl. Oddlygood). The origin of the soy used in Oddlygood products is Europe or North America and is of non-GMO quality. Soy is not used in animal feed in Finland.	● Achieved

ESRS S4

CONSUMERS AND END-USERS

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS ESRS 2 SBM-3

IMPACTS	<ul style="list-style-type: none"> • Food safety of products • Nutritional impacts of products • Availability of relevant product information • Truthful and transparent communication and marketing • Product availability and security of supply
RISKS	<ul style="list-style-type: none"> • Ensuring food safety • Product supply challenges
OPPORTUNITIES	<ul style="list-style-type: none"> • Valio's sustainable brand • Availability of sustainable products and high-quality baby foods

Valio has identified the material impacts, risks and opportunities for consumers and end-users as part of its materiality assessment. Read more about the materiality assessment in the section [Impact, risk and opportunity management](#) IRO-1, E1- ESRS 2 IRO-1, E2- ESRS 2 IRO-1, E3- ESRS 2 IRO-1, E4- ESRS 2 IRO-1, E5- ESRS 2 IRO-1.

The identified material impacts for consumers are mainly related to Valio’s products. Valio manufactures consumer products and also sells its products to the food industry and professional kitchens. Valio also plays an important role in maintaining the availability of products and in ensuring national security of supply.

Valio’s materiality assessment covers all value chain consumers and end-users of Valio’s products at the top level. Food safety is a demand of all consumers, but its management is particularly important in Valio’s baby food operations, where babies and young children are the end-users.

Through its own Code of Conduct and its Supplier and Distributor Code of Conduct, Valio aims to promote respect for universally accepted human rights and international principles of responsible business conduct in its supply chain, including the rights of consumers and end-users of its products. Read more about ways of interacting with consumers in the section [Engaging with consumers](#) S4-2 and [Consumer feedback channels](#) S4-3. Valio is committed to remedying and compensating or reimbursing for a possibly realised human rights violation where necessary, considering its own relationship with the impact (cause, contribute, link). In 2024, Valio did not identify any consumer and end-user related cases in which international human rights principles were not respected.

POLICIES RELATED TO CONSUMERS S4-1

POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Valio’s Code of Conduct	In line with its Code of Conduct, Valio takes into account local security of supply and food safety, and promotes healthy lifestyles and the nutritional quality of diets. Valio supports physical activity and nutrition for children and young people in Finland through the Valio Akatemia® programme.	Valio Group	The policy has been approved by Valio’s Executive Board and is available on Valio’s intranet and website.
Food Safety and Quality Policy	Valio has a Food Safety and Quality Policy that applies to Valio’s operations globally. In line with the policy, Valio is committed to complying with food safety requirements, ensuring the food safety of its products, knowing their origin and continuously improving its operations. Valio maintains and develops the management of food safety in compliance with FSSC 22000 and BRC requirements. Valio’s food safety certifications are available on Valio’s website.	Valio Group	The policy is reviewed regularly.
Marketing Policy	Valio has a responsible Marketing Policy that sets forth the principles of responsible marketing of products, services and operations in all Valio markets. Marketing is compliant with applicable laws and regulations, as well as honest and truthful. Valio complies with the International Chamber of Commerce’s marketing and advertising guidelines, the WHO’s International Code of Marketing of Infant Formulas, as well as its various markets’ locally set guidelines on marketing communication (in Finland, e.g., ETL and Marketing Finland).	Valio Group	
Nutrition Commitment	A nutrition commitment is the National Nutrition Council of Finland’s operating model that is part of Society’s Commitment to Sustainable Development. Valio has joined the commitment in several years.	Finland	Accessible on Commitment2025 website

ENGAGING WITH CONSUMERS S4-2

CONSUMER RESEARCH

Valio's Consumer Insight team provides consumer insights for the needs of different stakeholders at Valio. Through active research, Valio ensures that consumer views and opinions are taken into account in decision-making in its various operations. Valio cooperates with several research agencies. Survey respondents are mainly collected from consumer panels run by third-party panel providers. The research agencies process the personal data on behalf of Valio. The agencies are required to comply with the GDPR and Valio enters into a DPA (data processing agreement) with them.

Valio studies the products under development at different stages of the development process. In addition, it continuously monitors consumer views of its brands using the Brand Tracking tool in Finland and Sweden. Consumer views of Valio's advertising are surveyed at various stages of campaign design and implementation. The validity of the survey results is assessed by mirroring the survey results against the product sales figures and marketing's effectiveness.

CONSUMER ENCOUNTERS AT EVENTS

Valio organizes its own events and participates as a partner at various events and activities where consumers and stakeholders are encountered, such as fairs, festivals, public events, or trade and in-shop events. At these events, Valio is mainly represented by its own employees or, occasionally, by event staff recruited through partners such as an event agency or a staffing company. Valio requires its partners to comply with the GDPR, and all event workers are

briefed prior to the event. Feedback and consumer views about the events are recorded and forwarded by function. Participation in events ensures that consumer views and opinions are brought to Valio's attention and included in the decision-making of its various functions.

CONSUMER FEEDBACK CHANNELS S4-3

CONSUMER SERVICE

Valio answers questions about its products and the company via the contact form on its website and by phone. Valio's consumer service aims to process feedback quickly, professionally and in a friendly manner, in line with Valio's values and communicating openly. All contacts from consumers are collected and stored, and the information is forwarded within Valio for further use and operational improvement. Valio has a process and guidelines for handling feedback. The feedback process is transparent and traceable. During 2024, more than 29,000 consumer contacts were processed. In the continuous Customer Effort Score, Valio's consumer service received a score of 6.2/7 in 2024.

INDUSTRIAL CUSTOMERS

Valio aims to support its customers in ensuring a responsible production chain and in obtaining information that is needed. A team specialized in the information needs of business customers provides customers with information about Valio's products and operations. In addition to the information needs, the team coordinates customer auditing and traceability exercise requests and more.

In 2024, the team handled a total of about 700 information requests. In addition to information requests, Valio engaged in regular cooperation with several of its customers to advance sustainability issues through dialogue and by sharing information.

FOOD SAFETY CRISIS MANAGEMENT

Valio has in place a well-defined process and responsibilities for recall situations. Every Valio employee has a responsibility to bring information about a crisis or the threat of a crisis to the attention of the people with decision-making authority. Food safety crises include, among others, anomalies that are potentially harmful to the health of the consumer and cause product spoilage. In order to identify crises situations, guidelines have been drawn up listing various types of anomalies in a product or operation, their possible consequences for consumers and the possible courses of action in different situations.

Once a crisis or threat of a crisis has been identified, the persons in charge will assemble a crisis team to deal with the situation. The composition of the crisis team and the crisis management process are documented, and crisis response exercises are conducted with each response team and production plant at least annually. The aim is to ensure that the teams are able to respond to crisis situations as quickly as possible. The exercises are based on real-life situations, with actions taken to quickly contain the situation, stop the spread and inform the necessary parties, and the process progression and decisions are documented in the same way as in real-life situations. After both the actual crisis situations and the exercises, an ex-post evaluation is carried out to identify opportunities for further improvement.

VALIO WHISTLE CHANNEL

Consumers have access to the Valio Whistle channel, through which they can report concerns about Valio-related financial misconduct and other activities that do not comply with Valio's values, ethical principles or the law. Read more about the Valio Whistle channel in the section [Business conduct policies and corporate culture](#) G1-1.

ACTIONS RELATED TO CONSUMERS S4-4

NUTRITION

The Heart Symbol is an indication of the product's nutritional quality. A Heart Symbol product is a better choice in its product category in terms of fat quantity and quality, sugar and salt. Valio developed 18 new Heart Symbol products in 2024, and at the end of the year there were a total of 151 Heart Symbol products in Valio's product portfolio in Finland.

A nutrition commitment is the National Nutrition Council of Finland's operating model that is part of Society's Commitment to Sustainable Development. Nutrition commitments are concrete, significant and measurable actions aiming to improve the nutritional quality of products or to establish nutritionally responsible practices. In the 2024 nutrition commitment, Valio committed to improving the nutritional quality of berry soups, juices and glogg drinks in terms of sugar. During the monitoring period, Valio reduced the added sugar in nine products by an average of 12%. Valio's new nutrition commitments for 2025-2026 are published on the Commitment2050 website. Valio aims to support diets that are in line

with nutritional recommendations. It is launching a new range of products to make it easier to make healthy food choices and meet the requirements of the nutrition recommendations. Valio is increasing the number of Heart Symbol products in the cheese and spreads categories.

Valio Akatemia® supports youth physical activities with nutritional grants, for example. A grant can be used for nutritional coaching, nutritional lectures, or cooking classes for individuals or teams. In 2024, 31 nutritional grants were awarded and the Valio Akatemia® programme supported youth sports with 124,800 euros.

FOOD SAFETY

Valio maintains and develops food safety management in compliance with FSSC 22000 and BRC requirements. Plant certifications can be accessed on Valio's website. The plants carry out self-monitoring based on the HACCP (Hazard Analysis and Critical Control Points) system to identify and eliminate factors that could jeopardise consumer health and safety. Self-monitoring covers the whole production process, from the receiving of packaging materials and raw materials to product, facility and process equipment monitoring, storage and transportation.

In 2024, Valio mapped the hygiene practices and self-monitoring support systems at all its production plants in order to identify and share good practices as well as to identify areas for development and the related Group-level policy and guidance needs. The work will continue in 2025 with a similar mapping at all production plants based on their HACCP systems.

In 2024, Valio continued implementing the actions related to the training and communication needs identified in the food safety culture development project and actions related to the needs identified in the multi-year development project on foreign object management.

RESPONSIBLE MARKETING AND COMMUNICATION

Valio maintains and develops marketing principles together with relevant industry associations and organizations. In 2024, the company conducted sustainability marketing training for marketing and other stakeholders, especially on the topics of green claims and greenwashing. During 2025, a more detailed study will be carried out on the EU regulation that affects Valio's packaging and marketing. In-depth training on responsible marketing and regulatory changes is also planned for marketing personnel in 2025.

TARGETS RELATED TO CONSUMERS S4-5

Valio does not currently have time-bound consumer-related targets in line with ESRS requirements for monitoring the effectiveness of its consumer-related policies and actions. The sustainability targets will be modified possibly in the upcoming years.

Targets related to product nutrition and food safety are part of Valio's sustainability focus area targets, which are used to monitor the effectiveness of policies and actions. Read more in the section [Sustainability focus areas and targets](#).

PRODUCT RECALLS

There were two public recalls of products in 2024 (2023: 1) globally. This figure does not include the Valio Aimo® product range. Both recalls were made on the basis of a foreign object risk.

NUTRITION COMMITMENTS

During the monitoring period, Valio succeeded in reducing the added sugar in nine products. The target was to reduce sugar in ten products, but the production of one of those products was discontinued in the middle of the monitoring period, so the reduction for that product could not be carried out. The 12% average reduction in added sugar achieved in the nine products exceeded the original reduction target of 5-10%.

Heart Symbol products

The number of Heart Symbol products in the portfolio in Finland increased compared to the previous year. At the end of 2024, there were 151 Heart Symbol products (2023: 138) in Valio's product portfolio in Finland.



GOOD GOVERNANCE



GOOD GOVERNANCE

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ESRS G1

BUSINESS CONDUCT

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT

IMPACT	<ul style="list-style-type: none"> Ethical corporate culture guidelines Availability of secure reporting channels Suppliers' business and responsible practices Animal welfare Promoting quality legislation in the sector
RISKS	<ul style="list-style-type: none"> Ensuring food safety Product supply challenges Animal welfare challenges Tightening legislation, increasing resource requirements and costs Changes in consumer behaviour and declining consumption of products of animal origin
OPPORTUNITIES	<ul style="list-style-type: none"> Positive corporate culture Influencing legislative developments Competitiveness of Finnish animal production

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE G1-1

CORPORATE CULTURE

Valio's corporate culture is based on values and a leadership promise, which are part of both employee induction and supervisory training. Implementation and progress is monitored through the Valio Voice employee survey in which the realization of each value and the leadership promise is rated separately.

VALIO'S CODE OF CONDUCT

Valio's Code of Conduct, "Our way of working", defines the common rules for Valio employees. The Code of Conduct is based on Valio's values and covers the shared ethical principles that we respect and that Valio employees must take into account in all their actions. Valio employees are committed to upholding the law and good business practices and do not tolerate bribery or undue influence in any form. Valio does not engage in transactions suspected of being related to money laundering or terrorist financing or subject to sanctions. Valio's Code of Conduct has been approved by Valio's Executive Board.

Valio's separate Supplier and Distributor Code of Conduct is used to communicate its sustainability principles to its partners and to define how the partners should take them into account in their operations. Suppliers in the supply chain commit to compliance with Valio's sustainability principles as part of the supplier approval process. Valio's Supplier and

Distributor Code of Conduct has been approved by Valio's Executive Board.

VALIO'S CODE OF CONDUCT AND FAIR BUSINESS TRAINING

Valio updated its Code of Conduct at the beginning of 2024 and actively communicated this throughout the year. Code of Conduct training is mandatory for all Valio employees, and the training completion rate is monitored regularly. The target aims for training to be completed by more than 90% of personnel in each country. The training has been specified to be renewed every two years.

At the end of 2024, the Code of Conduct training completion rate was:

- Estonia 100%
- Finland 97%
- Sweden 97%
- USA 100%
- China 100%

In addition to Code of Conduct training, Valio has separate training sessions on Code of Conduct topics, such as data protection, information security, and fair competition.

Read more about actions to prevent corruption in the section [Prevention and detection of corruption and bribery](#) G1-3.

VALIO WHISTLE CHANNEL

Valio wants to ensure that issues, even difficult ones, can be discussed openly, confidentially and in a solution-oriented way. If a person working for Valio experiences or observes financial misconduct or other unlawful or unethical conduct, they are instructed to discuss the matter first with their own supervisor or to report it to Valio’s HR Director, Legal Affairs, or Risk Management.

Sensitive issues can also be reported through the Valio Whistle reporting channel. Valio’s internal and external stakeholders can use the channel to report Valio-related financial misconduct and other activities that are not in compliance with Valio’s values, ethical principles or the law. The reporting channel can be used to confidentially and, if desired, anonymously report serious concerns related to Valio’s operations or practices. If the report is made in the notifier’s own name, Valio will ensure that the notifier is not subject to retaliatory action for making the report.

Valio takes all reports seriously and processes them confidentially. Access to reports made through the channel is strictly limited and the persons handling the reports are bound by confidentiality. During the investigation process, the person handling the report may also involve other relevant persons in the investigation on a confidential basis. Valio’s aim is to respond to the report received and to communicate the investigation plan and any further questions to the notifier as soon as possible. The communication primarily takes place through the Valio Whistle messaging service. The matter may be resolved by e-mail or telephone if the contact details were provided by the notifier and the parties have agreed to continue

the discussion by other means in the Valio Whistle channel. The notifier may also request a meeting to discuss the report.

Valio’s HR Director and General Counsel are responsible for processing reports submitted to the Valio Whistle channel. The HR Director reports annually to Valio’s Executive Board and the Board of Directors on the number and topics of the reports and the actions taken.

ANIMAL WELFARE

Animal welfare is at the foundation of Valio’s operations. The descriptions and targets of the Valio approach to animal welfare are set out in production practice guidelines, which the farm commits to in its production contract with the cooperative. All Valio Group dairy farmers complete a self-assessment form in which they commit to compliance with animal welfare legislation.

Valio primary production’s sustainability programme has a mandatory part, the criteria of which are binding for all Valio dairy farms. If a farm does not comply with the terms of the sustainability programme, the cooperative suspends or stops milk collection from the farm. Under the terms of the sustainability programme, all dairy farms in the Valio Group must be included in Naseva, the Centralised Health Care Register for Finnish Cattle Herds, and a veterinarian will visit each dairy farm at least once a year to check the health of the herd. Many farms have more frequent health-care visits. As of 2023, the sustainability programme includes a voluntary sustainability bonus to encourage Valio Group dairy farmers to continuously improve the health and welfare of their livestock.

In Estonia, Valio buys milk from dairy farms outside the Valio Group. Animal welfare requirements in Estonia are defined in local animal welfare legislation and compliance is monitored by local veterinarians and the Eesti Põllumajandusloomad Jõudluskontrol. Valio carries out assessments annually or every three years in accordance with legislation (Farm Approval Act 43719 TEMPL).

SUPPLIER RELATIONS G1-2

VALIO’S SOURCING

Valio’s responsible sourcing is based on food safety, social responsibility and environmental responsibility. The aim is for the entire supply chain to be transparent and verifiable. Valio meets with its suppliers regularly and aims to develop open, honest and long-term supplier relationships to optimize cooperation and to find new innovations. Valio knows the supply chain of raw materials down to the manufacturer and has identified the most material risks in the supply chain.

Procurements are guided by Valio’s Sourcing and Contract Manufacturing Policy. Supply chain food safety and responsibility are ensured through supplier approval and management processes. Suppliers must commit to and sign Valio’s Supplier and Distributor Code of Conduct. If a supplier supplies products or services related to food or food safety, the supplier must also commit to compliance with Valio’s food safety requirements and guidelines for suppliers.

The approval processes and Valio’s requirements for suppliers are based on the classifications Valio gives to the supplier’s food safety and sustainability. The risk classification defines the requirements for

contract manufacturing, raw material and packaging material manufacturers. For food safety, a GFSI-approved food safety certificate and/or response to Valio’s food safety questionnaire is required. Valio’s sustainability questionnaire serves as the basis for the sustainability (ESG) approval requirement. The questionnaire includes questions on the environment, human and labour rights, work safety and responsible business practices.

Supplier classification also determines the need for a food safety and sustainability audit of the supplier and how it is carried out. Food safety and quality audits are carried out by Valio’s own qualified auditors. Valio’s audits of manufacturers supplying raw materials of animal origin or raw materials or packaging materials for baby food are always conducted on-site. Other manufacturers are audited separately, if necessary. Smeta (Sedex Members Ethical Trade Audit) audits conducted by third parties are used in sustainability auditing.

The quality and food safety of each raw material is verified through a detailed raw material-specific analysis and is always approved before the raw material is used in production. Valio has extensively assessed the raw material-specific sustainability risks and, based on the sustainability risks of the supply chain, has identified raw materials that require special attention and whose production involves many globally known sustainability risks. These raw materials are mainly plant products from agricultural production or raw materials of animal origin. Valio systematically takes risk raw materials into account in the product development process and engages in cooperation related to them across organizational boundaries.

Read more about Valio’s procurement targets in the section [Value Chain sustainability targets](#).

MANAGEMENT OF VALIO AIMO® WHOLESALE SUPPLIERS

Valio Aimo® has around 700 suppliers, more than 80% of them are Finnish. Valio Aimo invests in long-term partnerships and cooperation with its suppliers. The sustainability programme launched in 2024 emphasizes Valio Aimo portfolio management and its sustainability processes, including risk identification, defining supplier and product criteria, and the updating of guidelines. The 2025 target is to harmonize procurement processes as well as supplier and product management.

VALIO GROUP DAIRY FARMS

Valio dairy farmers undertake to comply with the production practice guidelines in a Production and quality agreement entered into with the cooperative. Compliance with the guidelines is verified through farm self-assessments (mandatory for all farms) and through Valio visits by the cooperative’s experts; the visits are carried out annually on at least 20% of the farms. In 2024, 674 Valio visits and 159 other farm visits were carried out (833 in total). The quality and safety of all milk used by Valio is carefully ensured through proper handling and regular sampling.

LATE PAYMENT POLICIES

Payment terms for invoices are negotiated on a contractual basis following Valio’s principles and invoices are paid by the due date.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY G1-3

Valio has zero tolerance for bribery and corruption. Operations comply with anti-corruption and anti-bribery laws and the principles outlined in Valio’s Code of Conduct.

Valio has defined internal Trade Compliance guidelines to identify customers and suppliers. The purpose of identifying customers and suppliers is to prevent corruption, money laundering and the funding of terrorism and to ensure compliance with international sanctions. Valio uses an electronic tool and process (Know Your Client) to verify the background of customers and suppliers and to ensure that Valio does not cooperate with, e.g., entities subject to international sanctions.

Valio has internal guidelines on the receiving and offering of gifts and hospitality and avoiding conflicts of interest. Every Valio employee must report any illegal or unethical activity they observe to their supervisor or to Valio’s HR Director, Legal Affairs, or Risk Management. The report can be made also anonymously through the Valio Whistle channel. Read more about the Valio Whistle channel, the investigation process and reporting in the section [Business conduct policies and corporate culture](#) G1-1.

Valio maintains a register of Valio’s related parties, i.e. a list of entities in which a member of Valio’s management or a person close to that person exercises control. If Valio plans to engage in cooperation with a related party, approval for such cooperation is given under normal business conditions and without the

related party being involved in the decision-making process. This ensures that only Valio’s interests have influence in the decision-making process.

Corruption and conflicts of interest are also prevented through Valio’s internal policy on the approval of investments and supply and sales contracts, and the policy on the signing of contracts.

ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING

Valio’s sales and procurement functions and business management are identified as the most vulnerable to corruption and bribery. Valio does not currently have dedicated training on anti-corruption and anti-bribery, but it is part of Valio’s Code of Conduct training. Read more about the training in the section [Business conduct policies and corporate culture](#) G1-1. The aim is to update the anti-corruption and anti-bribery guidelines during 2025 and to create dedicated training on the guidelines for the identified risk functions.

POLITICAL INFLUENCE G1-5

POLITICAL DONATIONS

Valio's political donations are the responsibility of Valio's Director of Brand, Sustainability, Stakeholder Relations and Communications in the Executive Board, and they are implemented by Valio's Director of Corporate Relations.

Valio has not provided direct financial support or in-kind contributions for political purposes. Reported donations include seminar tickets to attend high-level social seminars, purchased through the support associations of EU candidates and their organizations.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Information on the activities and commitments related to exerting political influence, including lobbying activities related to material impacts, risks and opportunities.

FINANCIAL POLITICAL CONTRIBUTIONS MADE IN FINLAND

FINANCIAL POLITICAL CONTRIBUTIONS MADE IN FINLAND	UNIT	2024
Monetary political contributions made directly and indirectly	EUR	10,400 €
In-kind political contributions	EUR	0 €
Total	EUR	10,400 €

ADVOCACY WORK

Valio participates in advocacy work related to business, the food industry and the dairy sector through national, European and international organisations. The aim is to ensure that decision-makers are well informed about industry-specific aspects and have the necessary facts to support their decision-making.

Valio actively participates in the societal debate on issues related to sustainability topics relevant to its business, such as food policy, the food industry, agriculture and biogas production. There is an open dialogue with policy-makers and decision-makers on issues related to Valio's operating environment and the food sector more broadly both in Finland and at the EU level. These issues have also been identified as material from the perspective of Valio's impacts and business risks and opportunities.

TRANSPARENCY REGISTER

Valio is registered in the Transparency Register maintained by the European Parliament and the Commission. Valio's identification number is 316074423618-06. Valio also discloses its lobbying activities in the Finnish Transparency Register, www.avoimuusrekisteri.fi, where Valio's register number is VAL-24-535-R.

Of the Supervisory Board members who started in 2024, one has worked in public administration in the last two years.

PAYMENT PRACTICES G1-6

Valio aims to pay invoices on the due date, which is particularly important for small- and medium-sized enterprises. Valio has a number of fixed payment terms, and payment terms are agreed jointly through negotiations with suppliers. For Valio, there are no ongoing legal proceedings related to late payments.

INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT

To the Management of Valio Group

We have been engaged by the Management of Valio Group (hereinafter also the “Company”) to perform a limited assurance engagement on selected information on emissions for the reporting period from 1 January 2024 to 31 December 2024, disclosed in Valio Sustainability Report 2024 (hereinafter the Selected sustainability information).

SELECTED SUSTAINABILITY INFORMATION

The Selected sustainability information within the scope of assurance covers:

- Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
- Disclosure Requirement E1-1 – Transition plan for climate change mitigation
- ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
- Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities
- Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation
- Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies
- Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation
- Disclosure Requirement E1-5 – Energy consumption and mix
- Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Valio has prepared and published its Sustainability Report voluntarily by utilising the European Sustainability Reporting Standards (ESRS) but the report does not include all the information required by the ESRS standards and is not a Statutory Sustainability Report prepared in accordance with the Finnish Accounting Act chapter 7.

MANAGEMENT’S RESPONSIBILITY

The Management of Valio Oy is responsible for preparing the Selected sustainability information in accordance with the European Reporting Standards (ESRS) standards and the Green House Gas Protocol Standards as described in the Sustainability Report 2024 of Valio Group. The Management of Valio 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 behaviour.

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 representatives of the Company.
- Interviewing employees responsible for collecting and reporting the Selected sustainability information at the Group level.
- Assessing how the reporting instructions and procedures are applied in the Company.

- Testing the accuracy and completeness of the Selected sustainability information from original documents and systems on a sample basis.
- Testing the consolidation of the Selected sustainability information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

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 Valio Group’s Selected sustainability information for the reporting period ended 31 December 2024 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 the Selected 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 Valio Group for our work, for this report, or for the conclusion that we have reached.

Helsinki 22 April 2025

PricewaterhouseCoopers Oy

Mikael Niskala
Partner
Sustainability Reporting & Assurance

Waldio