



# VALIO'S SUSTAINABILITY REVIEW 2024





Valio – an innovative dairy and food company that evolves with the world.



SINCE 1905

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# FROM THE CEO

We have produced the first ESRS-aligned Sustainability Report for 2024, which we have accompanied with this shorter overview of the highlights of our 2024 sustainability work. During the year, we continued our ambitious sustainability work together with our owners and the whole value chain.

Valio's net sales increased to EUR 2,278.5 million, just above the previous net sales record set in 2023 (EUR 2,277.6 million). The milk return, which measures profitability, was also at a very good level: in 2024, Valio achieved its second highest milk return ever. Exports developed well, with the high global price of butter in particular increasing the value of exports. In the domestic market, successful assortment management, strong brands and continuous improvement of our own operations improved the overall performance of operations. Towards the end of the year, we were able to increase the milk price paid to owners twice, which also left us with a reserve for after payments.

Valio is owned by about 3,200 Finnish dairy farms through cooperatives. The purpose of Valio's operations is to process the milk produced by dairy farmers and to support their livelihood by paying the highest possible price for the milk. Valio pays its operating profit to the farms through the coopera-

tives. Although the economic situation on dairy farms is now a little brighter than it was a couple years ago, farms still face a challenging situation. High interest rates, high fertilizer prices and energy price uncertainty continue to challenge farm finances.

During the year, we took our strategy forward as planned. In our home markets of Finland, Sweden and Estonia, we leveraged our strong brands and maintained a strong market position. We also continued to develop the competitiveness of Valio Aimo® wholesale: among other things, we launched a new online store for professional kitchens and other wholesale customers.

Valio obtained an export permit for consumer-packaged baby foods in China, and the exports from Finland started at the end of the year. Export sales of industrial products - especially butter and specialty milk powders - performed well. Valio gained new specialty milk powder customers in Southeast Asia.

Valio's Climate Programme aims to achieve a zero carbon footprint for milk by 2035. We advanced our ambitious target in many ways.

Suomen Lantakaasu Oy's business made progress towards its production target of one terawatt-hour

by 2030. Construction of the first biogas plants started in Kiuruvesi and Nurmo, and they are expected to be completed in 2026. The planned complex includes four biogas plants that utilise agricultural biomass in their production.

We updated the sustainability programme for dairy farms. The focus areas of the sustainability programme will continue to be on improving animal welfare, reducing the farm's carbon footprint, and biodiversity-supporting milk production. The update added additional importance and choices to the sustainability programme's voluntary actions. Through the sustainability programme, Valio paid its owner entrepreneurs around EUR 50 million in 2024 for actions that exceeded statutory requirements.

During the year, more than 2,200 farms calculated the carbon footprint of their milk using the Carbo® Environmental calculator. This was the most popular action in our sustainability programme for the year. In addition, we have trained some 1,600 farms in regenerative farming, which has a positive impact on climate, water and biodiversity. In 2024, we restored the first low-yielding peatland, which is nature work with multiple benefits.



In 2024, we launched the major Food 2.0 research, development and innovation project, which has been awarded EUR 10 million in funding in Business Finland's challenge competition for leading companies. During the year, we made significant investments in energy efficiency at our production plants in Seinäjoki, Turenki and Haapavesi, among others.

We could not succeed without broad cooperation. I would like to warmly thank all our customers and partners, owner entrepreneurs and the Valio people for the good collaboration!

**Annikka Hurme**  
CEO

# VALIO IS OWNED BY FINNISH DAIRY FARMS

By choosing Valio products, you support Finnish food producers

## 3,200

DAIRY FARMS

## 1.6

 BILLION

LITRES OF MILK  
PER YEAR

## 2.3

 BILLION

NET SALES

## 13

OWNER  
COOPERATIVES

## 50

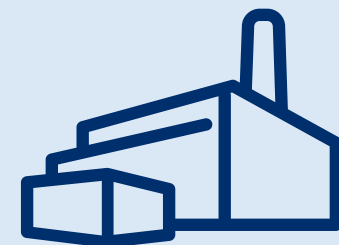
EXPORT  
COUNTRIES

## 5-10

NEW PATENTS  
ANNUALLY

## 13+2

PRODUCTION PLANTS IN  
FINLAND AND ESTONIA

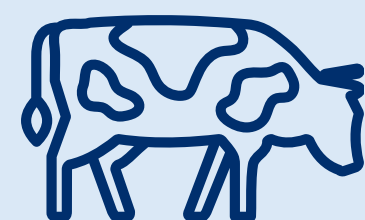


### WE EMPLOY

business, technical, dairy and food industry, and research and product development professionals.

## 4,172

JOBS



### WE PROVIDE LIVELIHOODS

also for veterinarians, general contractors, milk truck drivers and, of course, dairy farmers.



# ASSESSMENT SYSTEMS MATERIAL TO VALIO

## CDP

### VERIFYABLY STRONG CLIMATE WORK

In 2024, Valio received a score of B (climate segment) on a scale of A-F.

Valio reports on the content, progress, management and stakeholder collaboration of its Climate Programme to the international CDP system.



## ECOVADIS

### EVEN BETTER SCORE

Our score improved to 69 points in the 2024 assessment (2022: 57) and we retained our silver medal. The result places Valio in the top 11% of companies rated.

EcoVadis evaluates Valio's sustainability, and the results are for use by our customers.



## SUSTAINABLE BRAND INDEX™

### FINLAND'S SECOND MOST SUSTAINABLE BRAND 2024

Consumers ranked Valio as the second most sustainable brand in Finland in 2024, and Valio's ranking in the survey remained the same in early 2025. Europe's largest sustainability-focused brand study. Conducted by surveying consumer perceptions of the sustainability of brands.



## REPUTATION & TRUST SURVEY

### VALIO'S ALL-TIME HIGHEST SCORE

Valio was the fourth most reputable company in the 2024 survey, with a score of 3.87 (2023: 3.77).

In T-Media's Reputation&Trust survey, consumers name the most reputable Finnish companies.



# VALIO VALUE CHAIN IS LONG FROM FARM TO CONSUMPTION



# 51%

less emissions from energy use at production plants\* (scope 1 and scope 2) compared to 2019

# 22%

less indirect emissions\* (scope 3) compared to 2019

Milk waste reduced by

# 5

million litres, or 138 tanker truckloads

# 73%

of packaging made from renewable or recycled materials

\*Scope 1, 2 and 3 emissions of Valio's Climate Programme, i.e. Valio Finland's emissions, excluding wholesale products, capital investments, emissions from primary fuel production and electricity transmission losses, and storage, use and disposal of sold products.

# THE FOCUS AREAS OF SUSTAINABLE BUSINESS ARE BASED ON OUR BUSINESS STRATEGY, OWNER STRATEGY AND THE MATERIALITY ASSESSMENT

(the environmental and human rights impacts of Valio's value chain as well as business opportunities and risks related to sustainability have been identified in the double materiality assessment)



## 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

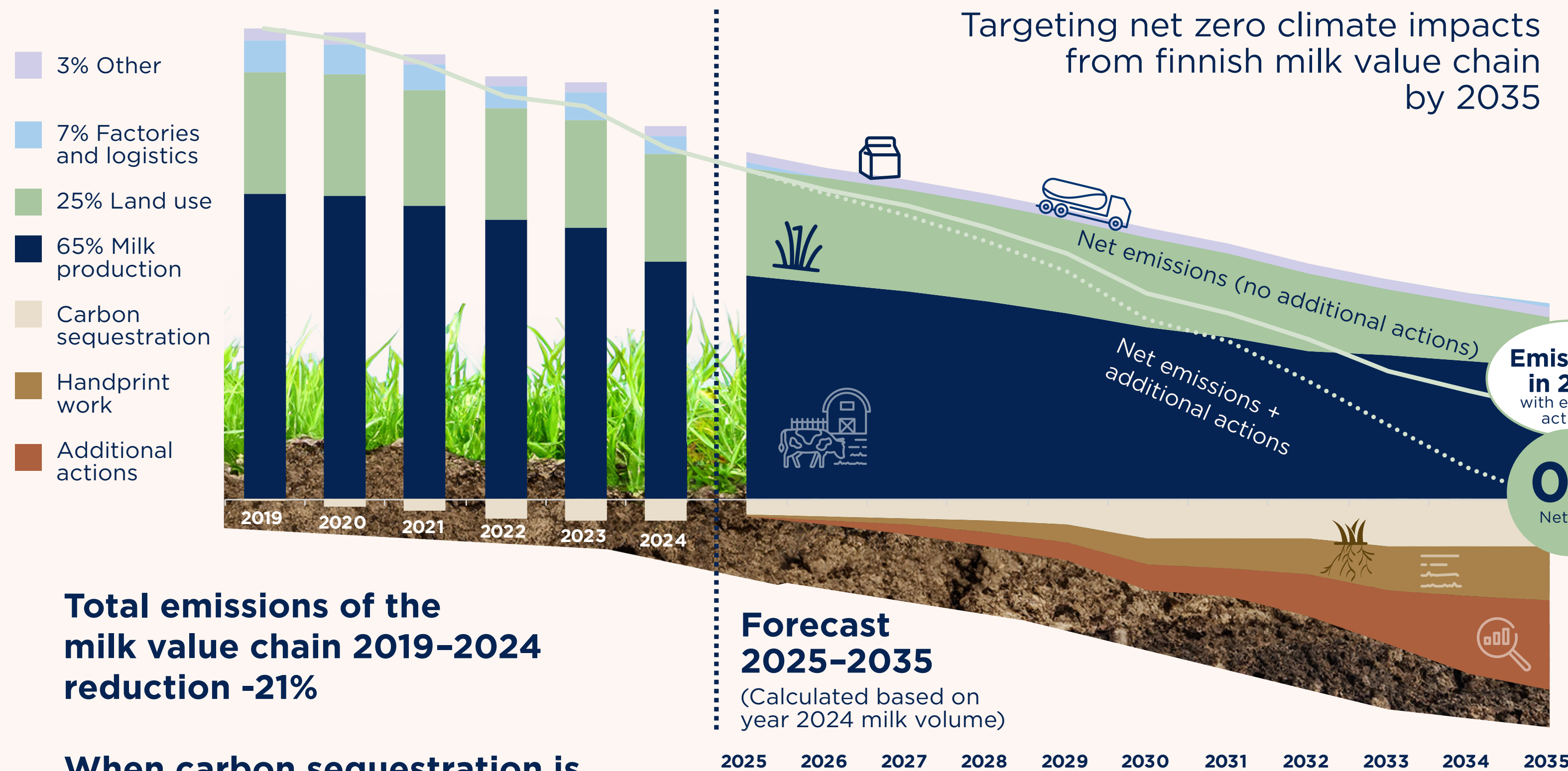
- ✦ Value creation for Finnish raw materials and work
- ✦ Food security and service level
- ✦ Innovative circular economy solutions

VALIO'S VISION: Leading dairy and food company with loved brands and innovative solutions  
VALUES: Consumer and customer focus, responsibility, renewal and collaboration

# VALIO'S CLIMATE PROGRAMME

## Valio's climate impacts

3 Mt CO<sub>2e</sub>/y (2019)



## Share of Climate Programme actions

- 1%** Packaging materials and other raw materials
- 6%** Valio's renewable energy and energy efficiency
- 11%** Peatland emissions reductions
- 25%** Climate actions at farms
  - Animal welfare, feed and breeding
  - Renewable energy and energy efficiency
  - Nutrient efficiency and circular economy (manure)
- 11%** Carbon farming in fields and carbon sequestration technologies
- 13%** Handprint work e.g. restoration and biogas in transport
- 19-37%** Need for additional actions
  - e.g. new technologies
  - the need depends on the effectiveness of the existing identified actions

Valio's Climate Programme includes emissions from Finnish milk production. This means Valio Finland's emissions, excluding emissions of wholesale products, capital investments, primary fuel production, electricity transmission losses, and the storage, use and disposal of sold products. Emissions from land use change will be included in the climate programme during year 2025.



# HIGHLIGHTS OF CLIMATE AND NATURE ACTIONS IN 2024



## USE OF CARBO® ENVIRONMENTAL CALCULATOR EXPANDED

A certified calculator developed by Valio for the Finnish climate and conditions to help dairy farms calculate their carbon footprint. In 2024, use of the Carbo® Environmental calculator, expanded to cover 90% of the Finnish cattle chain.

## FIRST REWETTED PEATLAND

We restored the first low-yield peat field on an organic dairy farm in Northern Finland. This is multi-benefit nature work that takes into account the climate, biodiversity, and water protection.



## ILMA PILOT LAUNCHED

Valio launched a five-year Carbon-Neutral Dairy Farm (ILMA) pilot, aiming to produce carbon-neutral milk on the first Finnish dairy farms in an increasingly diverse agricultural environment by 2028.

## MORE THAN 60 ENERGY EFFICIENCY ACTIONS AT 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.

We continued to develop the calculation of dairy farms' biodiversity footprint and natural capital accounting in the CircHive project.



## DATA ON CARBON SEQUESTRATION IN FIELDS

We started carbon dioxide measurements on three Valio fields to detect carbon release and sequestration. Regenerative farming can absorb the atmosphere's carbon in mineral soils.

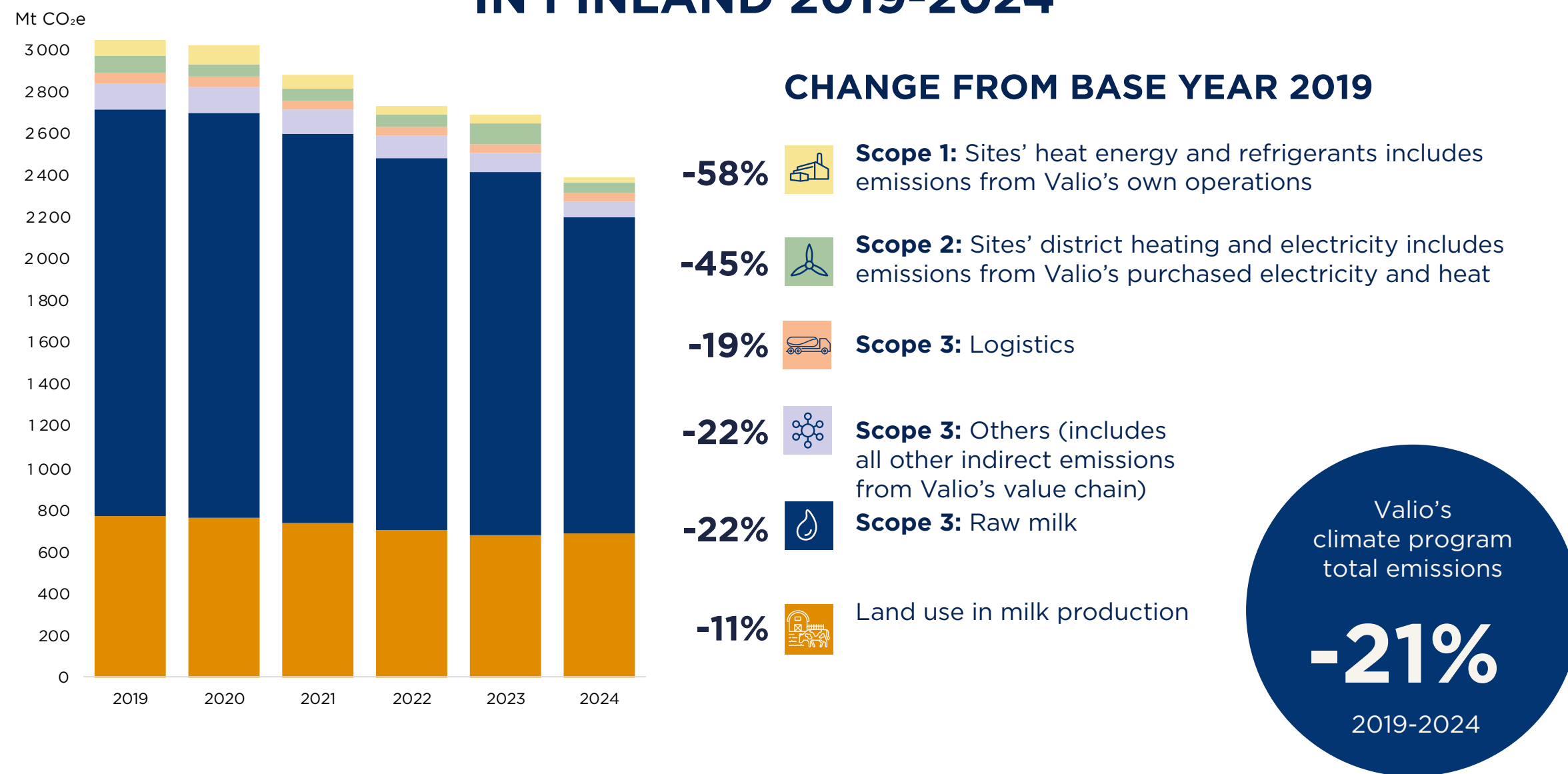
## CARBO™ PARTNERSHIP PROGRAMME FOR INDUSTRIAL CUSTOMERS

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



# EMISSION REDUCTIONS IN 2024

## PROGRESS OF VALIO'S CLIMATE PROGRAMME IN FINLAND 2019-2024



Valio's Climate Programme includes emissions from Finnish milk production. This means Valio Finland's emissions, excluding emissions of wholesale products, capital investments, primary fuel production, electricity transmission losses, and the storage, use and disposal of sold products. In 2024, the total emissions of the climate programme were about 2 Mt CO<sub>2</sub>e, which covers approximately 80% of Valio Group's total emissions. The Group's emissions in year 2024 were about 2.5 Mt CO<sub>2</sub>e. The figures do not include carbon sequestration from fields or emissions from land use change.

## PROGRESS OF VALIO'S SCIENCE BASED TARGETS (SBTi) 2019-2024



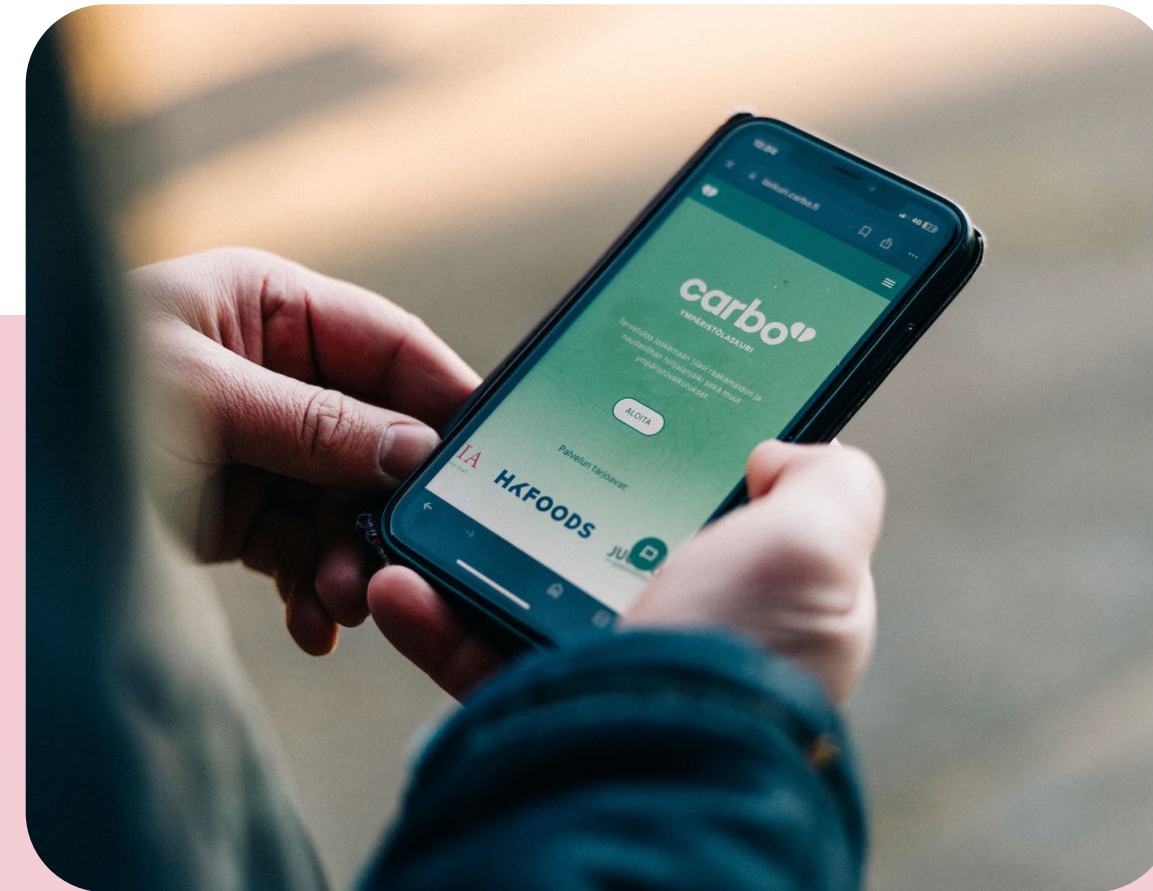
**Scope 1** Scope 1 Sites' heat energy and refrigerants includes emissions from Valio's own operations  
**Scope 2** Sites' district heating and electricity includes emissions from Valio's purchased electricity and heat  
**Scope 3** Others (includes all other indirect emissions from Valio's value chain)



Valio is committed to science-based SBT climate targets for 2030, in line with the Paris Agreement. The Science Based Target initiative (SBTi) accepted Valio's targets in 2021.

# SUSTAINABILITY BONUS

In 2024, we paid EUR 50 million to Valio dairy farms for actions that improve animal welfare, increase biodiversity and mitigate climate change. For the average farm of 60 cows, this means around 15,000 euros per year. Here are some examples of actions that can be chosen on a voluntary basis.



## REGENERATIVE FARMING

has a positive impact on climate, water and biodiversity. We paid **1,600** dairy farms that participated in the training; regenerative farming is now practiced on **130,000** hectares of arable land.

## GRAZING

Farms can choose from eight different grazing and outdoor exercise actions that go beyond statutory requirements. In 2024, these actions were chosen by farms more than **5,500** times.

## CALCULATIONS

More than **2,200** farms used the Carbo® Environmental calculator to reduce the carbon footprint of their milk. This was the most popular action in 2024.

## NATURAL PASTURES

Valio farms took care of **12,000** hectares of high-value natural pastures and traditional biotopes, such as meadows, grasslands, forest pastures and wooded areas.

# ANIMAL WELFARE

## VALIO DAIRY FARMS IN 2024

# 100%

of farms are included in Naseva  
(the Centralised Health Care Register for Finnish cattle herds)

# 76%

of farms grazed

Cooperatives made

# 674

Valio visits to farms and 159 other visits to farms

About

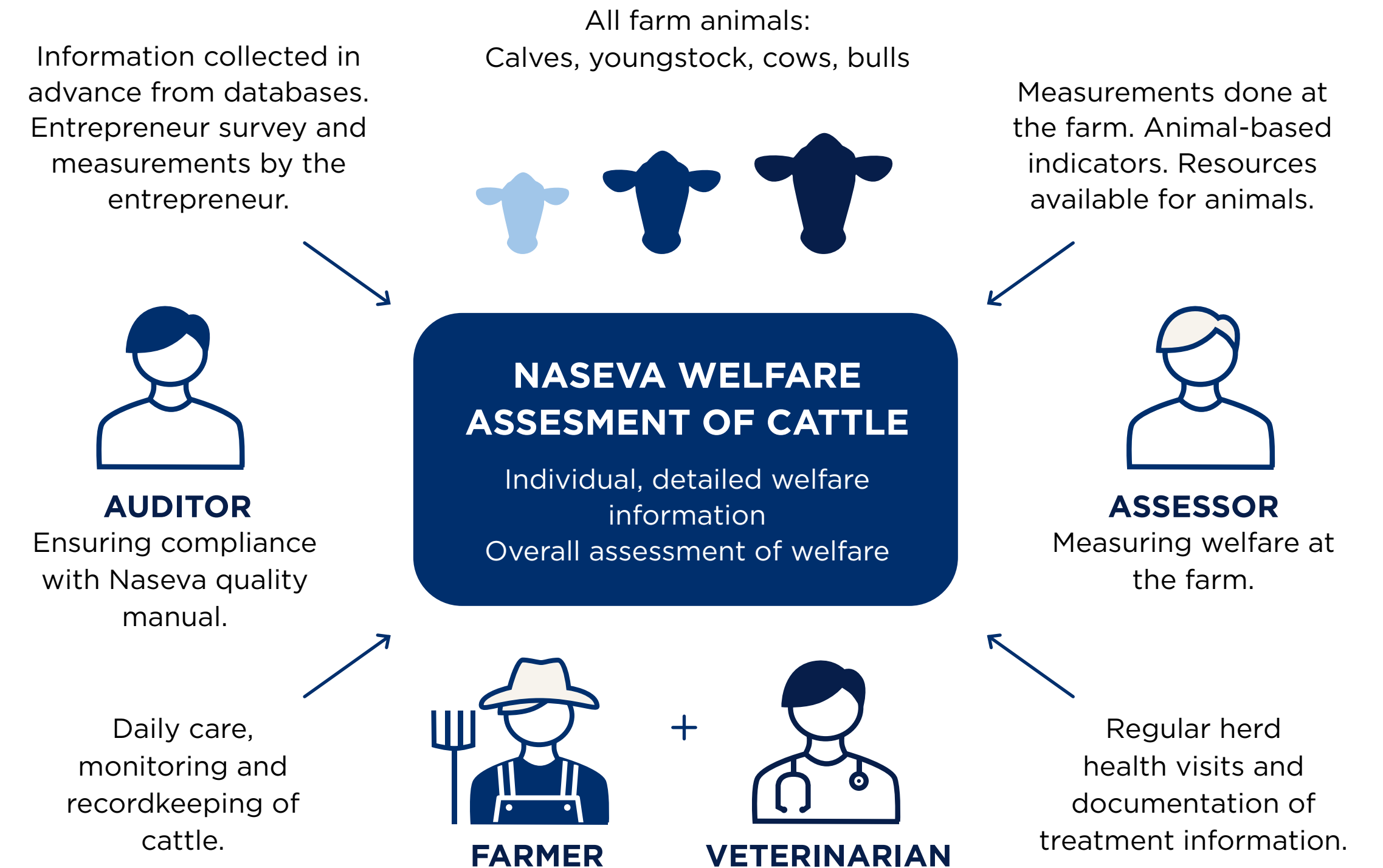
# 3/4

of the cows live in freestall barns, and this number is increasing

Cows feed primarily on grass and they are not fed any soy.

## NASEVA WELFARE ASSESSMENT OF CATTLE PROJECT

Valio is involved in the development of a completely new set of indicators to assess the welfare of dairy farm cattle. The project's indicators were further developed and tested extensively in 2024.



## MAINTAINING AND PROMOTING WELFARE

Naseva welfare assessment of cattle brings together existing data and the data produced by the new welfare indicators. Naseva is a solid platform for cattle health and welfare information: the farmer's daily work to maintain health and welfare and the regular herd health visits by a veterinarian.

# CLIMATE-SMART PACKAGING AND RESOURCE EFFICIENCY IN PRODUCTION



- **Milk waste in production was reduced in 2024 through dozens of development projects.**
  - Waste reduction is part of the strategic #2025 programme, launched in 2022, which aims to increase the efficiency of milk production.
  - In 2024, we succeeded in reducing waste by around 5 million litres of milk, which is equivalent to around 138 tanker truckloads of milk.
- **CO<sub>2</sub> emissions from energy procurements (electricity and heat) in 2024 were less than half of what they were in 2016.**
  - 73% of the electricity used in Finland was emission-free.
- **Electrification of the heat production is continuing with an investment in a 12-MW electric boiler at the Haapavesi plant with a heat supplier.**
  - The boiler will come on stream in 2026, and renewable electricity guarantees of origin will be acquired for the electricity it uses.



- **In 2023, under the SUP Green Deal, Valio committed to reducing the amount of plastic in its single-use packaging by 15% by 2026. The target was achieved ahead of schedule, with a 22.5% reduction in plastic use in 2024 compared to 2022. [Read more.](#)**
  - Plastic used in Valio yoghurt cups was reduced by 8%.
  - The switch to carton cups continued e.g. with PROfeel® puddings and some PROfeel® quarks.
  - Cheese block packaging with 9% less plastic and sliced cheese packaging with 10% less plastic were introduced.
- **By summer of 2024, the switch had been made to tethered caps for all beverage packaging under three litres, compliant with the SUP directive.**
- **The goal is that all packaging is recyclable by 2030. In addition, the aim is that 80% of all packaging materials used are made from either renewable or recycled materials.**
  - Currently, 73% of packaging is made from renewable or recycled materials.



# RESPONSIBLE SUPPLY CHAINS AND VITALITY OF DAIRY FARMS



## AUDITS AND ASSESSMENTS CARRIED OUT IN 2024

- 100% of raw materials suppliers committed to Code of Conduct principles.
- Sustainability questionnaires sent: 230 pcs
- Food safety and quality audits carried out: 44 pcs
- Sustainability audit of suppliers and manufacturers located in risk countries: 64%
- Use of certified coffee: 100%
- Use of certified cocoa: 98%



## RESPONSIBLY PRODUCED BERRIES

- Valio updated its own requirements for berry suppliers for the 2024 picking season and several camp inspections were carried out during the season.
- Valio participated in Fairtrade Finland's pilot project. The aim was 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.



## FUTURE VALIO FARMERS

- A new joint training programme of Valio and the cooperatives, which was designed during 2024 and participants were selected in December.
- Designed for young dairy farmers or individuals interested in becoming an entrepreneur in the sector.
- The focus is on themes of dairy farm management. The aim is to support young entrepreneurs to become top professionals in their field and to expand their network.

# PRODUCTS PROMOTING HEALTH AND WELLBEING

Valio continues to develop its product portfolio to meet consumer needs. During the year, Valio launched products such as Oivariini canola oils spreads, Valio GEFILUS<sup>®</sup> OLO<sup>™</sup> yoghurts sweetened with stevia, and Luonnonjogurtti+<sup>™</sup> smoothies and yoghurts with no added sugars or sweeteners. In addition, Valio has increased its range of plant-based products for industry, professional kitchens and consumers with the Gold&Green brand and through the Oddlygood subsidiary. Valio developed 18 new Heart Symbol products during the year. At the end of 2024, there were 151 Heart Symbol products in Valio's product portfolio in Finland.

Globally, consumers favour products that promote and support health, such as lactose-free dairy products and protein-rich products. Valio responded to this trend by launching Valio EILA<sup>®</sup> MPC 65 for industrial customers; the protein product is used for example in the South Korean product **Denps protein product with Valio's ingredient solution - [valio.com](https://valio.com)**.

In the 2024 nutrition commitment, Valio committed to improving the nutritional quality of its 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 Akatemia<sup>®</sup> awarded 31 nutritional stipends and the programme supported youth sports with 124,800 euros.

Valio is investing heavily in nutrition research now and in the future. During 2024, various studies were conducted to investigate the health effects of fermentation in dairy- and plant-based products. In addition, Valio launched a clinical study to investigate whether dairy products enriched with brain health nutrients can slow the decline of brain function in the elderly.



# SAFE, MENTAL HEALTH FRIENDLY WORKPLACE



## COACHING LEADERSHIP

- The Valio way of working and delivering on the leadership promise.
- With the Coaching Leadership Training Programme, we ensure that every Valio employee has the skills and tools needed to apply a coaching approach in their everyday life.
- In 2024, the entire personnel of the headquarters functions as well as the production plant and warehouse employees participated in the training programme.

## VALIO VOICE EMPLOYEE SURVEY

The engagement index is one of Valio's most important metrics. Valio's engagement index globally is 7.6, which means that we are in the top 25% of the industry.

## SAFETY AND WELLBEING AT WORK

- Work-related injuries decreased both in number and frequency, compared to the previous year.
  - The injury absence rate in Finland decreased by half compared to the previous year - for the second year in a row.
  - The number of absences due to injuries was the lowest in Valio's measuring history.
  - We will continue efforts to promote a safe working environment.
- The work community and supportive colleagues are seen as strength at Valio, and the aim is to strengthen this further.
- The wellbeing at work theme for spring 2024 was sufficient resources, with the topic of respectful encounters as a work community resource.
- Valio was again designated as a "Mental Health Friendly Workplace" by the MIELI Finnish Association for Mental Health.

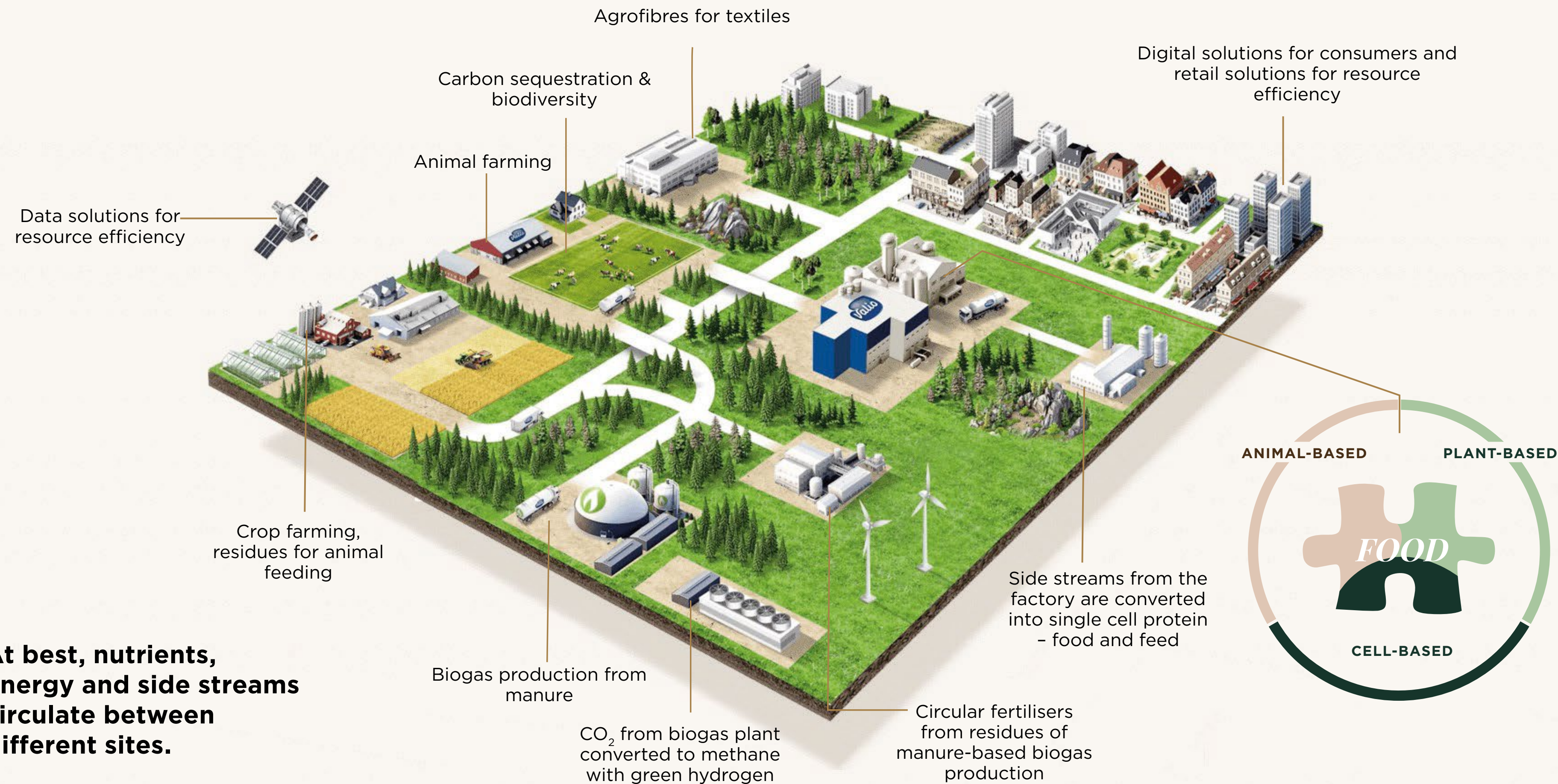


## EMPLOYING YOUNG PEOPLE

- In 2024:
  - We employed around 400 summer workers.
  - We participated in the food industry's first virtual EtätET day and Maistuva Päivä theme week, which gave young people the opportunity to learn more about the food industry.
  - A pilot to support the wellbeing of young people at the Jyväskylä production plant in cooperation with occupational health care. Topics included life management and recovery, management of young workers and the related factors.
- Where possible, Valio offers students traineeships and apprenticeships, summer jobs, and thesis opportunities.



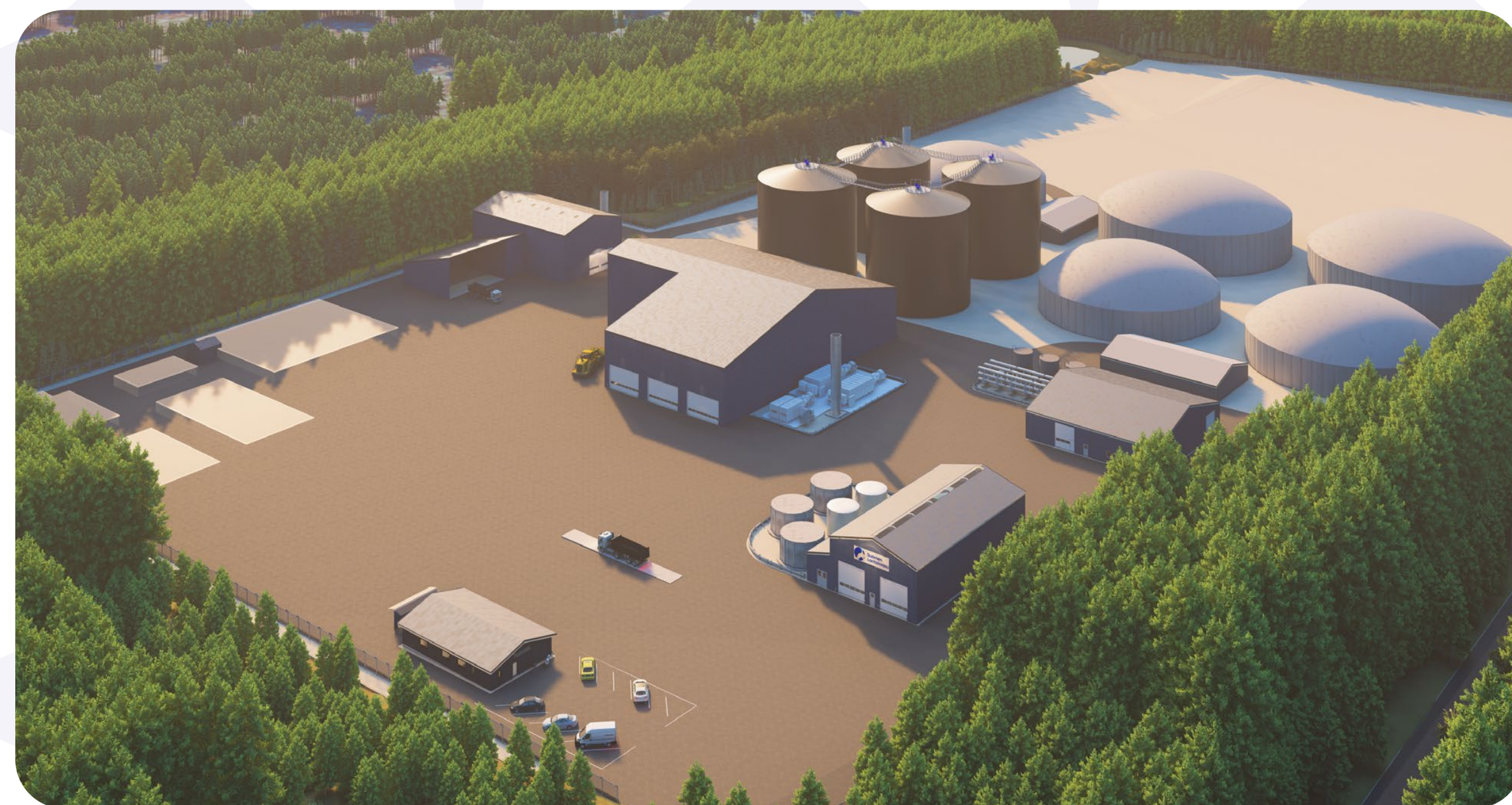
# FOOD SYSTEM OF THE FUTURE - DIFFERENT FORMS OF FOOD PRODUCTION THAT COMPLEMENT EACH OTHER



**At best, nutrients, energy and side streams circulate between different sites.**

- 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.

# INNOVATIVE CIRCULAR ECONOMY: SUOMEN LANTAKAASU OY



- Joint venture between Valio and St1 Biokraft, currently building two industrial-scale **biogas plants**.
  - Autumn 2024, a decision to invest more than 80 million euros in a biogas plant in Kiuruvesi
  - Together with Atria, a more than 60-million-euro investment in a biogas plant in Nurmo
  - Plants will come online in 2026
- Two new plant projects being planned for Pedersöre-Kruunupyö and Nivala-Sievi regions.

## DATA SECURITY AS PART OF SECURITY OF SUPPLY

- In 2024, Valio prepared for the adoption of the EU critical infrastructure Network and Information Security Directive (NIS2) and the Finnish Cybersecurity Act.
- All Valio employees were required to complete the information security and data protection training published in 2024. These trainings focus on information security and risk management topics to ensure that employees know how to respond correctly to potential security threats and understand the requirements of data protection legislation.
- In December, Valio was targeted by a serious cyberattack, 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 prevent the misuse of their own personal data.

Waldio