



SUSTAINABILITY REPORT 2025

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FROM THE CEO

For Valio, 2025 was a strong year: our net sales and profitability reached record highs. At the same time, we continued our aspirational sustainability work with our owners and across the entire value chain. Together we are building a sustainable food system of the future.

WE ACHIEVED OUR GROWTH TARGETS

Valio celebrated its 120th anniversary with strong growth, even though Finland’s weak economic situation and uncertainties in global trade challenged business operations. The Group’s net sales grew by 6.3 percent to 2,422.7 million euros (2,278.5). Net sales in our international operations grew by as much as 13.5 percent (2.0). The milk return, a measure of profitability, was at a very good level.

Our exports account for about a quarter of Finland’s total food exports. Our main export products are industrial milk powder and industrial butter, which food industry customers use in their own production. Growth in branded products for the retail markets also developed well. In 2025, the value of Valio’s exports from Finland grew significantly. We gained new customers for our specialty milk powders, the export of which we are increasing in line with our strategy.

In our home markets of Finland, Sweden, and Estonia, growth was driven in particular by snack products. Our Valio Aimo wholesale business also

grew. We provide a more detailed account of our business performance in [the Board of Directors report](#).

Valio is owned by about 3,000 Finnish dairy farms through local cooperatives. The purpose of our operations is to process the milk produced by dairy farmers and to support their livelihood by paying the highest possible price for the milk. We distribute the profit from our operations to the farms through the cooperatives. In 2025, we were able to raise the milk payment price paid to the cooperatives.

SUSTAINABLE FOOD PRODUCTION REQUIRES THE ENTIRE VALUE CHAIN

Through food production, we are addressing the major challenges of our time: global population growth is increasing the demand for food, while climate change requires a transformation of the entire food system and food production. Valio is actively involved in shaping the future of food production, together with stakeholders across the entire value chain. Through research, product development and innovations, we are developing solutions to build a sustainable food system.

The goal of Valio’s Climate Programme is to achieve a carbon-neutral milk value chain by 2035. Our emissions reduction efforts are based on the latest Finnish and international research data and are combined with practical actions. In 2025, we advanced our target by, e.g., reducing emissions from our production plants’ energy use and transport logistics. As part of our primary production sustainability programme, we continued to incentivize our dairy farmers to foster emissions reduction work, animal welfare, and biodiversity. We developed the sustainability programme by introducing regenerative farming as a voluntary action; as a result, the number of hectares under regenerative farming on Valio dairy farms increased from 160,000 to more than 200,000 hectares. A total of 2,150 farms calculated the carbon footprint of their milk production using the certified Carbo® Environmental Calculator developed for Finland’s climate and conditions. This represents about 80 percent of Valio’s total milk procurement.

NEW, SUSTAINABLE BUSINESS AND COMPETITIVENESS

One example of the development of sustainable business is Suomen Lantakaasu Oy, the joint venture between Valio and energy company St1 Biokraft. Suomen Lantakaasu Oy has a target to produce 1 terawatt-hour of renewable energy from manure. In 2025, the company focused on building production facilities in Nurmo and Upper Savo.

In 2025, we also continued our extensive Food 2.0 research and development programme. It aims to create a more resource-wise and sustainable food system in which different forms of food production support one another and food value chains are sustainably linked to other value chains. At the same time, it promotes the competitiveness of Finnish food exports. In 2025, 19 research and development projects were launched within the Food 2.0 programme, in addition to two previous projects.

In addition, in collaboration with the cooperatives, we launched the Future Valio Farmers training programme for young dairy farmers. The goal is to support the young entrepreneurs in becoming top experts in their field.

Our success is based on strong collaboration with our owner entrepreneurs, Valio employees, our customers, and partners. I would like to warmly thank all of them for their successful collaboration throughout the year.



Annikka Hurme
CEO



GENERAL DISCLOSURES



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ESRS 2

GENERAL DISCLOSURES

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

New legislation in line with the EU's Corporate Sustainability Reporting Directive (CSRD) requires Valio to report in accordance with the European Sustainability Reporting Standards (ESRS) starting from the 2027 financial year. Valio's 2025 report has been prepared voluntarily in accordance with ESRS requirements. The structure and content of the report comply with the requirements of the current ESRS. The requirements of the draft standards at the end of 2025 may have been applied in sections other than E1. The EU taxonomy reporting requirements have not been taken into account in the report. The requirements of the ESRS E1 standard have been verified by an external assurance provider at a limited assurance level.

The sustainability report has been prepared from the perspective of the Valio Group. Its scope corresponds to that of the consolidated financial statements, i.e. it includes all Group companies controlled by Valio in accordance with the notes to the financial statements. This means all companies that are engaged in business activities and in which Valio Group has more than a 50 percent ownership interest and exercises control.

The report covers the same time period as the Valio Group's financial statements, 1.1.2025-31.12.2025. 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.

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 ESTIMATIONS

The information in this 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 have 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 2025 report and its structure are based on the current ESRS standards. The new ESRS draft standards, published in December 2025, have been partially applied in the content other than in the section meeting the E1 standard requirements.

Since 2019, Valio has systematically developed the Scope 3 carbon footprint calculation of raw milk to

better align with the Greenhouse Gas (GHG) Protocol guidelines. In 2025, the calculation includes new, higher quality primary data and more comprehensive Scope 3 emission sources, such as emissions from land use change. As the calculation methods and emission coverage have been significantly refined, we have initiated a recalculation of the baseline year in accordance with the GHG Protocol and reviewed the results of recent years. This ensures that the reported results and achievements are comparable, transparent and methodologically consistent.

The disparity from previously reported figures is primarily due to more accurate and expanded calculations, not solely to operational changes.

DISCLOSURES STEMMING FROM OTHER LEGISLATION OR GENERALLY ACCEPTED SUSTAINABILITY REPORTING PRONOUNCEMENTS

Information on other legislation has not been included in the sustainability report. A brief description of the application of the Deforestation Regulation is provided in the section [Actions and resources related to biodiversity](#) E4-3.

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 [Outcome of material impact, risks and opportunities and their interaction with the strategy and business model](#) 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, and Valio has a procurement agreement with five of them. These five cooperatives comprise a total of about 3,000 Finnish dairy farms that supply milk to Valio. These five procurement cooperatives own over 99 percent 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 Finland 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 represent Valio’s personnel. The Supervisory Board members are part of the five cooperatives that supply milk to Valio. Valio has no independent Supervisory Board members. Currently, 26 percent of the Supervisory Board members are women and 74 percent are men (seven women and 20 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 2025, Valio’s Board of Directors had five members, all of them dairy farmers. Valio has no independent Board of Directors members. 20 percent of the Board members are women and 80 percent are men (one woman and four 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.

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 common functions is divided among the members of the Executive Board. In 2025, 38 percent of the Executive Board members were women and 62 percent are men (three women and five men).

Valio Group’s Executive Board 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 related risks and opportunities.

In 2025, changes were made to the areas of responsibility within Valio’s Executive Board. In March, Katja Lindholm, head of Valio’s People function, was appointed to the Executive Board. In October, Valio’s business operations were divided into two distinct business areas: Milk-Based Businesses, headed by Marianne Tammela, and Expansion Businesses & Renewal, headed by Tuomas Salusjärvi. At the same time, the sales organization was consolidated into a separate entity with Timo Pajari taking over as its head and joining the Executive Board. The key objectives of these changes were to clarify the performance management model and leadership structures, as well as to accelerate the implementation of Valio’s strategy.

VALIO'S BOARD OF DIRECTORS IN 2025



VESA KAUNISTO
BOARD CHAIR

Farmer, Veteli
Board member since 2013

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

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Dairy farmer since 1994
- Valio Board member and Vice Chair 2013–, Board Chair 2015–
- 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, Agronomist

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



MATTI LEIKKANEN
BOARD MEMBER

Farmer, Sastamala
Board member since 2025

EDUCATION
Mechanical engineer

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Dairy farmer since 1997
- Valio Supervisory Board member 2016–2024
- Administration of Osuuskunta Länsi-Maito 2007–
- Osuuskunta Länsi-Maito, Board member 2012–, Board Chair 2022–2024, Vice Chair 2025–
- Valio Pension Fund, Alternate Board member 2025–
- Several other positions of trust since 2024



SATU PULKKA
BOARD MEMBER

Farmer, Vieremä
Board member since 2025

EDUCATION
Master of Science

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Dairy farmer since 1998
- Valio Supervisory Board member 2018–2024, Vice Chair 2020–2024
- Osuuskunta (ItäMaito) Maitosuomi, Board member 2017–
- Foundation for Nutrition Research Board member since 2023

VALIO'S EXECUTIVE BOARD IN 2025



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 since 1989:
 - CEO 2014-
 - Various management roles in sales, marketing and product categories
 - Finnish Food and Drink Industries' Federation (ETL), Board member 2015- (Chair 2019-2024)
 - Valio Pension Fund and Valio Mutual Insurance Company, Board Vice Chair 2018-
 - Finnish Fair Foundation, Board member 2024-
 - Finnish Foundation for Cardiovascular Research, Board member 2018-
 - Various previous positions of trust at major companies and organizations



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
 - Various management and expert roles in financial management since 1993



KATJA LINDHOLM
EXECUTIVE VICE PRESIDENT, PEOPLE

Executive Board member since 2025
Joined Valio Ltd in 2023

EDUCATION
Master of Business Administration, International Business Management

- RELEVANT EXPERIENCE AND POSITIONS OF TRUST**
- Valio Ltd HR Business Partner 2023-2024
 - Various HR management roles at Stora Enso Paper Oy 2019-2022
 - Various expert roles at Stora Enso Oyj 2006-2018



TIMO PAJARI
EXECUTIVE VICE PRESIDENT, SALES AND COMMERCIAL OPERATIONS

Executive Board member since 2025
Joined Valio Ltd in 2018

EDUCATION
Master of Science

- RELEVANT EXPERIENCE AND POSITIONS OF TRUST**
- Various management roles at Valio in global sales and business since 2018
 - Previously, more than ten years involved in the plant-based food and industrial raw materials business, including several years in global sales management roles

VALIO'S EXECUTIVE BOARD



JUHA PENTTILÄ
EXECUTIVE VICE PRESIDENT,
OPERATIONS

Executive Board member since 2018
Joined Valio Ltd in 1992

EDUCATION

Dairy Technician

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Management roles 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 roles
- Valionova Oy, Board Chair
- Suomen Lantakaasu Oy, Board member



TUOMAS SALUSJÄRVI
EXECUTIVE VICE PRESIDENT,
EXPANSION BUSINESSES AND RENEWAL

Executive Board member since 2014
Joined Valio Ltd in 2007

EDUCATION

Doctor of Philosophy

RELEVANT EXPERIENCE AND POSITIONS OF TRUST

- Various management roles at Valio since 2011, with responsibilities including international exports, growth business, R&D, product categories and brand, and business development
- Linkosuo Oy, Board member 12/2023-
- Suomen Lantakaasu Oy, Board Chair 05/2023-05/2025, Board member 06/2025-
- Oddlygood Oy, Board Chair 2021-
- Pro Luomu ry, Board member 2015-2021
- HKScan Oyj, Board member 2017-2018
- Profeel Oy, Board member 2024-01/2025, Board Chair 02/2025-
- Natural Resources Institute Finland (Luke), Board Chair 2021-



MARIANNE TAMMELA
EXECUTIVE VICE PRESIDENT,
MILK-BASED BUSINESSES

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

- Various management roles at Valio since 2019, including responsibility for financial performance of the PROfeel® business as CEO of the subsidiary Profeel Oy; Group Strategy and Innovation functions, People function and Safety function
- Valmet Oyj, Director, 2016-2019
- Various expert and managerial roles at Valio Ltd, 2009-2016
- Oddlygood Oy, Board member 2022-



ISMO NIKKOLA
EXECUTIVE VICE PRESIDENT,
BUSINESS ENABLING FUNCTIONS

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 Branding and Marketing, 2022-2023
- Avidly, Deputy CEO and Chief Strategy Officer 2015-2022
- Previously various marketing and sales roles at Huhtamäki Oyj, Leaf, Oy Gustav Paulig Ab and Fazer Bakeries Oy, as well as strategy roles at various advertising agencies
- Marketing Finland, Board member 2023-
- Profeel Oy, Board member 2024-

SUSTAINABILITY GOVERNANCE MODEL AND LEADERSHIP EVENTS

GOV-2

Valio has defined a sustainability annual calendar and governance model. Material impacts, risks, and opportunities are taken into account in strategy reviews in accordance with the annual clock. Valio's ESG Director is responsible for the internal management, coordination, and cooperation of sustainability work.

Adequate availability of 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. In 2025, top management's sustainability leadership events addressed topics related to the following key issues, e.g.: climate impacts and emission reductions, deforestation, packaging, resource efficiency, and ESG data. In addition, Valio's Executive Board and Board of Directors approved the updated Business Partner Code of Conduct.

ANNUAL CLOCK *of sustainability*



Board of Directors' sustainability review

The **Board of Directors** is responsible for ensuring the conditions necessary for sustainable business operations and compliance. Valio's Board of Directors approves the results of the materiality assessment review and the content of the sustainability report.

The Board of Directors' sustainability review is held twice a year.

Board of Directors' ESG Committee

The **Board of Directors' ESG Committee** prepares the Board's sustainability reviews, validates material sustainability topics, and discusses the current sustainability themes more broadly than at the Board meeting. The Committee consists of two Board members, the Executive Board member in charge of sustainability and Valio's ESG Director.

The Board of Directors' ESG Committee convenes three times per year.

Valio Executive Board's Sustainability Forum

Valio's Executive Board is responsible for ensuring sustainable and compliant business operations and for steering the sustainability work of the business operations. Valio's Executive Board oversees the company's sustainability impacts, risks, and opportunities at the top level and ensures that the organization has sufficient and competent resources available with regard to material sustainability topics. Valio's Executive Board has approved the material impacts, risks, and opportunities, as well as the thresholds used in determining them. The Executive Board approves the Valio Group sustainability focus areas and the sustainability targets and indicators.

The Executive Board's *Sustainability Forum* is held twice a year, and a separate meeting is held to review the materiality assessment, sustainability focus areas, and targets. A separate *management review of HSEQ matters* and related management systems is held once a year for Valio's Executive Board.

Sustainability management team

The **Sustainability management team** is comprised of heads of functions that are relevant from a sustainability perspective. The team oversees the effectiveness of sustainability principles and due diligence processes, tracks progress towards sustainability targets, and addresses current sustainability topics.

The sustainability management team meets about six times per year.

ESG cooperation groups and thematic matrix meetings

Valio has three cooperation groups organized around material topics and operating in the matrix structure. The ESG working groups in the matrix are structured around the Environment, Social Responsibility and Governance themes. The groups meet regularly, share information, and advance the topics in the matrix.

In addition to the ESG working groups, Valio also has a few other groups that meet in the matrix to discuss material topics, such as product responsibility, animal welfare, and supply chain responsibility.

Operational sustainability work

Operational sustainability work is the responsibility of Valio's various functions. The management teams of the functions are responsible for advancing sustainability targets as part of their action plans and their more specific operational targets.

MANAGEMENT INCENTIVE SCHEMES GOV-2, 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). 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.

At the beginning of each year, Valio’s remuneration committee proposes and the Board of Directors approves 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 2025, THE FOLLOWING TARGETS WERE RELATED TO SUSTAINABILITY:

TARGET	DESCRIPTION	SHARE OF INCENTIVE
Milk return*	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. Through the price paid for milk, Valio has a material impact on the living wages of milk producers. Valio’s aim 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.	STI (2025) Weight: 50%
Progress of the Climate Programme, i.e. the percentage reduction in emissions included in the value chain of milk-based products	A carbon-neutral milk value chain by 2035 is part of Valio’s strategy. It supports Valio’s business and responds to customers’ climate requirements. The aim of the incentive system is to accelerate emission reductions.	LTI (2025-2027) Weight: 20%
Deforestation Regulation readiness – Valio’s operations meet EUDR requirements	Ensuring compliance with the requirements of the EU Deforestation Regulation (EUDR) by 30.12.2025. The amendment and postponement of the EU’s Deforestation Regulation, decided at the end of the year, caused significant changes to Valio’s situation. Implementation will continue during 2026 from the perspective of the new requirements.	STI (2025) Weight: 10%
#2025 Reducing milk raw material waste	The #2025 programme aims to improve resource efficiency through various projects and concrete actions, such as reducing milk raw material waste.	LTI (2023-2025) Weight: 30%
Occupational safety	The occupational safety target focuses on reducing the Group’s number of injuries at work and ensuring a safe work environment for all employees.	LTI (2023-2025), LTI (2024-2026) Weight: 20%

$$\text{Milk return*} = \frac{\text{(Milk margin - the need for depreciation of fixed assets, i.e. financing requirement for investments)}}{\text{Milk volume supplied by the owners}}$$

$$\text{Milk margin} = \text{Net sales less other costs, excluding depreciation and the price paid to owners for raw milk and interest on shareholder loans}$$

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 taken into account in line with the strategy process and are in this way embedded in the business model. Topic reported in the section Sustainability leadership events GOV-2
Engaging with affected stakeholders	In addition to reviewing the materiality assessment results, Valio engages with affected stakeholders at several other phases. Topic reported in the section Interests and views of stakeholders SBM-2
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. Topic reported in the section Double materiality assessment process IRO-1
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. Valio ensures that daily delivery reliability to customers is at a high level, and at the same time Valio plays 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.

Internal control at Valio aims to ensure that Valio’s operations achieve their strategic and operational objectives within an acceptable level of risk. Internal control also serves as a development tool for management, processes, functions and operational activities. Internal auditing is coordinated at Valio, but the actual audits are outsourced to a third party. Internal control regularly seeks the views of Valio’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 COSO ERM and ISO 31000 standards. In line with the Group’s risk management policy approved by the Board of Directors, business risks are classified as strategic, operational, financial, or compliance risks. Significant sustainability-related business risks identified through the materiality assessment are classified using the same principles in Valio’s ERM risk assess-

ment system. 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.

MANAGEMENT OF SUSTAINABILITY-RELATED RISKS

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.

Based on information obtained from the ERM system, Valio’s RMO team reports annually to Valio’s Executive Management Team and Board of Directors on the company’s most significant risks and related changes. The results of internal control are also reported to the Board of Directors on an annual basis.

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

BUSINESS MODEL

Valio is owned by about 3,000 Finnish dairy farms through 13 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 the Baltics, Sweden, China, and the United States.

Valio owns 100 percent of Profeel Oy, which focuses on the sale of protein snacks and is the majority shareholder in Oddlygood, a company that focuses on the sale of plant-based products. Mandatum Asset Management is a minority shareholder in Oddlygood. In addition, Valio owns 50 percent of Suomen Lantakaasu Oy, which aims to promote a circular economy by producing biogas from dairy farm manure and agricultural byproducts. St1 Biokraft owns the other 50 percent.

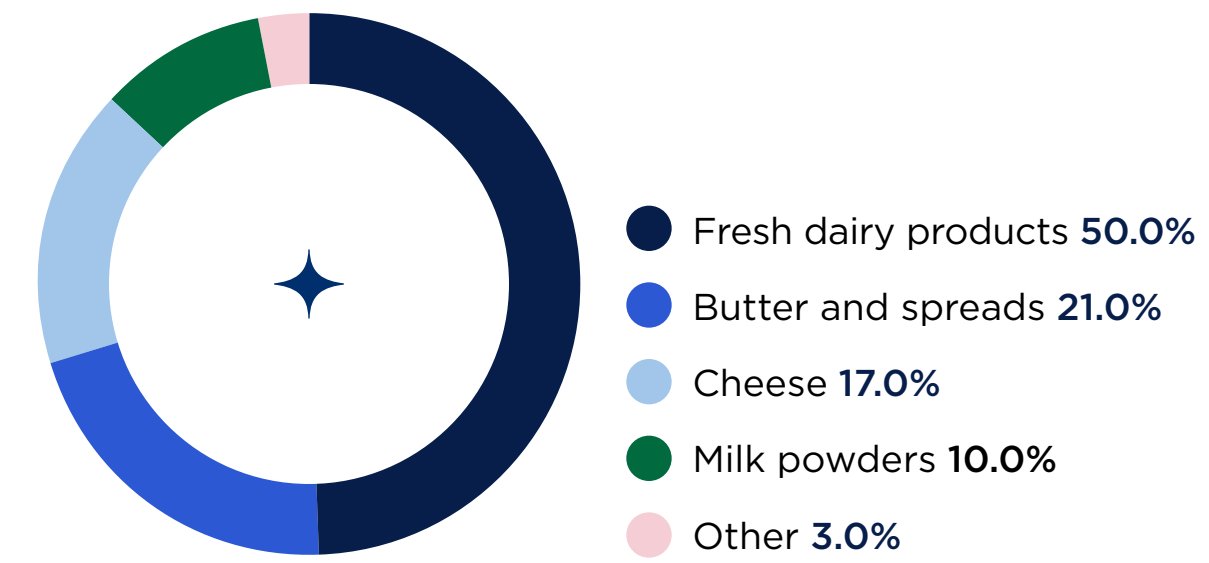
Valio exports consumer and industrial products to around 60 countries, products such as butter and milk powders for use in the food industry, as well as dairy snacks, cheeses and plant-based products for consumers. Valio exports account for about one quarter of Finland's total food exports.

STRATEGY

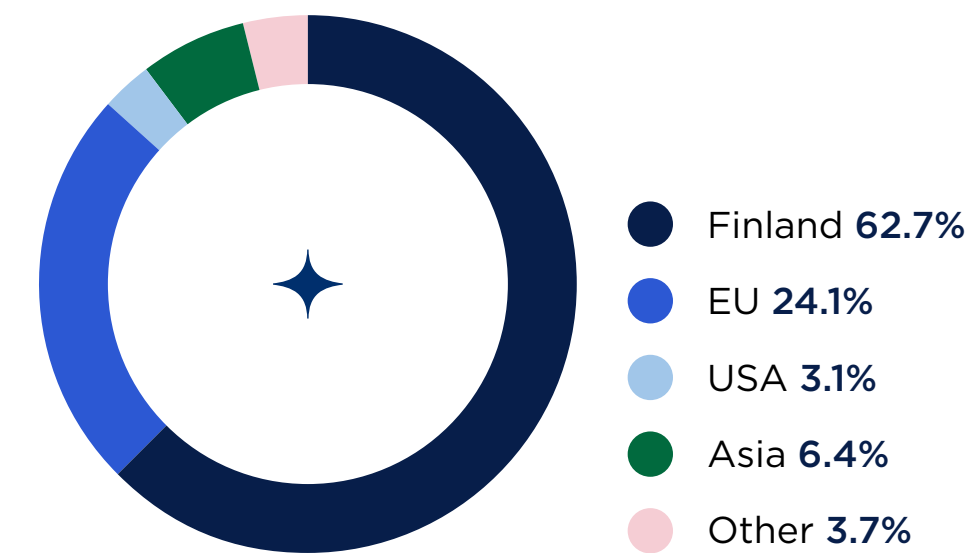
Valio's vision is to be a leading dairy and food company with loved brands and innovative solutions. The company's values are Consumer and customer focus, Responsibility, Renewal, and Collaboration, and the company's mission is "Together we make life better". Valio's most important asset is the committed 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 GROUP NET SALES BY PRODUCT GROUP, 2025



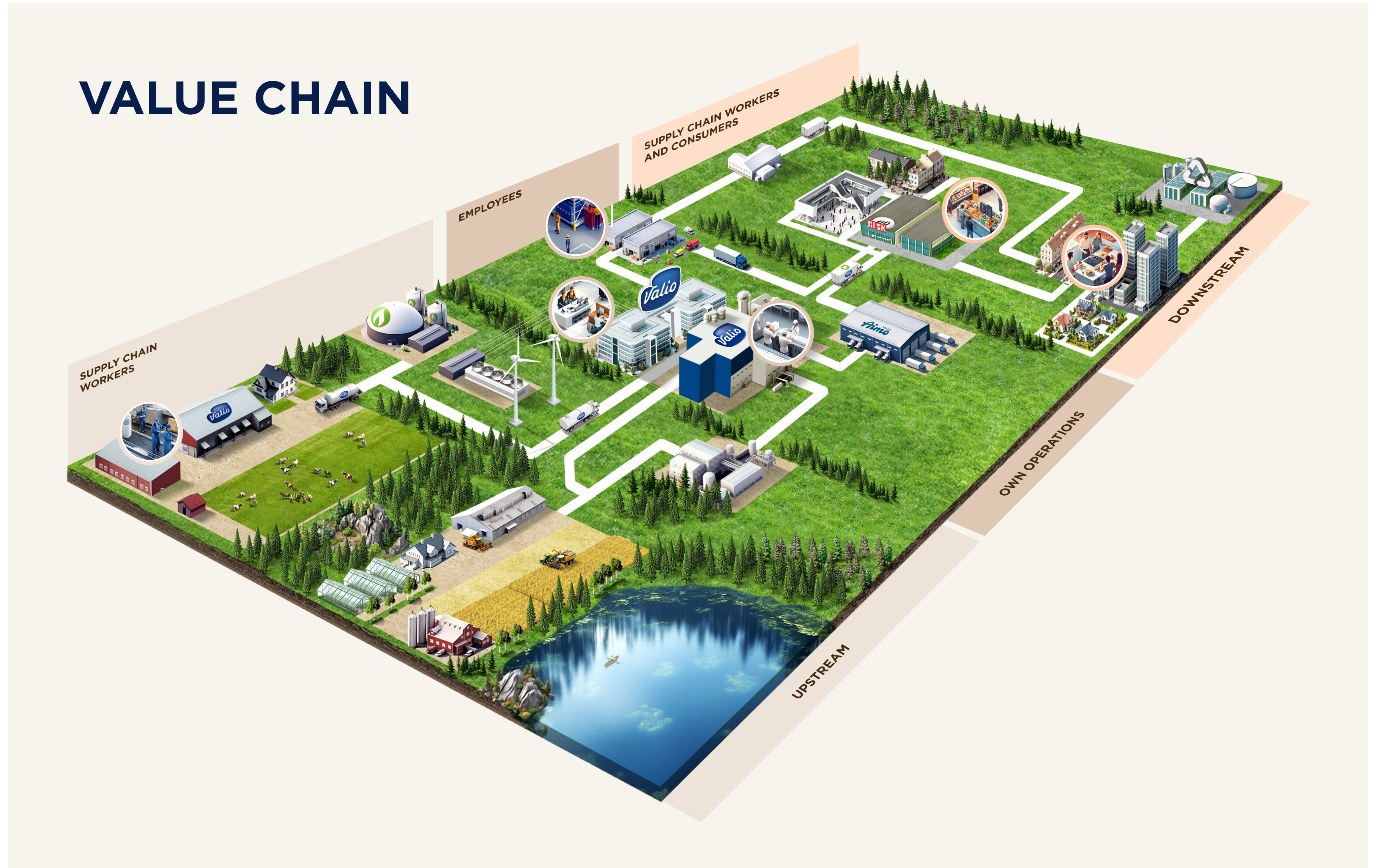
VALIO GROUP NET SALES BY AREA, 2025



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 sustainability topics identified as material to Valio.

- **Primary production:** Milk is the main raw material in most Valio products. Valio also manufactures plant-based products and supplies various foods through its wholesale business. The various sustainability aspects of primary production are part of Valio's product value chain.
- **Own operations:** Valio has 13 factories in Finland and two in Estonia. The production plants are specialized in manufacturing different products. Caring for people and the environment, resource efficiency, and ensuring food safety and quality in operations and products are part of sustainable operations at the production plants, warehouses, and in Valio Aimo® wholesale.
- **Distribution, further processing, and consumption:** Valio distributes products directly to grocery stores, restaurants, hotels, and food service companies, and ensures the availability and reliable delivery of food. Valio develops products and recipes that promote nutrition, wellbeing and health, provides information on nutrition to home and professional kitchens, and markets its products responsibly. Valio's industrial products are further processed into various milk-based products for a number of different consumer markets.



SUSTAINABILITY FOCUS AREAS AND TARGETS







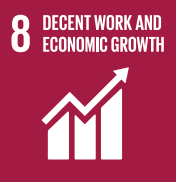
The focus areas of Valio Group’s sustainable business are based on its business and owner strategy, themes that are relevant to stakeholders, and the materiality assessment. Valio’s business customers (retail, wholesale, industrial) and consumers in all markets are increasingly demanding sustainable solutions and products. Valio’s sustainability work concentrates on themes that are based on the focus areas and targets of responsible business operations and through which positive impact, in particular, is sought.




The focus areas and targets are reviewed annually after the review of the materiality assessment. Any needed changes are coordinated by the ESG Director, and they are approved by Valio’s Executive Board.

Each Valio country company and Valio’s wholesale business has its own operational sustainability programme and targets, which are based on Valio Group’s focus areas and take into account the specific characteristics of the country companies and the wholesale business.



SUSTAINABILITY TARGETS AND KEY PERFORMANCE INDICATORS 2025

FOCUS AREA/TARGET (Link to SDG)	TARGET	BASE YEAR	TARGET YEAR	KPI	KPI RESULT 2025	STATUS	ESRS STANDARD
PIONEERING CLIMATE WORK <ul style="list-style-type: none"> Carbon-neutral milk value chain by 2035 Resource efficiency Animal welfare   	Carbon-neutral milk value chain by 2035 Carbon-neutral milk value chain target does not include the following types of emissions: wholesale products, capital investments, and the processing, use and disposal of sold products	2019	2035	Emissions reductions % (percentage reduction in emissions, taking carbon sequestration into account)	Emissions reduction 26% 2019-2025 (2024: emissions reduction 23% 2019-2024)	→	E1
	Science Based Targets climate target: 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	2019	2030	Emissions reductions %	Achievement of target 22% (emissions reduction 11%) (2024: achievement of target 16%, emissions reduction 8%)	→	E1
	Science Based Targets climate target: Reduce Valio production plants' greenhouse gas emissions from electricity and heat energy (Scope 1 and 2 in Finland and Estonia) by 47%	2019	2030	Emissions reductions %	Achievement of target >100% (emissions reduction 60%) (2024: achievement of target 93%, emissions reduction 44%)	✓	E1
	Science Based Targets climate target: Reduce greenhouse gas emissions from Valio's milk collection logistics and transfers between production plants (Scope 3, category 4) by 28%	2019	2030	Emissions reductions %	Achievement of target >100% (emissions reduction 40%) (2024: achievement of target 100%, emissions reduction 29%)	✓	E1
	Renewable or recycled packaging materials 80% and recyclable packaging materials 100%	2024	2030	Recycled and recyclable packaging materials %	Recycled or recyclable packaging materials 73% (2024: 73%) Packaging materials suitable for reuse as raw material (i.e. recyclable) 86% (2024: 84%)	→	E5
	Enabling the measurement of cattle welfare for all animal groups on dairy farms	2025	2026	Animal Welfare Verification System (AWVS) project implementation %	Completion of project 25%	→	G1
PROMOTING WELL-BEING THROUGH PRODUCTS AND SERVICES <ul style="list-style-type: none"> Innovations and research supporting a sustainable food system Nutritious and tasty products Traceable product information  	Promoting Valio Food 2.0 research programme	2024	2028	Number of Valio ecosystem projects in the Food 2.0 research programme (No.)	17 projects in which Valio participated as a researcher or a co-funding partner	→	S4
SECURING THE VITALITY OF FOOD PRODUCTION <ul style="list-style-type: none"> Value creation for owners' raw materials and labour Committed and healthy employees Security of supply  	Implementation of Future Valio Farmers training programme for dairy farmers	2025	2025	Number of participants (individuals)	96 people (Target number of participants for the first group was 50 people)	✓	S2
	Valio Voice employee engagement score among the top ten in the industry (above 7.9)	2025	2025	Voice employee survey score	7.6 (2024: 7.6)	—	S1
	Injury frequency ≤ 5 (Finland and Estonia)	2025	2025	Injury frequency	Lost time injury frequency (LTIF) 7.6 per million hours worked (2024: LTIF 8.3 per million hours worked)	→	S1

 Achieved
  On track / Processing
  At last year's level

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.

FOOD 2.0 RESEARCH PROGRAMME

In 2024, Business Finland granted Valio five-year leading programme funding to develop Finland's food system of the future and promote the competitiveness of Finnish food exports. Within the framework of the project, Valio is conducting its own research related to sustainable food production and leading the Finnish food system transformation through the project's partner network. The most important means of implementing the food system transformation are the joint research and development projects between Valio and its partners; there are currently more than 20 such projects underway. Business Finland awarded the Food 2.0 research programme 10 million euros in funding and has earmarked 20 million to finance projects in the Food 2.0 partner network. In 2025, the Ministry of Agriculture and Forestry opened a research funding call to support the Food 2.0 programme's sustainable food system roadmap. The call funded nine projects of the partner network, projects that are exploring ways to enhance nutrient cycling,

improve biodiversity and field growth conditions, and develop plant breeding technologies and farm risk management in a changing operating environment. The Food 2.0 programme aimed to bring in at least one hundred partners connected to the food system within five years. In 2025, the number of members in the project's ecosystem had already reached 200.

INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-2, S1- ESRS 2 SBM-2, S2- ESRS 2 SBM-2

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. Identifying and responding to the different expectations of stakeholders is a cornerstone of operations.

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, organizational and HR-related themes, such as workforce planning, coaching leadership, future capabilities, and remuneration, are discussed at the Valio Executive Board level.

In line with its 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. Consumer engagement is described in the section [Consumer channels](#) S4.

Valio interacts with local, national and international stakeholders. The company aims to promote transparency in its operations by engaging 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.

In October 2025, Valio organized a stakeholder event related to its most significant sustainability themes. Representatives of key non-governmental organizations and experts on climate, animal welfare, and supply chain sustainability were invited to the event. The aim of the event was to discuss different perspectives on sustainable business and to obtain feedback from stakeholders on Valio's current sustainability work. The feedback received supports Valio's double materiality assessment and the development of its sustainability focus areas.

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 relevance are regularly assessed in relation to Valio's external operating environment and capability to execute the strategy. The assessment also takes into account the expectations of key stakeholders regarding Valio's business. The strategy is regularly updated to reflect the needs emerging from the operating environment and stakeholders. During 2025, Valio's strategy was updated with the aim of strengthening the company's competitiveness in the coming years and thus promoting the livelihoods of Valio's owners, i.e. Finnish milk producers, in the short- and long-term. The strategy update also took into account the expectations of Valio's other key stakeholders.

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 (co-operatives and dairy farmers)	Milk price, Securing economic viability Support in sustainability work (incl. climate and animal welfare) Local production and employment impacts	Cooperative owner strategy, Good governance, Sustainable financial operation and highest possible milk price, at the level of European cooperative dairy companies, Primary production services, Climate and nature programme Primary production sustainability programme, Sustainability bonus	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)	Good management Personnel wellbeing, occupational health and safety, Diversity, non-discrimination, and equal opportunities, Competence development Meaningful work Fair remuneration	Coaching leadership, Code of Conduct (Our way of working – One Valio) Personnel strategy, supervisory work, and management Equality and non-discrimination plan, Recruitment process Competitive remuneration, Responsible corporate culture	Employee satisfaction survey (Valio Voice) Employee info briefings, Elected representatives and occupational health and safety delegates Target and development discussions, Recruitment meetings Employer image surveys Toyme and Valio Whistle reporting channel
Financiers	Responsible economic activity, Future outlook Managing and reducing sustainability risks and impacts (greenhouse gases, waste) New business opportunities	Responsible financing, Processes for managing sustainability impacts and risks of operations, Sustainability focus areas and Science Based Targets (SBTi) and actions for emissions reductions, Sustainability reporting, Product and operational certifications	Meetings with financiers Sustainability reporting
Customers	Product delivery reliability and availability Product food safety and traceability Diverse selection and solutions tailored to needs as well as transparent product information Reducing operational climate emissions, and product-specific emissions data Respect for employees' human rights Circular economy-aligned packaging materials and reduction of food waste	Processes for managing sustainability impacts and risks of operations Sustainability focus areas, targets, and actions Product and operational management systems and certifications Climate and nature programme, Due diligence policies and processes and related audits Voluntary commitments, Sustainability reporting	Continuous interactions and meetings Customer feedback and surveys Sustainability reporting Customer portals and website
Consumers	Premium, nutritious and tasty products, Food safety, Food security, Animal welfare, ethicality of animal-based raw materials, Reducing food waste, Affordability and domestic origin of food, Transparent product information and origin of raw materials, Climate impact of products, Packaging and recycling	Sustainable brand, Innovations and product development Nutrition commitments Product labels, product information, and recipes Sustainability focus areas, targets, and actions Sustainability reporting Product and operational certifications	Consumer service, Consumer feedback and surveys Consumer information Responsible marketing policy Sustainability reporting Website and social media channels
Organizations (trade union, NGOs) and trade associations	Economic conditions Domestic production, development of the operating environment Responsible practices, incl. reducing climate emissions, respecting human rights Animal welfare, Food safety	Processes for managing sustainability impacts and risks of operations Sustainability focus areas, targets, and actions Due diligence policies and processes and related audits Advocacy and cooperation processes	Meetings and cooperation groups Active participation Memberships Sustainability reporting, Website
Societal decision-makers	Food security and security of supply Employment through local production Responsible practices, incl. reducing climate emissions, respecting human rights, animal welfare, food safety	Sustainability focus areas, targets, and actions Due diligence policies and processes and related audits Voluntary commitments Cooperation processes	Information and meetings Regional meetings
Media	Social influence and solutions Perspectives on the industry and the future Open interaction	Consistent, regular and honest communication Expert availability	Releases Media events and interviews Mediadesk
Authorities	Responsible practices, incl. food safety, nutrition, animal diseases, environmental impacts, human rights impacts, marketing practices	Compliance with permits and anticipation Due diligence policies and processes and related audits	Meetings Permit processes Oversight
Research facilities, universities and scientific community	Nutrition information Environmental impacts of food products Information sharing Internships and job opportunities	Research collaboration Use of scientific data in product development, innovative work, and operational development	Collaboration and participation in projects Visits to Valio Speaking engagements Theses

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL 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. The double materiality assessment guides Valio’s sustainability work and reporting. The themes and standards to be reported are determined on the basis of the assessment results.

The implementation of the double materiality assessment is described in the section: [Double materiality assessment process](#) IRO-1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES OF VALIO’S BUSINESS OPERATIONS, AND REPORTABLE STANDARDS

Food consumption and food production have globally significant impacts on the environment, people, and society. The material negative impacts of Valio’s operations are related to use of natural resources, climate, and biodiversity, and arise particularly in milk production. In addition to environmental impacts, Valio’s operations impact people across its entire value chain and through its end products. Valio dairy farmers produce about 80 percent of Finland’s 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.

Based on the double materiality assessment, standards material to Valio and the related impacts, risks, and opportunities are described on the next page table.

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. Valio’s mission is to create the best possible milk return for the milk received from dairy farms.

In its business model and strategy, Valio aims to take into account current and anticipated material impacts, risks, and opportunities. The company ensures this by managing environmental and human rights impacts and through related actions, investments in renewable energy (Suomen Lantakaasu Oy), emissions reduction, and innovations (Food 2.0 research programme), as well as risk management processes and continuous development of operating methods.

FINANCIAL IMPACTS OF MATERIAL RISKS AND OPPORTUNITIES

Valio’s business operations are divided into several different business areas across a number of international markets. Valio actively invests in making its business more sustainable, focuses on developing its current products, processes, and ways of operating, as well as researching and developing new sustainable business opportunities.

During 2025, Valio made significant investments in areas related to material risks and opportunities:

- Energy and water efficiency investments totalling approximately 2 million euros were made during 2025. In addition to these investments, operational efficiency measures were implemented that did not require direct investments.
- Other direct investments related to the environment or environmental protection in Finland, as defined in the Finnish Accounting Act and presented in the Board of Directors’ Report, amounted to 0.3 million euros.
- Dairy farms were paid a total of 60 million euros in sustainability bonuses for sustainability actions exceeding legislative requirements.
- The financial impacts of Valio’s Climate Programme are described in the section [Valio’s Climate Programme](#) E1-1.

Valio expects the financial impacts to be visible in the medium- and long-term through investments:

- More than 160 million euros will be invested in biogas plants in Kiuruvesi and Nurmo, as well as in two satellite plants to be completed in 2026.
- The Food 2.0 research programme will see an investment of 25 million euros over five years. In addition, Business Finland is funding the project with 10 million euros.
- The Climate Programme’s emissions reduction actions, new low-carbon products and other commercial innovations support competitiveness and customer value.

RISKS REALIZED IN 2025:

- Investigations into the cyberattack that took place in 2024 continued to incur costs in 2025 but did not significantly impact Valio’s results.
- From the perspective of Suomen Lantakaasu Oy’s future plant investment decisions, the availability of investment subsidies is material. However, in 2025 there were no direct investment subsidies available suitable for industrial-scale biogas plant investments.

MATERIAL TOPICS AND REPORTABLE STANDARDS

STANDARD/SUBTOPIC	OWN OPERATIONS	VALUE CHAIN	IDENTIFIED NEGATIVE (—) AND POSITIVE IMPACTS (+)	IDENTIFIED RISKS (■) AND OPPORTUNITIES (▶)
ESRS E1 Climate change				
Climate change adaptation	✓	✓	<ul style="list-style-type: none"> — Greenhouse gas emissions from the primary production of milk and raw materials, as well as from product manufacturing and transporting + Reducing emissions by creating carbon sinks and restoring wetlands 	<p>Physical risks</p> <ul style="list-style-type: none"> ■ Problems with the availability of raw materials ■ Risks to product availability and production facility operations caused by extreme weather conditions <p>Transition risks</p> <ul style="list-style-type: none"> ■ Changes in consumer behaviour and declining consumption of dairy products ■ Increasing sustainability requirements for financing and insurance ■ Tightening of sustainability legislation ■ Rise in the cost of commodities <p>Opportunities</p> <ul style="list-style-type: none"> ▶ Concentration of animal production in northern regions of the world ▶ Climate actions as a business driver and low-carbon products ▶ Changes in consumer behaviour and increased consumption of plant-based products ▶ Lower financing costs
Climate change mitigation	✓	✓		
Energy	✓	✓		
ESRS E2 Pollution				
Pollution of air		✓	<ul style="list-style-type: none"> — Suboptimal use of manure and fertilizers and their impact on eutrophication of water bodies — Agricultural practices causing nutrient runoff and eutrophication 	No risks or opportunities deemed material
Pollution of water				
Pollution of soil				
Pollution of living organisms and food resources				
Substances of concern				
Substances of very high concern				
Microplastics				
ESRS E3 Water resources and marine resources				
Water	✓	✓	<ul style="list-style-type: none"> — Water consumption during production and in connection with the production of raw materials 	<ul style="list-style-type: none"> ■ Challenges in the availability of raw materials due to drought ■ Tighter legislation on water consumption ■ Regional availability of water and long-term water risks ▶ Savings from improving water efficiency
Marine resources				
ESRS E4 Biodiversity and ecosystems				
Direct impact drivers of biodiversity loss		✓	<ul style="list-style-type: none"> — Climate impacts of milk production — Decline in the number of traditional biotopes and natural pastures — Decline in biodiversity as a result of cows not grazing 	No risks or opportunities deemed material
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				
Resource inflows	✓	✓	<ul style="list-style-type: none"> — Consumption of natural resources — Use of non-renewable and virgin packaging materials — Use of packaging materials not aligned with circular economy, and packaging waste — Wastage (raw materials, food) 	<ul style="list-style-type: none"> ■ Tightening regulations and investment needs related to packaging materials ■ Production waste and the resulting costs ▶ New circular economy innovations ▶ Savings from reducing production waste
Resource outflows related to products or services	✓	✓		
Waste	✓	✓		

STANDARD/SUBTOPIC	OWN OPERATIONS	VALUE CHAIN	IDENTIFIED NEGATIVE (—) AND POSITIVE IMPACTS (+)	IDENTIFIED RISKS (■) AND OPPORTUNITIES (▶)
ESRS S1 Own workforce				
Working conditions Equal treatment and equal opportunities for all Other work-related rights	✓ ✓		<ul style="list-style-type: none"> — Excessive working hours and unfavourable shifts — Lack of dialogue between trade unions, employees, and management — Employee exposure to occupational accidents and other adverse health effects — Discrimination against employees, inequality, and lack of appreciation for diversity — Violation of employee privacy through careless or unethical handling of data + Valio's employment impact in Finland + Employee training and opportunities for development 	<ul style="list-style-type: none"> ■ Challenges related to employee coping and sick leave costs ■ Negative impact of possible labour disputes by personnel on Valio's entire supply chain ■ Data breaches involving personal data and the resulting reputational risk or financial penalties (GDPR) ▶ Work autonomy and employee decision-making power over their own working hours increase employee commitment ▶ Positive employer image through people-oriented operating models and reputation ▶ Increasing competence, efficiency, and competitiveness through employee training
ESRS S2 Workers in the value chain				
Working conditions Equal treatment and equal opportunities for all Other work-related rights		✓ ✓ ✓	<ul style="list-style-type: none"> — Terms of employment, working conditions and discriminatory treatment of workers in the supply chain — Possible child labour, forced labour and use of migrant workers in the supply chain 	<ul style="list-style-type: none"> ▶ Supporting the vitality of Finnish milk production through profitable business operations and a high milk return
ESRS S3 Affected communities				
-	-	-	No material impacts	No risks or opportunities deemed material
ESRS S4 Consumers and end-users				
Information-related impacts for consumers and/or end-users Personal safety of consumers and/or end-users Social inclusion of consumers and/or end-users		✓ ✓ ✓	<ul style="list-style-type: none"> — Violation of consumer privacy as a result of careless handling of personal data or data security breaches — Foods that are hazardous to health ending up on the market — Negative nutritional impacts of products + Availability of relevant and comprehensive product information + Positive health impacts of products, e.g. through calcium, vitamins, and high-quality proteins + Truthful and transparent communication and marketing + Product availability and security of supply 	<ul style="list-style-type: none"> ■ Data breaches involving stakeholders' personal data and the resulting reputational risk or financial penalties (GDPR) ■ Compromised food safety ■ Product delivery challenges ▶ Availability of comprehensive sustainability information related to Valio's products and operations ▶ Availability of responsible products and high-quality baby food ▶ Valio's responsible brand
ESRS G1 Business conduct				
Corporate culture Protection of whistleblowers Animal welfare Political engagement Management of relationships with suppliers including payment practices Corruption and bribery	✓ ✓ ✓ ✓ ✓ ✓		<ul style="list-style-type: none"> — Negative impacts caused by neglecting animal welfare + Maintaining an ethical corporate culture including comprehensive anti-corruption practices and compliance with them + Availability of safe reporting channels + Ensuring animal welfare and sharing practices that promote welfare + Promoting high-quality, sector-specific legislation + Promoting suppliers' business operations and responsible practices 	<ul style="list-style-type: none"> ■ Animal welfare challenges ■ Changes in consumer behaviour and reduced consumption of animal-based products ■ Tighter legislation, growing resource needs and costs ■ Cybersecurity and information security threats ▶ Employee engagement fostered by a positive corporate culture ▶ Advocacy work for legislative development ▶ Improved productivity and reputation through advancement of animal welfare ▶ Competitive advantage on international markets resulting from Finland's strictly regulated, responsible, and high-quality animal production

DOUBLE MATERIALITY ASSESSMENT PROCESS

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 carried out an ESRS-compliant double materiality assessment from the perspective of the entire Group’s operations and value chain initially at the end of 2023. The assessment covered Valio’s own operations as well as key upstream and downstream stages of the value chain.

The assessment was based on Valio’s business risk management model, existing environmental and human rights assessments, and more detailed risk assessments of the supply chain and raw materials. It also drew on information from scientific studies and reports, the Carbo® Environmental Calculator, greenhouse gas inventories, materialized risks and impacts, and stakeholder feedback. The assessment was carried out with the help of expert views.

MATERIAL TOPICS RELATED TO IMPACTS, RISKS, AND OPPORTUNITIES

The identified impacts, risks, and opportunities are described in detail under each material topic.

REVIEW AND APPROVAL OF THE MATERIALITY ASSESSMENT

Valio’s experts and managers with topic responsibility review the materiality assessment’s relevance annually before the sustainability reporting process, and the results of the materiality assessment are validated by Valio’s Executive Board and Board of Directors.

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

The 2025 review did not identify any new impacts, risks, or opportunities that would have changed the topics to be reported. No additional comments on material topics were raised at the stakeholder event held in autumn 2025. The results of the materiality assessment, i.e. the reportable standards and impacts, risks, and opportunities, are summarized in the section [Material impact, risks and opportunities and their interaction with the strategy and business model](#) SBM-3.

DOUBLE MATERIALITY ASSESSMENT PROCESS

1. Identification of the operating environment and stakeholders to be assessed	Definition of the material stages of Valio’s value chain and key stakeholders (e.g. dairy farms, suppliers, customers, personnel, non-governmental organizations).
2. Identification of the environmental and human rights impacts of Valio’s value chain and sustainability-related business risks and opportunities (IRO)	<ul style="list-style-type: none"> • Identification of actual and potential impacts on the environment, people and society in the short-, medium- and long-term using existing assessment data and expert assessments. • Linking identified impacts, risks, and opportunities (IRO) to ESRS sustainability topics. • Breakdown of significant business-specific or country-specific differences.
3. Assessment of the environmental and human rights impacts of Valio’s value chain and the business risks and opportunities related to sustainability	<ul style="list-style-type: none"> • Assessment of the severity of impacts based on scale, scope, and irremediable character; likelihood was also taken into account in environmental impacts. • Assessment of financial risks and opportunities based on the magnitude and likelihood of the impact. • Definition of thresholds for the severity of impacts and the significance of risks/ opportunities, which are used to identify Valio’s material impacts and the sustainability topics to be reported on the basis of ESRS standards.
4. Stakeholder dialogue and review of results	<ul style="list-style-type: none"> • Inclusion of stakeholders in reviewing the materiality assessment whenever necessary, particularly in connection with major changes. • Stakeholder views compiled using existing materials, personal interviews, stakeholder surveys, and stakeholder events. • Confirmation of the materiality of the identified impacts and risks, based on feedback.
5. Validation and approval of results	<ul style="list-style-type: none"> • Updating of material topics, impacts, risks, and opportunities. • Validation and approval of results by Valio’s Executive Board and Board of Directors.

INDEX TABLES IRO-2

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 ESRS 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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BP-2	Disclosures in relation to specific circumstances	Basis for preparation of sustainability statement 6-7
GOV-1	The role of the administrative, management and supervisory bodies	Valio’s owners, administration and management 7
GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Sustainability governance model and leadership events 11
GOV-3	Integration of sustainability-related performance in incentive schemes	Management incentive schemes 12
GOV-4	Statement on due diligence	Due diligence process 13
GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls 13
SBM-1	Strategy, business model and value chain	Valio’s strategy, business model and value chain 14-15
SBM-2	Interests and views of stakeholders	Interests and views of stakeholders 18-19
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model 20
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality assessment process 23
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ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double materiality assessment process 23
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E1-3	Actions and resources in relation to climate change policies	Actions and resources related to climate change 37
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E2-2	Actions and resources related to pollution	Actions and resources related to pollution 47
E2-3	Targets related to pollution	Targets related to pollution 47

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ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	23
E4-2	Policies related to biodiversity and ecosystems	50
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ESRS E5	Resource use and circular economy	
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S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	60
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	60
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	62
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S2-2	Processes for engaging with value chain workers about impacts	Value chain management processes	67
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Channels for value chain workers to raise concerns and remedial processes	67
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Actions related to value chain workers	67
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General disclosures								
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Valio's owners, administration and management, p. 7
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Material	Valio's owners, administration and management, s. 7
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	Indicator number 10 Table #3 of Annex I				Material	Due diligence process, p. 13
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
Environmental information								
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Material	Valio's Climate Programme, p. 33
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	
ESRS E1-4	Paragraph 34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Targets related to climate change, p. 40
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Material	Energy consumption, p. 41
ESRS E1-5	Paragraph 37	Energy consumption and mix	Indicator number 5 Table #1 of Annex I				Material	Energy consumption, p. 41
ESRS E1-5	Paragraphs 40-43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex I				Material	Energy consumption, p. 41

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ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Greenhouse gas emissions, p. 42
ESRS E1-6	Paragraphs 53-55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Greenhouse gas emissions, p. 45
ESRS E1-7	Paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Transitional provisions	
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	
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical risk					Transitional provisions	
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	
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Transitional provisions	
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not material	
ESRS E3-1	Paragraph 9	Water and marine resources	Indicator number 7 Table #2 of Annex I				Material	Policies related to water resource, p. 48
ESRS E3-1	Paragraph 13	Dedicated policy	Indicator number 8 Table 2 of Annex I				Not material	
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex I				Material	Water consumption, p. 49
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ESRS 2 - SBM-3 - E4	Paragraph 16 (a) i		Indicator number 7 Table #1 of Annex I				Not material	

DISCLOSURE REQUIREMENT	RELATED DATAPOINT	SUSTAINABILITY DISCLOSURE	SFDR (SUSTAINABLE FINANCE DISCLOSURES REGULATION) REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/NOT MATERIAL	PAGE NUMBER
ESRS 2 - SBM-3 - E4	Paragraph 16 (b)		Indicator number 10 Table #2 of Annex I				Not material	
ESRS 2 - SBM-3 - E4	Paragraph 16 (c)		Indicator number 14 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex I				Material	Policies related to biodiversity, p. 50
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex I				Transitional provisions	
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex I				Material	Resource outflows, p. 55
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				Material	Resource outflows, p. 55
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ESRS 2 - SBM-3 - S1	Paragraph 14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2 - SBM-3 - S1	Paragraph 14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1	Paragraph 20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	Policies related to own workforce, p. 59
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Material	Policies related to own workforce, p. 59
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Material	Policies related to own workforce, p. 59
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				Material	Policies related to own workforce, p. 59
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				Material	Channels for own workers to raise concerns and remedial processes, p. 60
ESRS S1-14	Paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Health and safety metrics, p. 64
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Transitional provisions	
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Pay gaps, p. 64
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Not material	
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Material	Grievances, p. 64
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	Grievances, p. 64
ESRS 2 - SBM-3 - S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Material	Material impacts, risks and opportunities and their interaction with strategy and business model, p. 22

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ESRS S2-1	Paragraph 17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Material	Policies related to value chain workers, p. 66
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ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Material	Policies related to value chain workers, p. 66
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex I				Material	Policies related to value chain workers, p. 67
ESRS S3-1	Paragraph 16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Not material	
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Not material	
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	Policies related to consumers, p. 71
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	Policies related to consumers, p. 71
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ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	Indicator number 15 Table #3 of Annex I				Material	Prevention and detection of corruption and bribery p. 80
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ESRS E1

CLIMATE CHANGE

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO CLIMATE CHANGE

MATERIAL TOPICS

Climate change and energy

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Environmental policy Valio’s Business Partner Code of Conduct Milk Production Guidelines Energy Efficiency Agreement 	<ul style="list-style-type: none"> Climate and nature programme Suomen Lantakaasu Oy Carbo™ partnership programme Primary production sustainability programme Valio Food 2.0 research programme Energy efficiency programme 	<ul style="list-style-type: none"> Carbon-neutral milk value chain 2035: GHG emissions reduction in milk value chain (%) (compared to 2019) SBTi targets for 2030: emission reductions aligned with SBTi targets Energy savings (%)

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.

VALIO’S CLIMATE PROGRAMME E1-1

The target of Valio’s Climate Programme is a carbon-neutral milk value chain by 2035. This means reducing and sequestering from the atmosphere at least as much greenhouse gas emissions as are generated in the production of inputs needed by dairy farms, at dairy farms, in transports, at production plants, at our worksites, and in the manufacturing of packaging. The Climate Programme covers emissions from all categories in the milk value chain (Scope 1, Scope 2 and Scope 3), and the emissions it accounts for in Valio’s value chain ends with product deliveries to customers. In addition, from the beginning, the programme has included land use-related soil emissions and sinks. The Climate Programme includes emissions from the Finnish milk value chain and covers approximately 80 percent of all emissions from the Valio Group.

Valio’s Climate Programme includes clear targets and concrete actions for achieving a carbon-neutral milk value chain. There are currently around 30 identified actions, some of which are already in use and some are still in the development phase. Additional actions are still needed to achieve the target, and these are being actively explored as part of the Climate Programme. Approximately 90 percent of the milk value chain’s emissions are generated on dairy farms,

so emission reduction actions are focused on primary production. Production plants and worksites account for seven percent of emissions. Packaging accounts for approximately one percent of Valio’s carbon footprint and logistics for two percent.

Valio’s Climate Programme’s actions and their commercialization have been integrated into Valio’s business strategy from 2024 onwards. Valio’s Climate Programme and its target of a carbon-neutral milk value chain are 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 they 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. Valio started updating its SBTi targets in line with the changes to the Greenhouse Gas Protocol (GHG Protocol) in 2025. The update will be completed during 2026.

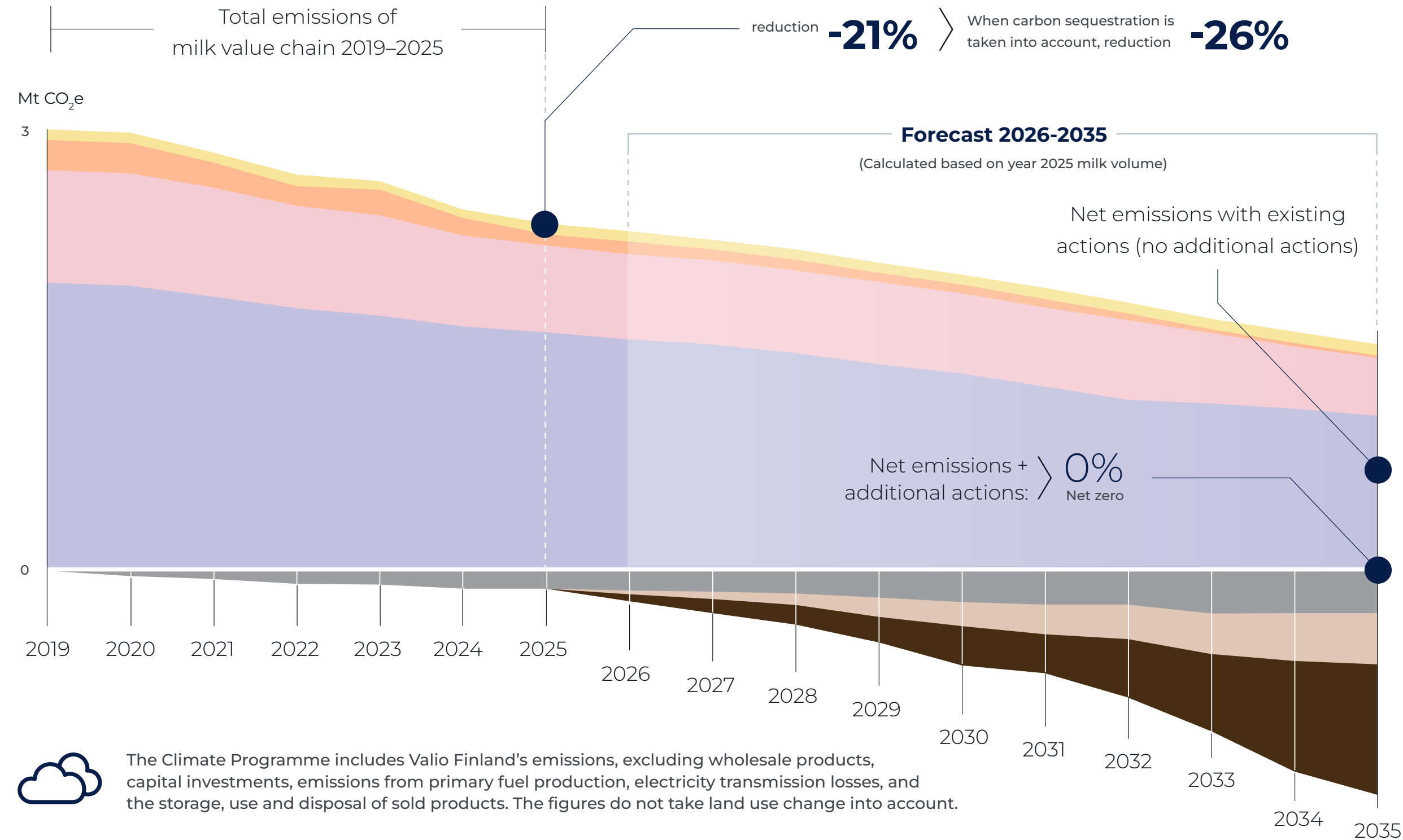
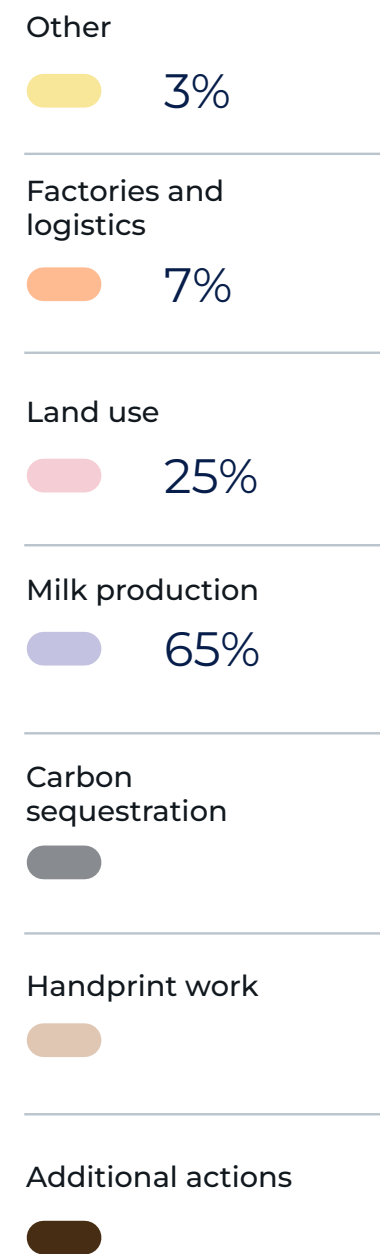
Emissions reductions in primary production, production plants, and logistics are reflected in the reduced carbon footprint of Valio’s products. Valio is prepared to report the climate impact assessment of milk-based products to its customers upon request. The calculation of the carbon footprint for each product complies with the Greenhouse Gas Protocol, LCA calculation standards, and the European Commission’s PEF guidelines.

VALIO'S CLIMATE programme

AIMING FOR A CARBON-NEUTRAL MILK VALUE CHAIN IN FINLAND BY 2035

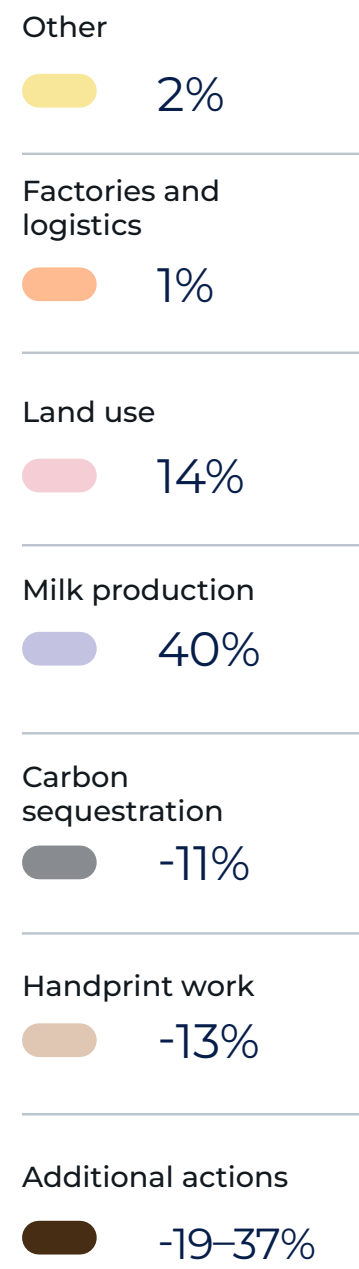
CLIMATE IMPACTS

2019



CLIMATE IMPACTS

2035



SHARE OF CLIMATE PROGRAMME ACTIONS		
Packaging development and low-carbon raw materials	1%	<input type="checkbox"/>
Valio's renewable energy and energy efficiency	6%	<input type="checkbox"/>
Peatland emissions reductions	11%	<input type="checkbox"/>
Climate actions at farms animal welfare, feed and breeding, renewable energy and energy efficiency, nutrient efficiency and circular economy (manure)	25%	<input type="checkbox"/>
Carbon farming in fields and carbon sequestration technologies	11%	<input type="checkbox"/>
Handprint work e.g. restoration and biogas in transport	13%	<input type="checkbox"/>
Need for additional actions e.g. new technologies, the need depends on the effectiveness of the existing identified actions	19-37%	

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. Valio's Carbo® Environmental

Calculator is described in the section [Actions and resources related to climate](#) E1-3.

In its climate work, Valio follows the Intergovernmental Panel on Climate Change's (IPCC) good practice guidance and prioritization: avoid, reduce,

and only then offset. The aim is to reduce emissions from Finnish milk primary production, logistics, packaging, and Valio's production plants and work sites as much as possible. Another aim is to sequester carbon primarily within the milk value chain, for example through carbon farming on grasslands. Solutions that

benefit Valio's dairy farms are being sought in handprint actions outside the milk production value chain. Such solutions include, for example, biogas produced from manure to replace fossil fuels and to produce recycled fertilizers, and the restoration of low-yield peatlands by rewetting them. Handprint actions can-

not be reported in the greenhouse gas inventory, but they contribute to the achievement of national and EU climate targets. 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 has not been excluded from the EU’s Paris-aligned benchmarks.

Actions taken under Valio’s Climate Programme are described in the section [Actions and resources related to climate change](#) E1-3. The progress on the Climate Programme targets is described 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 development team that is responsible for implementing the Climate Programme. The Climate Programme is part of Valio’s business strategy, and the related investments have been taken into account in the investment and financing plan for implementing Valio’s strategy.

SUSTAINABILITY BONUS FOR DAIRY FARMS

Valio pays the majority of its operating profit to the owner cooperatives in the form of milk return. The sustainability bonus is compensation for dairy farm-level sustainability actions that go beyond statutory requirements and which are defined in the separate primary production sustainability programme. Valio’s primary production sustainability programme includes mandatory sustainability actions for all Valio dairy farms, as well as an array of voluntary actions that farms can choose from each year. In addition to cli-

mate actions, the voluntary actions are related to animal welfare and biodiversity, among other things. In 2025, 96 percent of farms chose to implement voluntary actions.

Through the primary production sustainability programme, Valio paid its owner entrepreneurs nearly 60 million euros in 2025 for actions that exceeded the statutory requirements. The average Valio farm received a sustainability bonus of over 18,000 euros in the year. Starting 1.5.2025, Valio paid 1 cent per litre for mandatory actions, 1 cent per litre for voluntary carbon farming actions, and a maximum of 2 cents per litre for other voluntary actions.

CLIMATE COOPERATION WITH CUSTOMERS

Climate cooperation within the value chain is a key enabler for promoting and financing climate actions. Promoting climate actions requires a financial investment from dairy farms and Valio, but the reduced emissions benefits all parties in the value chain.

Valio’s 2024 launch of the climate cooperation through the Valio Carbo™ partnership programme aimed at industrial customers continued in 2025.

The partnership programme is based on the principle of insetting, whereby emissions and emission reductions generated in the value-chain accompany the product through the various parties in the chain to the end customer or consumer. In the programme, the amount of milk corresponding to climate actions is allocated on a mass balance basis to products in the Valio Carbo™ partnership programme. An independent third party verifies the realized emission reductions, and customer is issued the correspond-

ing certificate. 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. Suomen Lantakaasu aims to produce 1 TWh of domestic biogas annually.

In 2025, Suomen Lantakaasu was building the Nurmo plant and the Upper Savo hybrid plant complex. The total investment in the plants under construction exceeds 160 million euros. The investment will be financed through capitalization by the owners, investment grants (TEM and EU RRF) and market-based lending.

From the perspective of investment decisions for new plants, the availability of investment subsidies is essential. In 2025, the Kruunupyy-Pedersöre plant project was granted a Business Finland tax credit intended for large clean transition investments and RDI funding through the Ministry of the Environment’s AHTI programme to conduct a feasibility study.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE E1-ESRS 2 SBM-3

Valio’s impacts, risks, and opportunities related to climate change have been identified as part of the double materiality assessment. The most significant climate impacts relate to greenhouse gas emissions and energy consumption in milk production. Physical risks involve the availability of raw materials and the impacts of extreme weather conditions on produc-

tion and logistics. Transition risks include changes in consumer behaviour, a decline in the consumption of dairy products, tighter legislation and sustainability requirements for financing, and the rising costs of commodities. Opportunities are offered through business-driving climate initiatives and low-carbon products, the growth of plant-based products, and the shift of animal production to northern regions.

The topic is described in the summary in section [Material impact, risks and opportunities and their interaction with the strategy and business model](#) SBM-3. The materiality process is described in the section [Double materiality assessment process](#) IRO-1.

STRATEGY AND BUSINESS MODEL SUSTAINABILITY

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 it aims to make Valio’s milk value chain carbon neutral by 2035. Valio’s Climate Programme is described in the section [Valio’s Climate Programme](#) E1-1.

SCENARIO AND RESILIENCE ANALYSIS

Valio has used scenario analysis to examine the resilience of its business model and strategy in relation to the physical risks and the 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, on 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, Health Finland, and Livestock Finland. 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 agriculture through regenerative agriculture and by developing a sustainable food system. Individual and public

health are promoted through products that promote health and wellbeing.

Valio’s strategy is based on the concept of a sustainable future food system, 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, reduce

climate emissions and nature impacts, and create new business opportunities. Valio’s strategy and the Food 2.0 research project are described in the section [Valio’s strategy, business model and value chain SBM-1](#).

Valio aims to carry out an ESRS-compliant climate scenario analysis and resilience analysis during 2026.

POLICIES RELATED TO CLIMATE CHANGE E1-2

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Climate emissions and energy consumption in own operations and in supply chain	Environmental Policy	<p>In line with its Environmental Policy, Valio is committed to pursuing a carbon-neutral milk value chain in its production chain in Finland by 2035. This will be achieved by reducing emissions and reinforcing carbon sinks along the value chain, utilizing side streams as substitutes for fossil energy, sequestering more carbon in grasslands and reducing emissions from organic fields, and by developing climate impact calculations and new technologies that reduce milk production emissions.</p> <p>In line with its Environmental Policy, Valio is committed to improving energy efficiency and reducing emissions. We reduce emissions and improve energy efficiency at production plants by favouring clean, resource-efficient technology that is climate- and water-friendly, in heat production by using renewable fuels, and in transportation with efficient, low environmental impact solutions. Valio uses the ETJ+ energy efficiency system, which covers its operations in Finland.</p> <p>In addition, Valio’s Environmental Policy requires that its key partners support Valio’s approach.</p>	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.
Climate emissions and energy consumption in the supply chain	Valio’s Business Partner Code of Conduct	Valio has a Business Partner Code of Conduct through which partners in its supply chain commit to Valio’s sustainability principles. In line with these principles, Valio’s partners must identify the major climate impact of their operations. Partners are encouraged to calculate the greenhouse gas emissions and carbon footprints of their own operations, their value chains, and their significant products and services, and to set emission reduction targets and monitor their progress.	Valio suppliers, distributors and other partners	The policy has been approved by Valio’s Board of Directors and is available on Valio’s intranet and website. The policy is reviewed regularly.
Climate emissions and energy in the primary production of milk	Milk Production Guidelines	Common 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 reducing climate emissions. The dairy farmer undertakes to comply with the production guidelines as part of the Production and quality agreement signed with the cooperative.	Valio dairy farms in Finland	<p>The production guidelines are available to all Valio dairy farmers via the Valma online service.</p> <p>The production guidelines are drawn up together with Valio’s Primary production team and cooperative experts, and they are reviewed and updated regularly.</p>
Climate emissions and energy consumption in own operations	Energy Efficiency Agreement	Valio has committed to improving energy efficiency by signing an Energy Efficiency Agreement that extends to 2035 and by joining in Finland the Food Industry’s Energy Efficiency Action Plan. The overall target for the 2026–2035 agreement period is to improve Valio’s energy efficiency by 10%.	Finland	Commitment is accessible on the Energy Efficiency Agreement website.

ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE E1-3

Valio is reducing the climate emissions of Finnish milk production in line with its Climate Programme. During 2025, the company implemented key actions of the programme, which are addressed in more detail below. The Climate Programme is updated annually, and actions in line with it will continue in accordance with the strategy.

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 complies with the Product Environment Footprint Category Rules and is certified by the Carbon Trust. Development of the calculator started in 2018, and it functions at the farm level, meaning that it can accurately determine an individual farm’s carbon footprint. The Carbo® Environmental Calculator was taken into use at Valio dairy farms in 2020.

In 2025, Valio continued training in the use of the Carbo® Environmental Calculator. During the year, a total of 2,150 farms calculated the carbon footprint of their milk production, which corresponds to approximately 80 percent of Valio’s total milk procurement. Development of the model underlying the Carbo® Environmental Calculator continued in a consortium with Natural Resources Institute (Luke) and Atria. During 2024 and 2025, the use of the Carbo® Environmental Calculator became established as a national tool for nearly the entire cattle sector. In addition to Valio, the consortium includes Atria, HK, Snellman, and Juustoportti.

REGENERATIVE FARMING

Climate change can be mitigated through regenerative farming by increasing carbon sequestration in mineral soils and improving soil health. In addition, in organic soils, farming practices can be implemented to reduce emissions caused by soil decomposition.

In 2025, Valio reformed the voluntary sustainability bonus paid to dairy farms, making the commitment to regenerative farming a separately selectable action. Under this action, the farm makes a five-year commitment to cultivating at least 80 percent of the fodder crop area needed for its livestock in accordance with Valio’s principles of regenerative farming.

Valio’s regenerative farming principles are divided based on soil type. In mineral soils, grasslands must contain at least four different plant species, one of which must be deep rooted, such as reed canary grass or red clover. In addition, livestock manure must be used in grassland cultivation, at least when establishing the crop. When harvesting, the mowing height must be at least ten centimetres. Cereal fields require the cultivation of cover crops and catch crops. In peat fields and other organic soil types, the criterion is to grow only grassland, which most effectively preserves the soil’s carbon storage.

As a result of the change, the number of hectares of land cultivated using regenerative farming methods on Valio dairy farms rose to over 200,000 hectares (2024: 160,000 ha). Since 2019, Valio has been organizing carbon farming training for dairy farmers in order to promote more environmentally sustainable farming and food production. By the end of 2025, Valio had trained about 1,600 farms in regenerative farming.

VERIFICATION OF SOIL CARBON BALANCE

Soil acts as a large carbon storage, so even a small increase in storage can significantly bind carbon dioxide from the atmosphere. Valio recognizes the importance of soil emissions and sinks in climate work, and they are part of Valio’s Climate Programme. Valio aims to maximize carbon sequestration and minimize soil emissions in Finnish milk production through regenerative farming methods. Valio is participating in the AGCLIMATE research project, which is developing a method for verifying the carbon balance of soil. In 2025, Valio piloted the verification of the carbon balance of mineral soils on dairy farms through modelling and through continuous flux monitoring. The pilot project has been carried out in collaboration with the Finnish Meteorological Institute with the aim of incorporating the carbon accounting for arable land into the footprint calculation for dairy products and Valio’s greenhouse gas inventory. In the model, biomass accumulation is estimated using satellite imagery on a block-by-block basis, and changes in soil carbon storage are calculated using modelling and taking into account the harvested yield.

CARBON-NEUTRAL DAIRY FARM PILOT

In 2024, Valio launched a five-year Carbon-Neutral Dairy Farm (ILMA) pilot with the aim of achieving carbon neutrality on the 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, the aim of the ILMA pilot is to improve and

maintain the agricultural biodiversity of the farms through active measures.

In 2025, climate roadmaps were drawn up for all four pilot farms. The roadmaps will be used in assessing the impacts of the actions and in planning their implementation. In addition, the pilot farms refined their baseline data and carbon footprint calculations. All pilot farms carried out precise grass yield measurements for each field block, which provided certainty about the current grass yield and quality, as well as information about yield variations between field blocks. Grazing began on two pilot farms in the summer of 2025. On the other two farms, previous grazing practices were developed. Biodiversity was also improved in the pilot by combating invasive species in the pilot farm areas, increasing the number of birdhouses, and developing farming and landscape management practices.

METHANE EMISSIONS-REDUCING TECHNOLOGY

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

Valio has piloted the Bovaer® feed additive, developed by Dutch company DSM Firmenich, whose active ingredient is 3-NOP, 3-Nitrooxypropanol. The substance can reduce ruminal methane emissions from cows by about 20–30 percent. The pilot project has focused on selling emission reductions, i.e. integrating climate action into business operations. Bovaer®

is the only feed additive that reduces methane production and is approved for use in dairy cattle feed in the EU. There have been more than one hundred 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. A commercial pilot project was ongoing in 2025 on a total of around fifty dairy farms. Using the Bovaer® feed innovation can reduce Valio’s raw milk carbon footprint by more than ten percent.

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

REDUCING PEATLAND EMISSIONS

About ten percent of the arable land of Valio’s 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 by raising the water table where possible to slow down peat decomposition. In 2025, Valio farms reported that approximately 80 percent of peat fields were grass-covered. The water table level of peat fields was measured on fifteen pilot farms in order to develop a more accurate calculation of environmental impacts.

Investing in the health and productivity of fields improves land use efficiency and reduces product-specific environmental impacts. However, some peatlands are challenging to cultivate and their pro-

ductivity cannot be improved in a profitable manner. For such fields, the most effective climate action is to re-wet them to natural wetlands or restore them back to swamps. In 2025, Valio surveyed potential restoration sites and investigated the practical feasibility of rewetting in collaboration with landowners and wetland engineers on a total of 200 hectares of peatland.

MANURE BIOGAS PRODUCTION

By delivering manure to Suomen Lantakaasu Oy’s biogas plants, dairy farms can reduce greenhouse gas emissions from the storage of manure and reduce the need for fossil-based fertilizers. Biogas plants use biomass from dairy farms (manure and surplus grass) to produce biomethane, which replaces fossil fuels in heavy transport. This reduces emissions not only on dairy farms but also in transport. A by-product of biogas production is recycled fertilizer, which dairy farms can use to replace fossil-based fertilizers.

Nurmon Bioenergia Oy, majority-owned by Suomen Lantakaasu Oy, continued construction of the Nurmo biogas plant in 2025. Construction proceeded according to plan. Feedstock reception and production are scheduled to commence in spring 2026, with deliveries of liquefied biomethane from the plant starting in the autumn of the same year.

Suomen Lantakaasu Oy’s project in Upper Savo also progressed as planned. The project includes the main plant in Kiuruvesi and two satellite plants in Lapinlahti and Nurmes. Construction work on the main plant in Kiuruvesi progressed largely according to plan during the year, and the plant is scheduled to start up in 2026. The environmental permits and zoning for the satellite plants were completed in 2025, and construc-

tion work progressed as planned. The satellite plants are scheduled to start production and deliveries of pressurized biogas to the Kiuruvesi liquefied biogas plant in 2026.

Suomen Lantakaasu Oy’s project portfolio also included the planning of plant projects in the Pedersöre-Kruunupyy, Nivala-Sievi and Säkylä regions. The planning of the first two projects continued in line with the business plan. The focus of planning has been on assessing feasibility and developing a business model. The Säkylä project planning was discontinued in autumn 2025, as it was deemed unprofitable.

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 that extends to 2035 and by joining in Finland the Food Industry’s Energy Efficiency Action Plan. The overall target for the 2026–2035 agreement period is to improve Valio’s energy efficiency by ten percent. In line with the programme, Valio production plants are implementing actions to improve energy efficiency, the progress of which is monitored through an internal reporting system at the monthly level. In addition, the actions are reported annually to Motiva’s statistics.

Valio has decided to certify its energy-efficiency management system in accordance with the ETJ+ standard. Preparations for this were made during 2025 by creating and implementing the required operating models. The certification is planned to be implemented during 2026 as part of Valio’s ISO 14001 environmental management system.

During 2025, Valio increased its purchase of renewable electricity guarantees of origin and, as a result, 84 percent of the electricity used by the company in Finland is emission-free.

Valio’s Haapavesi production plant invested 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.

Valio further improved its energy efficiency through a number of small actions. More than 30 energy efficiency actions were implemented at production plants in Finland and Estonia during the year.

Examples of other energy-efficiency actions taken at production plants in Finland in 2025:

- Replacement of the Turenki refrigeration plant
- Optimization of ventilation in buildings
- Efficiency upgrade of the Lapinlahti refrigeration plant
- LED lighting replacements
- Optimization of free cooling using both lake water and outside air

Examples of energy-efficiency actions taken at production plants in Estonia in 2025:

- LED lighting replacements, optimization of lighting control systems and new motion detectors
- Improvements to reduce steam and heat loss from pipes and tanks
- Optimization of cooling and heating system controls

TRANSPORT LOGISTICS

Valio’s logistics in Finland independently handles all logistics activities in the value-chain. Annually, about 1,635 million litres of milk are collected from some 3,000 Valio farms and transported to Valio’s production plants around Finland. The products made by the plants are delivered to warehouses and then distributed to customers in Finland, to Valio’s subsidiaries in Estonia, Sweden, China, and the USA, and to Valio’s export customers in about 60 countries. Valio’s subsidiaries in different countries independently coordinate any logistics related to their own product range.

MILK COLLECTION

Milk collection from Valio dairy farms in Finland is carried out by some 35 subcontractors and 61 trucks. The trucks were on the road for more than 20 hours per day, every day, in 2025. 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.

Four biogas-powered trucks were added to the milk collection fleet in 2025. There were a total of ten biogas-powered trucks on the road during the year. The biogas-powered vehicles were driven a total of more than 2.44 million kilometres, which is 67 percent more than in the previous year. Valio is growing the size of its transport fleet to increase load sizes and to reduce emissions. In 2025, milk collection trucks were driven 830,000 fewer kilometres than in the previous year.

PRODUCT DISTRIBUTION

Distribution of Valio’s products in Finland is handled by 116 transport contractors and 223 delivery trucks. Distribution routes are planned by Valio’s own per-

sonnel, ensuring 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. At the end of 2025, Valio had ten biogas-powered trucks in use for product transport and distribution. In total, they drove 392,000 kilometres and generated emission reductions of 262,000 kg CO₂-eq compared to diesel.

In 2025, Valio’s distribution in Finland made about 1.5 million customer visits, which means around 5,500–6,500 customer encounters per day, depending on the delivery day. Valio’s distribution routes have been optimized to run with fully loaded trucks and avoid unnecessary driving. Valio’s joint distribution with other companies reduces the environmental load of product distribution and decreases the number of kilometres driven.

In 2025, Valio impacted emissions from distribution logistics through the following actions:

- Continuous and active route planning with the aim of reducing the number of kilometres driven in distribution and transfers
- Streamlining orders and coordinating delivery schedules with customers to ensure that products are not ordered too frequently, while still maintaining delivery reliability
- Scheduling deliveries for customers who purchase logistics services from Valio to coincide as much as possible with Valio’s own delivery times
- Increasing the number of distribution vehicles that use renewable fuel
- Exploring and simulating the possibilities for utilizing 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 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). In 2025, the actions resulted in CO₂ savings of approximately 2,200 tonnes compared to 2024, which corresponds to approximately two-thirds of the total emissions of these transports.

A new cheese maturing warehouse was built at Valio’s Võru production plant in Estonia, enabling the maturing to be carried out locally under optimal conditions. Previously, some of the cheese was transported to Italy for maturing, but the new warehouse will reduce the transport needs by an estimated 478 tonnes per year, thereby significantly reducing the climate impact of Valio’s operations.

CLIMATE PROGRAMME’S ACHIEVED EMISSIONS REDUCTIONS

Valio’s Climate Programme progressed as planned. According to the 2025 greenhouse gas inventory, emissions in the milk value chain have been reduced in Finland by 21 percent when carbon removals are excluded, compared to 2019, and by 26 percent when carbon removals from carbon farming are conservatively taken into account.

Scope 1 and Scope 2 emissions from energy use at Valio’s production plants decreased in Finland

by a total of 35 percent from 2024 and by 68 percent 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 2 percent from 2024 and by 17 percent from 2019. Of this, the emissions reduction for Finnish raw milk was 3 percent in 2024–2025 and 17 percent in 2019–2025. Land use emissions related to milk production decreased by 5 percent in 2024–2025 and by 22 percent in 2019–2025. The reductions in emissions related to milk production were achieved through improvements in the productivity and resource efficiency of dairy farms and more efficient land use. Valio’s logistics emissions in Finland fell by 23 percent in 2019–2025 and by 5 percent in 2024–2025. The reduction in emissions is a result of the transition to emission-free energy sources and more efficient transport in logistics. In addition, the national renewable fuel distribution obligation increased the biocomponent share in diesel.

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 Valio’s targets. The cost impacts of the Climate Programme are described in the section [Valio’s Climate Programme](#) E1-1.

TARGETS RELATED TO CLIMATE CHANGE ^{E1-4}

CARBON-NEUTRAL MILK VALUE CHAIN AND SBTI TARGETS

In line with the Climate Programme, Valio’s target is a carbon-neutral milk value chain by 2035.

Additionally, Valio is committed to science-based SBTi 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. As the International Greenhouse Gas Protocol is being revised, Valio will update its own SBTi targets during 2026.

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

The key measures for achieving climate targets are described in section [Valio’s Climate Programme](#) ^{E1-1}.

ENERGY EFFICIENCY COMMITMENT

In addition to its climate targets, Valio has committed to the Business Energy Efficiency Agreement through the Food Industry Action Plan in Finland.

In 2025, Valio improved the efficiency of its annual heat and electricity consumption by a total of 4.9 GWh (2024: 5.3 GWh). The combined impact of the energy efficiency actions implemented during the energy efficiency period ending in 2025 corresponds to approximately 15 percent of energy consumption in 2015 (2024: 14%). The target was 7.5 percent. This means a total annual energy savings of 103.7 GWh. The total savings take into account the expiry of the savings actions implemented early on during the agreement period. The target was thus exceeded. Valio will continue its efficiency actions to minimize its environmental impacts and improve its cost efficiency.

Valio’s target for 2026–2035, set in accordance with the Finnish food industry Energy Efficiency Agreement, is to improve the energy efficiency of Valio’s own operations by ten percent from the 2024 level.

GREENHOUSE GAS EMISSIONS REDUCTION TARGET OF VALIO’S CLIMATE PROGRAMME:

GREENHOUSE GAS EMISSIONS	UNIT	BASE YEAR	BASE-YEAR VALUE	2035 TARGET	2025 STATUS
Scope 1 Valio production plants in Finland (100% included in target)	tCO ₂ -eq.	2019	Scope 1 74,600	Carbon-neutral milk value chain by 2035	2,363,806 (-21%), without carbon sequestration
Scope 2 Valio production plants in Finland (100% included in target)	tCO ₂ -eq.	2019	Scope 2 84,600		
Scope 3 Valio’s operations in Finland	tCO ₂ -eq.	2019	Scope 3 2,846,180		
Total Greenhouse gas emissions	tCO ₂ -eq.	2019	3,005,380		

VALIO’S SBTI TARGETS

GREENHOUSE GAS EMISSIONS	UNIT	BASE YEAR	BASE-YEAR VALUE	2030 TARGET	2025 STATUS
Scope 1 ja scope 2 Valio production plants in Finland and Estonia (100% included in target)	tCO ₂ -eq.	2019	180,700	47% emission reduction compared to 2019 2030 Target: 95,771	72,422 (-60%)
Scope 3 Category 1: Valio’s raw milk intake in Finland (100% included in target)	tCO ₂ -eq. / kg ECM (Energy Corrected Milk)	2019	1.0	50% smaller raw milk carbon footprint compared to 2019 2030 Target: 0.5	0.89 (-11%)
Scope 3 Category 4: logistics (Milk collection logistics and transfers between production plants)	tCO ₂ -eq.	2019	24,360	28% reduction in emissions compared to 2019 2030 Target: 17,539	14,727 (-40%)

ENERGY CONSUMPTION E1-5

ENERGY CONSUMPTION AND MIX E1-5	UNIT	2025 (FINLAND)	2025 (ESTONIA)	2025 (OTHER COUNTRIES)	2025 (TOTAL)
Fuel consumption from coal and coal products	MWh	0	0	0	0
Fuel consumption from crude oil and petroleum products	MWh	18,560	0	213	18,773
Fuel consumption from natural gas	MWh	4,680	11,962	0	16,642
Fuel consumption from other fossil sources	MWh	61,000	17,972	9	78,981
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	52,670	17,907	46	70,623
Total fossil energy consumption	MWh	136,910	47,841	268	185,019
Share of fossil sources in total energy consumption	%	17%	100%	49%	22%
Consumption from nuclear sources	MWh	0	0	35	35
Share of consumption from nuclear sources in total energy consumption	%	0%	0%	6%	0%
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources	MWh	305,060	0	185	305,245
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	312,410	0	57	312,467
Consumption of self-generated non-fuel renewable energy	MWh	32,000	0	0	32,000
Total renewable energy consumption	MWh	649,470	0	277	649,747
Share of renewable sources in total energy consumption	%	83%	0	51%	78%
Total energy consumption	MWh	786,380	47,841	545	834,766

Metrics assured by an external operator.

Valio's total energy consumption has remained at about the same level, but renewable electricity's share of consumption has increased. Around three-quarters of the total fuel used for heat production is renewable. In Finland, 84 percent 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.

Valio's heat supply is divided into energy produced at its own plants and energy purchased from external sources. The production output of heating plants that only serve Valio's factories is considered in the portion belonging to energy produced at own plants. The production output from heating plants that also serve non-Valio facilities is considered in the portion belonging to purchased energy. The following table shows the fuels used for heat production in the factory produced share and the net amount of heat received in the purchased share.

ENERGY GENERATED	UNIT	2025
Amount of renewable energy generated	MWh	312,150
Amount of non-renewable energy generated	MWh	73,090

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	UNIT	COMPARATIVE	N: 2025	% 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	0.34	-7%

NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS USED TO CALCULATE ENERGY INTENSITY	UNIT	2025
Net revenue (others)	tEUR	
Total net revenue (Financial statements)	tEUR	2,422,744

Metrics assured by an external operator.

The food industry is a sector with significant climate impacts. 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)	2024 (COMPARATIVE)	2025	% 2025/2024	2025	2030	(2050)	ANNUAL INTERIM TARGET (% RELATIVE TO BASE YEAR)
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO ₂ -eq)	83,200	42,886	40,108	-6%	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	79%	22%	26%	18%	-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	59,500	34,968	26,203	-25%	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	97,500	59,353	32,959	-44%	-	-	-	-
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	2,280,700	2,488,432	2,483,716	0%	-	-	-	-
1. Purchased goods and services	2,020,800	2,213,133	2,196,646	-1%	-	-	-	-
2. Capital goods	62,100	19,319	22,688	17%	-	-	-	-
3. Electricity transmission and fuel production losses	25,800	28,381	21,056	-26%	-	-	-	-
4. Upstream transportation and distribution	47,000	118,530	114,500	-3%	-	-	-	-
5. Waste generated in operations	3,700	2,336	2,717	16%	-	-	-	-
6. Business travel	800	1,544	1,931	25%	-	-	-	-
7. Employee commuting	3,800	2,799	3,040	9%	-	-	-	-
8. Upstream leased assets	-	52	94	81%	-	-	-	-
9. Downstream transportation	-	8,739	25,889	196%	-	-	-	-
10. Processing of sold products	63,000	37,914	36,745	-3%	-	-	-	-
11. Use of sold products	53,700	22,826	23,751	4%	-	-	-	-
12. End-of-life treatment of sold products	-	32,859	34,660	5%	-	-	-	-
13. Downstream leased assets	-	-	-	-	-	-	-	-
14. Franchises	-	-	-	-	-	-	-	-
15. Investments	-	-	-	-	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based)	2,423,400	2,566,285	2,550,028	-1%	-	-	-	-
Total GHG emissions (market-based)	2,461,400	2,590,670	2,556,784	-1%	-	-	-	-

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. Valio's greenhouse gas (GHG) emissions calculation has been refined and harmonized for the 2019 baseline.

Valio's greenhouse gas inventory calculation is based on consumption, production, and procurement data collected from Valio. Greenhouse gas 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 (Oddlygood Global Oy). The results of the greenhouse gas 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 emissions 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, land use emissions have so far been reported as additional data outside the actual greenhouse gas inventory. For the 2025 emissions inventory, Valio investigated emis-

sions caused by land use changes in milk production for the first time. To ensure comparability between reporting years, these emissions are not currently reported as part of the actual greenhouse gas inventory but are included as additional data outside of it. 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.

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

In 2025, 79 percent 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.

Valio reports Scope 2 greenhouse gas emissions using both location-based and market-based methods. Scope 2 emissions include indirect greenhouse gas emissions from the production of purchased and consumed electricity and heat.

Location-based emissions are calculated using regional average emission factors. Market-based emissions are calculated based on Valio’s electricity suppliers and contractual arrangements through which Valio procures energy. The market-based method takes into account instruments related to the origin of energy.

For electricity, if the electricity has been purchased without energy attribute instruments the residual mix has been applied in the calculation.

Of the heat purchased by Valio Finland, 84.7 percent is produced from renewable energy sources. The renewables share is based on the production mix of the plants supplying heat. The share of renewable energy sources in purchased electricity is 83.7 percent.

All energy reported as emission-free by the Group is within the scope of regulatory-compliant guarantees of origin.

SCOPE 3 GREENHOUSE GAS EMISSIONS

Valio’s greenhouse gas inventory takes into account, as far as possible, all material sources of emissions in the value chain across the entire Group’s operations.

66 percent of the value chain emissions in Valio’s greenhouse gas inventory have been calculated using primary data. In this case, primary data refers to activity-based consumption data and supplier-specific emissions data used as the basis for the calculation.

Category 1: Purchased goods and services

- The category 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. Emissions from land use and land-use

changes related to milk production have so far been reported as additional data outside the actual greenhouse gas inventory.

- For other raw materials, excipients and chemical purchases, the calculation has been carried out at a general level. Raw materials are grouped into top-level product categories. Emissions are calculated 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 emissions calculation tool. Sievo uses the Exiobase emission factors as the basis for cost-based emissions 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 the packaging materials of Valio Estonia and Valio USA have been calculated on a mass basis using the Ecoinvent database.
- Service purchases have been calculated on a cost basis using the United States Environmental Protection Agency’s emissions database. The cost-based factors in the emissions database correspond to the US dollar in 2022 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 to the different national circumstances, so, for example, the emission factors for Finland and Sweden are

likely to overestimate emissions due to the different energy production mix.

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

Category 2: Capital goods

- The category includes capex investments made by the Group, grouped into top-level procurement packages.
- Emissions from capex investments are calculated on a cost basis using the United States Environmental Protection Agency’s emissions database. The cost-based factors in the emissions database correspond to the US dollar in 2022 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

- The category 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

- The category 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

- The category includes the management of waste generated by Valio’s operations, including production plants, warehouses, and offices.
- For Valio Finland, the emissions calculation is based on the emission figures generated by the waste reporting system used by the company. For other locations, the emissions 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

- The category includes emissions from employee travel during the workday and, as a voluntarily reported source, emissions from accommodation.
- 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

- The category 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

- The category 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

- The category 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

- The category includes a rough estimate of emissions from the processing of products sold by Valio to industrial customers.
- The calculation takes into account products delivered 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

- The category 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 and similar oper-

ators. 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

- The category 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 for sold products and non-food wholesale products, as well as the amount of food going to bio-waste based on national estimates of the share of waste. Biowaste is assumed to end up either in wastewater treatment (liquid products) or physical biowaste treatment (solid products). The calculation is based mainly on emission factors from the Ecoinvent database and, in the case of Valio USA, the United States 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.

Valio’s GHG inventory takes into account all material sources of emissions in the value chain across the entire Group’s operations. The emissions inven-

tory covers the operations of Valio Finland, Estonia, Sweden, China, the USA, and Oddlygood.

The following Scope 3 greenhouse gas emission categories have been taken into account:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Upstream energy and fuel, and transmission losses
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 8: Upstream leased assets' primary production
- Category 9: Downstream transportation and distribution
- Category 10: Processing of sold products
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products

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 2025, Scope 1 biogenic emissions from Valio's operations amounted to 121,791 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. Scope 1 biogenic emissions take into account those heating plants in which Valio is the only customer. In addition, biogenic carbon dioxide emissions from biogas used by Valio Estonia's transport fleet totalled 122 tCO₂.

In 2025, Scope 2 biogenic emissions from Valio's operations amounted to 46,167 tCO₂. Biogenic emissions were mainly caused by Valio Finland's operations (46,167 tCO₂). Valio Finland's operations caused biogenic emissions at regional heating plants that use biomass (wood pellets, sawdust, swarf, bark, and wood chips) as fuel. Scope 2 biogenic emissions take into account those heating plants that serve other business customers in addition to Valio. In addition, the purchased district heating involves sources of biogenic emissions. Scope 2 biogenic emission sources identified from Valio Estonia's operations amounted to 3 tCO₂.

In 2025, Scope 3 biogenic emissions from Valio's operations amounted to 37,258 tCO₂. Biogenic emissions were mainly caused by Valio Finland's operations (37,132 tCO₂). Biogenic emissions from Valio Sweden's operations were 2 tCO₂ and from Valio Estonia's operations were 124 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. For Valio Estonia, emissions related to the treatment of mixed waste and wastewater were identified.

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 United States Environmental Protection Agency. It is not possible to separate biogenic CO₂ emissions from the emission factor, so all emissions are reported as part of the actual inventory.

No Scope 3 biogenic emission sources were identified in operations located in other countries. The comparability of emission inventories has improved significantly with the updating and harmonization of inventories. Valio's emissions inventory was significantly developed during 2025, which increased the reliability, accuracy, and coverage of the calculations. Corresponding changes have been made to Valio's 2019 reference year emissions inventory, and the new calculation limits will be applied to the 2025 reporting year inventory, enabling comparison between years.

GREENHOUSE GAS INTENSITY BASED ON NET REVENUE E1-6	UNIT	2025
Total GHG emissions (location-based) per net revenue	tCO ₂ e/tEUR	1.05
Total GHG emissions (market-based) per net revenue	tCO ₂ e/tEUR	1.06

NET REVENUE USED TO CALCULATE GHG INTENSITY	UNIT	2025
Net revenue (other)	tEUR	
Total net revenue (in financial statements)	tEUR	2,422,744

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

ESRS E2

POLLUTION

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO POLLUTION

MATERIAL TOPICS
Eutrophication of water bodies

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Environmental Policy Milk Production Guidelines 	<ul style="list-style-type: none"> Climate and nature programme Primary production sustainability programme Valio 2.0 research programme Suomen Lantakaasu Oy 	<ul style="list-style-type: none"> Implementation of climate and nature programme actions

POLICIES RELATED TO POLLUTION E2-1

The impacts, risks, and opportunities related to pollution have been assessed as part of Valio’s double materiality assessment. The assessment of environmental aspects has been carried out in accordance with the requirements of the ISO 14001 standard and covers all Valio sites. The assessment did not identify any material pollution impacts related to Valio’s own sites. In terms of the value chain, a material impact

was identified in the form of potential nutrient loading from primary milk production, which can lead to eutrophication of waterways.

The results are described in the section [Material impact, risks and opportunities and their interaction with the strategy and business model](#) SBM-3. The materiality assessment process is described in section [Double materiality assessment process](#) IRO-1.

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Potential nutrient load from primary milk production, which can lead to eutrophication of water bodies	Environmental Policy	In line with its Environmental Policy, Valio supports biodiversity in the milk production value chain. The nutrient load from primary milk production can lead to a eutrophication of water bodies, i.e. pollution. Managing diffuse agricultural pollution is essential, particularly in water bodies, where ecological status is assessed as less than good.	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.
Potential nutrient load from primary milk production, which can lead to eutrophication of water bodies	Milk Production Guidelines	The common Milk Production Guidelines drawn up for Valio dairy farms describe statutory requirements, as well as Valio requirements and recommendations. They also include guidelines on the use of nutrients. The dairy farmer undertakes to comply with the production guidelines as part of the Production and quality agreement signed with the cooperative.	Valio dairy farms in Finland	The production guidelines are available to all Valio dairy farmers via the Valma online service. The production guidelines are drawn up together with Valio’s Primary production team and cooperative experts, and they are reviewed and updated regularly.

ACTIONS AND RESOURCES RELATED TO POLLUTION E2-2

In Valio’s primary 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 increases cost effectiveness. 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. The good soil health and productivity of arable land reduces nutrient leaching. Soil type, water management, soil structure, nutrient availability, microbiota, root structure, natural conditions, and fertilization techniques influence nutrient leaching. Valio’s actions in 2025 are described in the section [Actions and resources related to climate change](#) E1-3.

Through the voluntary sustainability bonus, Valio supports the establishment and maintenance of wetlands on Valio dairy farms. Wetlands slow the flow of runoff water and effectively filter nutrients and solids washed from fields. In addition, wetlands increase biodiversity in the agricultural environment by attracting birds, insects, and frogs. In 2025, the wetland action was selected by 43 farms. This voluntary sustainability bonus is described in the section [Valio’s Climate Programme](#) E1-1.

The treatment of agricultural and food industry waste and residues in biogas plants improves nutrient cycling and reduces emissions to air and water, particularly those caused by manure treatment and

storage. In 2025, Suomen Lantakaasu Oy, a joint venture of Valio and St1 Biokraft, continued the development and construction of industrial-scale manure-based liquefied biogas production. In addition, in 2025, Suomen Lantakaasu Oy launched a project to promote nutrient cycling through biogas operations, which aims to improve the quality, usability, and acceptability of recycled fertilizer produced in the biogas plants. The project received funding from the Ministry of the Environment’s AHTI programme. The project will continue in 2026. The study takes into account the needs of local agricultural businesses, the environmental impact on waterways, and the economic viability of the fractions processed at the biogas plant. In addition, the project aims to increase agricultural businesses’ awareness of the usability and benefits of recycled fertilizers from the perspective of the agricultural security of supply. The project will collect information on the subject, which will be shared by creating content accessible to agricultural businesses through various channels. The progress of biogas production is described in the section [Actions and resources related to climate change](#) E1-3.

Valio is also developing recycled fertilizers as part of the Food 2.0 research programme’s Bio2Max project. The project supports efficient nutrient recycling by developing the digestate process in biogas plants to optimize the usability, nutrient availability, and carbon stability of recycled fertilizers and biochar. The project is also testing recycled fertilizers and biochar in greenhouse and field trials. To reduce the amount of fertilizer used, Valio is participating in the Food 2.0 programme’s Phosphorus-Smart Cultivation project, led by the Natural Resources Institute Finland and

funded by the Ministry of Agriculture and Forestry. The project is investigating how grass cultivation can make more controlled use of the phosphorus stored in arable land, which cannot be verified in current soil fertility analysis. The Food 2.0 research programme is described in the section [Valio’s strategy, business model and value chain](#) SBM-1.

In 2025, Valio participated in the food chain’s work on water responsibility in the Archipelago Sea Programme. The effort aims to increase the food chain’s actions and practices to reduce the water pollution load. The actions focus on primary production. The project aims to implement effective water protection measures to protect the marine environment of the Archipelago Sea and to mitigate diffuse agricultural pollution.

TARGETS RELATED TO POLLUTION E2-3

Valio aims to develop ecological and computational monitoring of water eutrophication. The Carbo® Environmental Calculator’s lifecycle assessment already produces a eutrophication potential index, which can be used to roughly estimate the nutrient efficiency of dairy farms. The aim is to develop more accurate farm-level calculations so that a farm’s nutrient utilization and environmental impact can be reliably monitored. In the future, the results will also be supplemented with empirical measurements.

ESRS E3

WATER AND MARINE RESOURCES

WATER RESOURCES-RELATED MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS

MATERIAL TOPICS
Water consumption

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Environmental Policy Valio's Business Partner Code of Conduct 	<ul style="list-style-type: none"> Environmental action plan 	<ul style="list-style-type: none"> Specific wastewater volume

POLICIES RELATED TO WATER RESOURCES E3-1

The impacts, risks, and opportunities related to water resources have been identified as part of the double materiality assessment. Water consumption in primary production and manufacturing emerged as a material impact. Valio's assessment of environmental aspects has been carried out in accordance with the requirements of the ISO 14001 standard and covers all Valio sites. Based on the Aqueduct Water Risk Atlas

tool, none of Valio's sites are located in areas with a high general water risk.

The results of the materiality assessment are described in the section [Material impact, risks and opportunities and their interaction with the strategy and business model](#) SBM-3. The materiality assessment process is described in the section [Double materiality assessment process](#) IRO-1.

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Water consumption in own operations and in the supply chain	Environmental Policy	In line with its Environmental Policy, Valio Favors clean, resource-efficient production technology that is climate- and water-friendly. In addition, Valio's Environmental Policy requires that its key partners support Valio's approach. Valio has an environmental management system certified according to the ISO 14001 standard covering its operations in Finland and Estonia.	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.
Water consumption in the supply chain	Valio's Business Partner Code of Conduct	Valio communicates its principles to supply chain actors through the Business Partner Code of Conduct. 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 has been approved by Valio's Board of Directors and is available on Valio's intranet and website. The policy is reviewed regularly.

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 2025, the study was carried out for one site, in line with the target. Typically, based on the study, water consumption efficiency is boosted through individual actions, such as operational optimization and efficiency improvements, which are implemented to the greatest extent possible.

Projects aimed at reducing wastewater volumes also contribute to lower consumption of clean domestic water. The Valio project that will have the most significant impact on the wastewater load and wastewater volume in the near future is the construction of a new washing centre at one of its sites. The plant was com-

missioned in 2025, but its handover to production and operational optimization will take place in 2026.

TARGETS RELATED TO WATER RESOURCES E3-3

VOLUME OF WASTEWATER IN RELATION TO MILK RECEIVED AND PLANT-BASED PRODUCTION

Starting in 2025, Valio is monitoring the impact of its water consumption policies and actions by calculating its specific wastewater volume. To calculate the specific wastewater volume, the wastewater volume is divided by the sum of the raw milk received and plant-based production.

When monitoring the specific wastewater volume of production plants, attention is paid to consumption of clean water, maximizing the use of recycled water, and the load on wastewater treatment plants caused by the volume of wastewater. In addition, the monitoring takes into account Valio’s strategy-aligned transitioning towards a food company, i.e. expanding its business beyond traditional milk processing.

In practice, a reduction in wastewater volume always leads to a reduction in domestic water consumption. In 2025, the specific wastewater volume generated by Valio’s operations in Finland was 3.2 m³/tn.

The actual volume of wastewater is monitored regularly at the follow-up meetings of the Valio management team responsible for production and once a year at the senior management review of the ISO 14001-certified environmental management system.

WATER CONSUMPTION E3-4

WATER CONSUMPTION AT VALIO PRODUCTION PLANTS, BY SOURCE	UNIT	2025 (FINLAND)	2025 (ESTONIA)	2025 (TOTAL)
Municipal water	m ³	4,476,588	0	4,476,588
Groundwater (own wells)	m ³	317,747	595,964	913,711
Surface water (own treatment)	m ³	101,450	0	101,450
Domestic water consumption, total	m³	4,895,785	595,964	5,491,749
Cooling water withdrawal from water body (returned to water body)	m ³	2,764,227	0	2,764,227
Total water recycled and reused	m ³	977,284	61,332	1,038,616
Total water consumption	m³	8,637,296	657,296	9,294,592
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

Purchased water is based on continuous measurement of the total water withdrawal as billed by the water utility. Water withdrawal from own sources (groundwater and surface water) and cooling water withdrawal are measured as total water withdrawal through continuous process measurement. Recycled water is measured as recycled water usage. There is also unmeasured recycled water usage that has not been reported.

ESRS E4

BIODIVERSITY AND ECOSYSTEMS

BIODIVERSITY-RELATED MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS

MATERIAL TOPICS
Biodiversity

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Environmental Policy Valio's Business Partner Code of Conduct Milk Production Guidelines 	<ul style="list-style-type: none"> Climate and nature programme Primary production sustainability programme 	<ul style="list-style-type: none"> Implementation of climate and nature programme actions Commitment to primary production sustainability programme biodiversity actions (%)

BIODIVERSITY TRANSITION PLAN E4-1, E4-ESRS 2 SBM-3

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

Valio is developing biodiversity as part of its Climate Programme and primary production sustainability programme. The related actions aim to reduce negative impacts, for example by reducing the impacts on waterways, which are discussed in section E2, and to increase positive impacts, for example by encouraging dairy farms to graze their cattle. In addition, Valio is assessing biodiversity aspects in the procurement of risk raw materials. Nature work is also being piloted at Valio's own factory site.

POLICIES RELATED TO BIODIVERSITY E4-2

The impacts, risks, and opportunities related to biodiversity have been identified as part of Valio's double materiality assessment. The most significant nature impacts of milk production are related to climate emissions, grazing's impacts on ecosystems, and the primary production of raw materials that may cause deforestation. On the positive side, grazing animals maintain natural pastures and traditional biotopes that are vital for endangered species. No significant adverse impacts on endangered species have been identified at Valio's sites.

The results of the materiality assessment are described in the section [Material impact, risks and opportunities and their interaction with the strategy and business model](#) SBM-3. The materiality assessment process is described in the section [Double materiality assessment process](#) IRO-1.

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Milk production impacts on biodiversity	Environmental Policy	In line with its Environmental Policy, Valio supports biodiversity in the milk production value chain. Actions are targeted to managing impacts that undermine biodiversity and to strengthening 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. The policy is reviewed regularly.
Milk production impacts on biodiversity	Valio's Business Partner Code of Conduct	Valio has a separate Business Partner Code of Conduct, through which the company sets the sustainability principles for the supply chain. Partners should identify the significant impacts of their operations on biodiversity and ensure that their operations do not cause significant loss of biodiversity. In addition, the partner must ensure that products subject to the EU Deforestation Regulation comply with the requirements of the regulation.	Valio suppliers, distributors and other partners	The policy has been approved by Valio's Board of Directors and is available on Valio's intranet and website. The policy is reviewed regularly.
Supply chain impacts on biodiversity	Raw material 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 subject to the EU Deforestation Regulation.	Valio Group	The raw material policies have been approved by the head of Valio's product categories and are available on Valio's intranet and website.
Milk production impacts on biodiversity	Milk Production Guidelines	The common guidelines on milk production practices drawn up for Valio dairy farms describe statutory requirements as well as Valio's requirements and recommendations. The guidelines also include principles related to reducing climate impacts, maintaining biodiversity, and managing soil health and nutrients. The production practice guidelines also take grazing into account from the perspective of animal health and welfare. The dairy farmer undertakes to comply with the production guidelines as part of the Production and quality agreement signed with the cooperative.	Valio dairy farms in Finland	The production guidelines are available to all Valio dairy farmers via the Valma online service. The production guidelines are drawn up together with Valio's Primary production team and cooperative experts, and they are reviewed and updated regularly.

The policies related to the climate impacts of milk production are described in the section [Policies related to climate change](#) E1-2.

ACTIONS AND RESOURCES RELATED TO BIODIVERSITY E4-3

GRAZING

Valio promotes grazing on Finnish dairy farms by paying a higher price per litre of milk to farmers who implement grazing and outdoor exercise actions for cattle that exceed statutory requirements. There are a total of nine different grazing and outdoor exercise actions for different animal groups and farm types. Valio's primary production sustainability programme encourages dairy farms to engage in grazing and outdoor exercise by offering financial incentives. In 2025, a total of approximately 20 million euros was paid to dairy farmers for these actions. In 2025, nearly all of the grazing and outdoor exercise actions were chosen more than in the previous year, and 80 percent of Valio's farms had at least one bovine group grazing during the year.

In addition to financial support, Valio offers expert knowledge and peer experiences on starting and developing grazing. The Laitumella [In the pasture] podcast, launched in 2025, features experts and dairy farmers discussing various aspects of grazing. All 14 episodes of the podcast are available to listen to for free on Spotify.

Valio is also gathering insights on the coordination of climate work and grazing development at farms participating in the ILMA pilot, based on which scalable solutions will be pursued for large groups of farms. In 2025, grazing was started on two pilot farms, and current grazing practices were developed on two other farms.

NATURAL PASTURES AND TRADITIONAL BIOTOPES

Natural pastures and traditional biotopes are hot spots of agri-biodiversity. Valio supports traditional biotopes through a voluntary sustainability bonus paid to farmers who have an agri-environmental contract on biodiversity and landscape. In 2025, Valio farms managed 5,600 hectares of particularly valuable agri-nature areas.

In 2025, Valio prepared two new voluntary sustainability bonus actions for natural grazing. Starting in 2026, farmers can commit to making a management plan for high value or developable nature areas and, starting in 2027, farms can commit to managing new areas. This is expected to bring Valio dairy farms more hectares of land that are most valuable in terms of nature.

In 2025, Valio also carried out pilot actions on dairy farms to support natural grazing. For example, forest pastures, fences, and animal shelters were refurbished on ten dairy farms, enabling better grazing use of the areas. Some of the pilot actions will be monitored using remote surveillance methods.

In 2025, two hectares of natural pastureland were restored on the grounds of the former rectory on the shores of Lake Keitele at Valio’s Äänekoski factory site, where Finnish sheep were brought to graze. Until the 1950s, small-scale farming was practiced in the area around Valio’s Äänekoski factory, which was evident in the local vegetation. The nature values of the area were assessed in 2024, and in 2025, actions were taken to develop the natural state of the factory prop-

erty in accordance with food safety requirements. In addition to natural grazing, flying squirrel nesting boxes were added to the area and invasive species were controlled. Grass cutting was developed in a more nature-friendly direction by raising the cutting height and leaving the longer-flowering vegetation uncut.

MEASURING NATURE IMPACTS

Valio has been working on measuring farm-level nature impacts for many years. The goal is to develop a tool tailored to conditions at dairy farms in Finland.

In 2025, Valio continued participating in the EU’s five-year CircHive project, which is developing methods for biodiversity footprint and natural capital accounting. In addition, remote surveillance methods were piloted on 60 farms to measure landscape-level biodiversity impacts.

To assess the more specific ecological impacts of nature actions, Valio is participating in two projects that received Food 2.0 research funding from the Ministry of Agriculture and Forestry in 2025. The Multipurpose Grazing Project, led by the University of Helsinki, is researching the impacts of natural grazing by dry cows and heifers on animal welfare and on the development of biodiversity. The UUSTILA project, led by the Finnish Environment Institute, is comprehensively examining regenerative farming’s impacts on primary production. One aspect of this project also focuses on biodiversity impacts.

REDUCING THE CLIMATE IMPACTS OF MILK PRODUCTION AND THE NATURE IMPACTS OF LAND USE

The negative environmental impacts of milk’s primary production are linked to climate change and land use. The aim of Valio’s Climate Programme is to reduce greenhouse gas emissions caused by milk production as much as possible and to increase carbon sequestration in, e.g., arable land. For example, regenerative farming significantly promoted by Valio’s voluntary sustainability bonus, reduces the adverse impacts of land use and mitigates climate change. Actions related to the climate impacts of milk production and the sustainability bonus actions are described in this section [Actions and resources related to climate change](#) E1-3.

Regenerative agriculture is an integral part of Valio’s four-year Food 2.0 research programme. 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 2025, Valio expanded the programme’s network of partners, and was involved in developing research projects on issues related to managing the climate impacts of milk production (Agclimate) and the impacts of cow grazing (Multipurpose Grazing). The Food 2.0 programme is described in the section [Valio’s strategy, business model and value chain](#) SBM-1.

During 2025, Valio advanced the implementation of an information system and due diligence process that meets the requirements of the EU Deforestation Regulation. As the effective date of the regulation has been postponed to December 2026, this work will

continue throughout 2026 within the framework of the transition period. Valio has identified key risk raw materials also from a broader sustainability perspective and has established more detailed due diligence requirements for them. Risk raw material policies are described in the section [Value chain sustainability targets](#) S2-5.

TARGETS RELATED TO BIODIVERSITY E4-4

Valio monitors the effectiveness of biodiversity-related policies and actions as part of its primary production sustainability programme and its Climate Programme. In its production practice guidelines, Valio also encourages its owners to set nature targets and indicators for their own dairy farms. In the production practice guidelines, among other things, grazing all animal groups is recommended and regenerative farming is encouraged. 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 and the like, as well as the number of animals of indigenous breeds or the surface area of arable land of landrace crops.

ESRS E5

RESOURCE USE AND CIRCULAR ECONOMY

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

MATERIAL TOPICS
Resource efficiency

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Environmental Policy Valio's Business Partner Code of Conduct SUP Green Deal 	<ul style="list-style-type: none"> Packaging development action plan Procurement action plan Environmental action plan #2025 projects 	<ul style="list-style-type: none"> Renewable or recycled packaging materials: 80% by 2030 Recyclable packaging materials: 100% by 2030

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY E5-1

The impacts, risks, and opportunities related to resource use and circular economy have been identified as part of Valio's double materiality assessment. The key impacts relate to the consumption of

natural resources, the use of packaging materials, and the waste of raw materials and food. The results are described in the section [Outcome of materiality assessment](#) SBM-3. The materiality assessment process is described in the section [Managing impacts, risks and opportunities](#).

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Resource efficiency of own operations	Environmental Policy	In line with its Environmental Policy, Valio is committed to setting targets to reduce its environmental impacts and improve material efficiency, and to taking into account the environmental impacts of packaging materials as part of these efforts. To promote the circular economy, Valio favours packaging materials that are made from renewable, or where possible, recycled raw materials and that are compatible with existing collection and recycling systems. To prevent waste generation, circular packaging solutions are used, especially for deliveries of raw materials and chemicals. Valio's waste management aims to sort recyclable materials at their source and send them for recycling. Valio has an ISO 14001-certified environmental management system covering its operations in Finland and Estonia.	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.
Resource efficiency of the supply chain	Valio's Business Partner Code of Conduct	Valio has a separate Business Partner Code of Conduct, 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	The policy has been approved by Valio's Board of Directors and is available on Valio's intranet and website. The policy is reviewed regularly.
Resource efficiency of packaging materials	SUP Green Deal	In October 2023, Valio signed a voluntary SUP Green Deal with the Ministry of the Environment and other industry operators to reduce the consumption of plastic single-use packaging. In the agreement, Valio commits to reduce the amount of plastic used in single-use packaging (SUP) by 15% by the end of 2026 (compared to base year 2022). This means that Valio uses 143 fewer tonnes of plastic per year.	Finland	Accessible on the Commitment2050 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 the company’s waste management, the aim is to implement the EU’s waste hierarchy principles, i.e. to direct as much material as possible for reuse and recycling. In 2025, Valio continued to focus its internal environmental audits at its sites on ensuring that plastics and cardboard were directed to material recycling, resulting in a continued significant increase in the collection volumes of these fractions in 2025.

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. There is potential for expanding the use of recycled water, and this supports the target regarding reducing the volume of wastewater and, indirectly, reducing the use of clean water. In 2025, one of Valio’s sites successfully tested the use of recycled water for the final rinse in its washing processes. Following the test, the use of recycled water at the facility expanded significantly and permanently.

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.

PACKAGING MATERIALS

In 2025, Valio continued to implement measures to advance the transition toward the targets set for 2030: All packaging of the products we sell in Finland is recyclable, and 80 percent of the material used in the single-portion packaging of our own brands that we manufacture and sell in Finland is renewable or recycled. The implemented solutions improve the recyclability of packaging and reduce the use of virgin materials. These measures are also in line with the requirements of the new Packaging and Packaging Waste Regulation, ensuring proactive preparation for legislative changes.

Valio is committed to reducing the amount of plastic in single-portion packaging by 15 percent by the end of 2026 compared to 2022 levels. In 2025, progress toward the target was made through several projects. Valio successfully continued the transition from plastic cups to paperboard cups, particularly in the packaging of PROfeel® puddings and some PROfeel® quark products.

Valio increased the use of recycled plastic in its packaging. Some Oivariini® packages and single-portion Valio Greek yoghurt products contain 30 percent recycled plastic, which reduces the use of virgin raw materials and promotes a circular economy. As a result of this change, the need for virgin plastic decreased by an estimated 90,000 kg per year, which is equivalent to approximately 4.2 million plastic bags.

In the coming years, Valio will continue to assess the requirements of the Packaging and Packaging Waste Regulation and move forward with preparatory

projects in accordance with the regulation’s transition periods. The goal of these projects is to further reduce the amount of packaging materials, meet reuse obligations, improve the recyclability of packaging, and increase 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. Reducing wastage by utilizing all the milk means that less milk raw material is required to make the products. At the same time, fewer emissions are generated. In 2025, Valio reduced production waste through dozens of development projects. Waste reduction is part of the strategic #2025 programme, launched in 2022, which aims for a better milk return by improving efficiency and through new profitable business.

Valio aims to reduce waste from the use of milk raw material and from quality defects and operations by 50 percent over a four-year period (2022–2025). In 2025, Valio continued the #2025 programme-related renewal of operational reporting and the strengthening of technological capability as well as the implementation of Lean Six Sigma projects. Among other things, this enables better data-driven management, the development of the milk raw material reporting system to support the management of day-to-day operations, and real-time analysis. Additionally, Valio expanded the use of the technology platform for its production plant automation systems to support and assist various applications. This makes waste a more transparent part of day-to-day management practices.

Valio works to prevent food waste in all its operations. However, if waste that is fit for consumption does occur, Valio donates products from its production plants and warehouses in Finland to pre-selected charitable organizations to ensure the food safety and the proper handling and distribution of the products. In 2025, Valio Sweden donated approximately 160 tonnes of dairy products to the Matmissionen social grocery stores, through which the products were distributed to economically vulnerable households instead of being discarded.

TARGETS RELATED TO RESOURCE EFFICIENCY AND CIRCULAR ECONOMY E5-3

PACKAGING

Valio ensures the quality of its products and minimizes food waste by optimizing the protective properties of its packaging. Valio actively develops packaging solutions that are recyclable and made from renewable or recycled materials. The aim is to reduce the climate impacts of packaging across the entire value chain. Packaging accounts for less than one percent of Valio’s total carbon footprint.

Valio’s target is for all single-use packaging of the products it makes to be recyclable by 2030. In addition, Valio aims to ensure that 80 percent of all packaging materials used in the production of its own brands are made from either renewable or recycled raw materials.

Targets related to packaging are described in the section [Sustainability focus areas and targets](#).

SPECIFIC WASTEWATER LOAD AND MILK RAW MATERIAL WASTE

Valio monitors the effectiveness of its resource efficiency and circular economy principles and actions by tracking milk raw material waste and specific wastewater load.

Specific wastewater load is monitored in relation to the total volume of raw milk received and plant-based production. Valio’s wastewater load is caused by raw materials and products that end up in wastewater from production. Efforts are made to reduce the load by preventing waste generation and by optimizing and minimizing the use of raw materials and commodities.

In 2025, Valio’s specific wastewater load, measured as COD (Chemical Oxygen Demand), was 5.0 kg COD/t.

During the year, three Valio sites experienced prolonged challenges related to wastewater. The challenges at two of these sites were successfully resolved.

In 2025, Valio succeeded in further reducing waste by around 3.6 million litres of milk, which is equivalent to about one hundred tanker truckloads of milk. Projects under the #2025 programme reduced milk raw material waste by around ten percent compared to the previous year.

RESOURCE INFLOWS E5-4

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 2025, Valio used 23,841 tonnes of packaging material to package its products.

USE OF RAW MATERIALS AND MATERIALS AT VALIO PRODUCTION PLANTS	UNIT	2025 (FINLAND)	2025 (ESTONIA)	2025 (TOTAL)
Raw milk	tn	1,632,581	222,407	1,854,989
Fruits and fruit preparations	tn	11,183	1,571	12,754
Other raw materials (sugar, salt, vegetable oil, etc.)	tn	20,532	696	21,228
Total raw materials	tn	1,664,296	224,674	1,888,971
Packaging materials	tn	21,194	2,647	23,841

SHARE OF RENEWABLE AND RECYCLED MATERIALS IN 2025	UNIT	FINLAND	ESTONIA	TOTAL
Total renewable/recycled materials used in packaging production	tn	15,625	1,804	17,430
Share of renewable/recycled materials used in packaging production	%			73

RESOURCE OUTFLOWS E5-5

In 2025, Valio used 23,841 tonnes of packaging material to package its products. 86 percent (20,385 tonnes) of the packaging materials were suitable for reuse as raw materials, i.e. recyclable packaging materials.

PACKAGING MATERIALS	UNIT	2025 (FINLAND)	2025 (ESTONIA)	2025 (TOTAL)
Packaging materials suitable for reuse as raw material (i.e. recyclable packaging materials)	tn	17,890	2,495	20,385
Packaging materials suitable for reuse as raw material (i.e. recyclable packaging materials)	%			86

WASTE OUTFLOWS	UNIT	2025 (FINLAND)	2025 (ESTONIA)	2025 (TOTAL)
Non-hazardous waste				
Composting (food waste)	tn	27,745	18,474	46,219
Material recycling (concrete, paperboard, glass, soil, metal, plastic, cardboard, paper, SER, other recyclable waste, data protection)	tn	2,567	370	2,937
Waste to energy	tn	1,189	219	1,408
Non-hazardous waste diverted from disposal, total	tn	31,501	19,062	50,563
Incineration	tn	440	91	531
Landfill waste	tn	20	8	28
Non-recycled waste, total	tn	460	99	559
Non-hazardous waste, total	tn	31,961	19,161	51,122
Hazardous waste				
Reuse	tn	0	0	0
Recycling	tn	0	0	0
Hazardous waste diverted from disposal, total	tn	0	0	0
Incineration	tn	0	0	0
Hazardous landfill waste	tn	0	0	0
Non-recycled hazardous waste, total	tn	0	0	0
Hazardous waste, total	tn	156	4	160
Total amount of waste generated	tn	32,117	19,165	51,282

Share of renewable and recycled materials	UNIT	FINLAND	ESTONIA	TOTAL
Total non-recycled waste	tn	460	99	559
Share of non-recycled waste	%	1.4	0.5	1.1



SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

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ESRS S1

OWN WORKFORCE

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO OWN WORKFORCE

MATERIAL TOPICS

Working conditions, occupational health and safety, equality, employment, and competence development of own workforce

POLICIES	ACTIONS	GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS
<ul style="list-style-type: none"> Valio's Code of Conduct Supervisory handbook Occupational Health and Safety Policy ISO 45001 standard 	<ul style="list-style-type: none"> HR action plan Work community development plan Equality and non-discrimination plan Occupational safety and health action plan Occupational safety action programme 	<ul style="list-style-type: none"> Valio Voice employee survey engagement score: among the top 10% in the industry (over 7.9 globally) Injury frequency: globally 5 or less

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 addressed in the section [Interests and views of stakeholders](#) SBM-2, S1- ESRS 2 SBM-2, S2- ESRS 2 SBM-2.

the emphasis is on work safety and physical working conditions, whereas in office work, the emphasis is on working time management and ergonomics. A key risk relates to employee resilience and sick leave, while the opportunity lies in having a committed, competent, and healthy workforce that supports Valio's strategic goals.

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

Valio has identified the impacts, risks, and opportunities related to its own workforce as part of its double materiality assessment. Valio has identified working conditions, occupational health and safety, equality and non-discrimination, and competence development as material factors impacting its own workforce. These impacts vary based on the nature of the work and the working environment: at production plants,

The results are summarized in the section [Material impacts, risks, and opportunities and their interaction with the strategy and business model](#) SBM-3. The materiality assessment process is described in the section [Double materiality assessment process](#) IRO-1.

POLICIES RELATED TO OWN WORKFORCE S1-1

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Employee working conditions, occupational health and safety, employment, equality and training	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 all forms of discrimination falling within the scope of European Union regulations and national legislation. The policies are introduced as part of the Code of Conduct training, and any behaviour in violation of the code 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.
Employee working conditions, occupational health and safety, employment, equality and training	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 the workforce. The document is more specific than at the 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	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.
Occupational health and safety	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. A decision on possible certification of the system will be made separately.	Valio Group	Valio's head of HSEQ is responsible for the operating model.
Employee data protection	Data Protection Policy	The aim of Valio's data protection policy is to ensure that the rights of data subjects are upheld and that all processing of personal data complies with applicable data protection legislation and best practices in data processing and data management. Particular attention is paid to the requirements of the General Data Protection Regulation, and potential risks are analysed, identified and minimized at the earliest possible stage.	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.

MANAGEMENT OF HUMAN RIGHTS IMPACTS

In line with its Code of Conduct, Valio is committed to respecting key international agreements and guidelines. These include 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 Valio's operations, 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.

ENGAGING WITH OWN WORKFORCE AND WORKERS’ REPRESENTATIVES S1-2

COOPERATION

Valio is a member of the Finnish Food and Beverage Industry Federation ETL and adheres to the collective bargaining agreements concluded by ETL. Three collective bargaining agreements are applied at Valio: the Finnish Food Workers’ Union (SEL) collective bargaining agreement for dairy workers, the Professional Dairy Association (MVL) collective bargaining agreement, and the Trade Union Pro collective bargaining agreement for white-collar workers in the food industry.

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. In addition, employer representatives and the chief shop stew-

ards of SEL and MVL hold regular meetings on current issues approximately every 3-4 months. Meetings on current issues are held as needed with Pro’s shop stewards and representatives of senior salaried employees.

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 HSE steering group and HSEQ 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 operating model 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.

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

Valio has defined thematic remedial actions for cases of non-compliance and for situations where potential violations of Valio’s Code of Conduct occur. The effectiveness of the reporting channels available to employees is assessed by, among other things, monitoring the number of reports and users.

VALIO TOYME CHANNEL

Valio uses the Toyme observation system in Finland, through which employees can report safety-related observations and near-miss incidents, among other things. All observations are investigated. The thoroughness of the investigation and the resourcing and scheduling of defined remedial actions are based on the estimated magnitude of the risk.

Employees are regularly informed about the existence and features of the Toyme observation system, and employees are trained in its use. The system’s use and content are presented in all mandatory safety training sessions, and familiarization with it is also part of every Valio employee’s orientation plan.

Valio and its partner companies’ employees can also submit initiatives through the Toyme observation system. The initiative activity at Valio is one of the most important ways to develop processes and strengthen Valio’s competitiveness by engaging employees in continuous improvement of operations. Valio has defined an initiative process through which feasible development proposals are put into practice. The individual or group that submitted the initiative may also receive a reward, which is determined based on the initiative’s usefulness and significance. In 2024, Valio launched an initiative activity development project to strengthen its inclusive operating culture; the project continued in 2025. In the project, the initiative-related procedures were clarified to facilitate the creation of high-quality initiatives.

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 the organization’s management, to the HR manager, or to the legal department. Sensitive issues can also be reported through the Valio Whistle channel, which is available to all employees on Valio’s intranet. The Valio Whistle channel is discussed in more detail in the section [Business conduct policies and corporate culture](#) G1-1.

ACTIONS RELATED TO OWN WORKFORCE S1-4

EMPLOYMENT

Valio is a major employer in Finland and Estonia. In Finland, we employ approximately 4,000 people in office operations, production plants and warehouses across the country. Our operations create jobs, and through them, strengthen local vitality and economic development.

Valio is developing its production network to ensure that its production processes are resource-efficient and congruent with current and future needs. In recent years, Valio has and will continue to make significant investments, for example, in the Joensuu plant in eastern Finland, where construction of a new automated maturation warehouse began in 2025. In addition, Valio is transferring operations from the Vantaa and Kauhava plants, which are set to close, to Joensuu. With this expansion, the Joensuu plant will create about one hundred new jobs within two years. Efforts will be made to actively support the reemployment of the personnel from the closing plants, either at Valio’s other locations or outside of Valio.

Valio employs approximately 300 people as summer workers. The vast majority of them work in production and logistics at various production plant sites. 2025 marked the 120th anniversary of Valio’s founding. To celebrate the milestone, in 2025 we committed to investing 120,000 euros to increase the number of master’s thesis positions, internships, and summer jobs for higher education students in the food sector. The funding has been allocated to the Faculty of Agriculture and Forestry at the University of Helsinki.

WORKPLACE PRACTICES

Valio aims to support employee wellbeing by offering flexible work arrangements that balance work and personal life whenever possible. 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/week of on-site work where possible).

In 2025, Valio continued the renovation of its headquarters facilities. The goal of the renovation is to streamline work processes, strengthen a sense of community, and support employee wellbeing by providing versatile work environments suited to hybrid work. The renovation makes maximum use of existing furniture and structures, thereby reducing environmental impact. The renovation project is proceeding in phases and will be completed during 2027.

In 2025, measures to enhance employee wellbeing were continued based on the results of the Valio Voice employee survey. Efforts to support supervi-

sory work and build a safe work environment were further strengthened by embedding coaching-based leadership practices. In addition, Goal-oriented performance management coaching was launched along with training on the early identification of burnout and the promotion of a healthy work-life balance. To improve the flow of information, Valio-level communication practices were also updated. Furthermore, to support resilience at work and working capacity, mental health wellbeing theme weeks were organized in the spring and autumn. In collaboration with occupational health services, emphasis was also placed on preventive measures and actions to support working capacity.

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. At the beginning of 2025, procedural guidelines on HSEQ training were introduced; the guidelines define Valio-level role-specific training requirements and their refresher requirements for occupational safety, food safety, environment, and quality. Work safety and food safety are critical in Valio’s production environment, and special attention is also paid to occupational safety in headquarters operations.

Mandatory training courses, defined annually at Group level, ensure that all Valio employees have sufficient knowledge in important and current topics. In 2025, in addition to performance-based management, the

focus was on safety training in Finland. Safety training for Valio employees was made mandatory also for headquarters functions, and nearly 350 employees completed the training in 2025. The training will continue in 2026.

A culture of coaching leadership and work approach was implemented across Valio’s operations and production facilities through, among other things, a new induction coaching, info briefings for supervisors, online training focused on performance-based management, and team-specific, tailored development services. The coaching programme was rolled out globally across all of Valio’s subsidiaries. In Estonia, coaching will continue in 2026.

Business insight is developed in a needs-based manner by identifying the competencies critical to Valio’s competitiveness and tailoring the appropriate learning solutions to them. In addition to training and coaching programmes, Valio employees are encouraged to engage in continuous learning by adopting a coaching-based work approach and experimenting with it in everyday work, and to learn together by networking, co-creating and sharing knowledge.

AI proficiency has been identified as a particularly important skill for the future workplace also at Valio. In fact, AI training has become the most popular training topic, with more than 1,000 hours spent on developing AI skills in 2025.

NON-DISCRIMINATION

Valio’s equality and non-discrimination plan covers the years 2024–2026. In 2025, the focus continued on strengthening work communities and increasing inclu-

sion 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. Valio continued the work on the employment of non-Finnish-speaking workers. At large events attended by all employees, such as Christmas parties, the use of safe-space liaisons continued.

WELLBEING AT WORK

In 2025, Valio organized “mental health wellbeing” themed weeks globally for the fifth consecutive year. The spring 2025 theme was “functional daily life”, with topics including brain health and mental strain, and cognitive ergonomics. During autumn’s theme of “good sleep”, the company offered sleep clinics at its sites and sleep support groups for employees suffering from sleep disorders and problems.

In recognition of Valio’s commitment to promoting mental wellbeing, the company was once again awarded as the “Mental Health Friendly Workplace” label by MIELI Mental Health Finland. The award criteria specifically highlighted Valio’s long-term, day-to-day work as a strength, as well as its focus on leadership and workplace community activities.

WORK SAFETY

The work permit procedures rolled out in 2024 and covering both particularly hazardous work in production and maintenance as well as hot work were reinforced at the Finnish sites in 2025. To ensure the practical implementation of the work permit procedures,

the management teams at the sites were required to conduct monthly work permit audits. In addition, in 2025, a new model for safety discussions was introduced at the sites. The aim of the model is to identify discrepancies between prescribed procedures and actual work practices and thereby proactively improve occupational safety.

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. In 2025, the project was advanced through pilot testing and by assessing the dust and explosion hazards associated with the powders we use.

EMPLOYEE DATA PROTECTION

The aim of Valio’s data protection policy is to ensure that the rights of data subjects are upheld and that all processing of personal data complies with applicable data protection legislation and best practices in data processing and data management. Particular attention is paid to the requirements of the General Data Protection Regulation, and potential risks are analysed, identified, and minimized at the earliest possible stage.

The data protection manual, available on Valio’s intranet, defines key data protection concepts, outlines responsibilities within the Valio organization, provides information on processes, and offers tips for real-world situations. The manual and the intranet also contain internal guidelines for reporting and handling

personal data breaches. Every Valio employee must complete online training on data protection. Valio’s legal department also organizes data protection training once a year and as needed.

In December 2024, Valio was targeted by a serious cyber-attack, which was quickly thwarted by Valio’s data security systems and practices. The investigation into the data breach, conducted in cooperation with the authorities, continued in 2025, and Valio will continue to improve its data security also in the coming years.

TARGETS RELATED TO OWN WORKFORCE S1-5

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. Valio’s targets relate to the injury frequency rate and the engagement results of the Valio Voice employee survey. This topic is discussed in more detail below and in the section [Sustainability focus areas and targets](#).

INJURY FREQUENCY RATE

Valio actively works to prevent all injuries and accidents. The target Valio has set for its injury frequency rate (injuries resulting in lost time per million hours worked) is five or less. In 2025, the injury frequency rate was 7.6. Compared to the previous year, work-related injuries decreased both in number and frequency. However, 2025 was overshadowed by the fatal workplace accident that occurred in Lapinlahti early in the year. The investigation of the incident is still ongoing. Valio’s accident-free sites in 2025

were the Haapavesi plant, Pitäjänmäki headquarters, Tallinn, and the Vantaa and Kuopio wholesale operations. The Jyväskylä, Lapinlahti, Oulu, and Laeva plants achieved Valio’s injury frequency rate target of five or less. All Valio people can track trends in the injury frequency rate on the intranet homepage.

HEADCOUNT S1-6

NUMBER OF EMPLOYEES (ALL OPERATING COUNTRIES) BY GENDER	UNIT	EMPLOYEES 31.12.2025	EMPLOYEES 31.12.2024
Male	Headcount	2,530	2,475
Female	Headcount	2,107	2,073
Other	Headcount	-	-
Not reported	Headcount	-	-
Total employees	Headcount	4,637	4,548

Description of methodologies and assumptions:
All individuals in an employment relationship as of 31 December.

NUMBER OF EMPLOYEES (ALL OPERATING COUNTRIES) BY COUNTRY	UNIT	EMPLOYEES 31.12.2025	EMPLOYEES 31.12.2024
Finland	Headcount	4,009	3,967
Estonia, Latvia, Lithuania	Headcount	467	458
Sweden	Headcount	79	70
United Kingdom	Headcount	28	-
China	Headcount	28	26
USA	Headcount	26	27
Total employees	Headcount	4,637	4,548

Description of methodologies and assumptions:
Headcount has been calculated on a country-by-country basis. All individuals in an employment relationship as of 31 December.

ENGAGEMENT RESULT OF VALIO VOICE EMPLOYEE SURVEY

Valio’s aim in the employee survey’s engagement result is to rank among the top ten in the industry. The 2025 engagement score of 7.6 remained unchanged overall. With this result, Valio ranks in the middle of the industry.

EMPLOYEES BY CONTRACT TYPE (ALL OPERATING COUNTRIES)	UNIT	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
Number of employees 2025	Headcount	2,103	2,529	-	-	4,632
Number of employees 2024	Headcount	2,073	2,475	-	-	4,548
Number of permanent employees 2025	Headcount	1,801	2,159	-	-	3,961
Number of permanent employees 2024	Headcount	1,819	2,182	-	-	4,001
Number of temporary employees 2025	Headcount	307	397	-	-	676
Number of temporary employees 2024	Headcount	254	293	-	-	547
Number of employees with variable working hours 2025	Headcount	157	211	-	-	368
Number of employees with variable working hours 2024	Headcount	126	177	-	-	303

Description of methodologies and assumptions:

The term “employees” 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 DURING THE REPORTING PERIOD (ALL OPERATING COUNTRIES)	UNIT	2025
Number of employees who left the company	Headcount	778
Total employee turnover	%	16.8

Description of methodologies and assumptions:

“Reporting period” refers to the calendar year. The number of employees who left also includes temporary employees. Each employee is included only once even if there were multiple separate employment relationships during the reporting period. The turnover rate is the ratio of the number of individuals who left to the headcount number on the last day of the year, multiplied by 100. The headcount number on the last day of the year includes all employees with employment relationships.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE S1-8

COVERAGE RATE	EMPLOYEES - EEA	
	2025	2024
0-19%	Sweden, Estonia	Sweden, Estonia
20-39%		
40-59%		
60-79%		
80-100%	Finland	Finland

GENDER DISTRIBUTION OF PERSONNEL S1-9

GENDER DISTRIBUTION AT TOP MANAGEMENT LEVEL	UNIT	2025
Female	Headcount	3
Female	%	38
Male	Headcount	5
Male	%	62

Description of methodologies and assumptions:

Gender distribution of Valio’s Executive Board as of 31 December 2025.

EMPLOYEE AGE DISTRIBUTION (ALL OPERATING COUNTRIES)	UNIT	2025
Under 30 years old	%	17
30-50 years old	%	51
Over 50 years old	%	32

Description of methodologies and assumptions:

Age distribution of employees as of 31 December 2025.

HEALTH AND SAFETY METRICS S1-14

HEALTH AND SAFETY METRICS - EMPLOYEES	UNIT	2025
Employees covered by occupational health and safety management system	%	100
Number of fatalities as a result of work-related injuries and work-related ill health	Number	1
Total recordable work-related injuries	Number	151
Total recordable injury frequency	Number per million hours worked	21.9
Lost time work-related injuries	Number	52
Lost time injury frequency	Number per million hours worked	7.6

Description of methodologies and assumptions:

All employees in an employment relationship with Valio are covered by the occupational health and safety management system. Fatalities as a result of work-related injuries and work-related ill health in 2025 include individuals employed by Valio. The number of total recordable work-related injuries in 2025 includes all injuries to an individual employed by Valio, whose treatment costs have been covered by statutory accident insurance. The number of lost time work-related injuries includes work-related injuries leading to absence, occurring within a Valio-managed property, to an individual employed by Valio, whose treatment costs have been covered by statutory accident insurance. The injury frequency figures take into account hours worked only in Finland, Estonia and Sweden. There were no work-related injuries in other operating countries in 2025.

PAY GAPS S1-16

PAY GAP BETWEEN FEMALE AND MALE EMPLOYEES (ALL OPERATING COUNTRIES)	UNIT	2025
Employees	%	2.7

Description of methodologies and assumptions:

The calculation used the average fixed base monthly salary of employees with monthly salaries as of 31 December 2025. 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 2025, Valio received 50 reports through the Valio Whistle channel, all of which were handled in accordance with the policy. None of the reports concerned discrimination against employees or other human rights violations targeting employees. None of the cases led to criminal charges or resulted in the payment of fines or other penalties.

ESRS S2

WORKERS IN THE VALUE CHAIN

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO WORKERS IN THE VALUE CHAIN

MATERIAL TOPICS

Value chain workers and supply chain compliance

POLICIES

- Valio's Business Partner Code of Conduct
- Milk Production Guidelines
- Raw material policies

ACTIONS

- Future Valio Farmers training programme
- Primary production action plan
- Procurement action plan

GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS

- Number of participants in the Valio Future Farmers (persons)
- Commitment of suppliers to Business Partner Code of Conduct (%)
- Sustainability audits of suppliers and manufacturers located in risk countries (%)

INTERESTS AND VIEWS OF STAKEHOLDERS ESRS 2 SBM-2

Recognition of the interests, views, and rights of workers in the value chain in Valio's strategy and business model is addressed in the section [Interests and views of stakeholders](#) SBM-2, S1-ESRS 2 SBM-2, S2-ESRS 2 SBM-2.

WORKERS IN THE VALUE CHAIN-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND THE BUSINESS MODEL ESRS 2 SBM-3

Valio has identified the impacts, risks, and opportunities related to workers in the value chain as part of its double materiality assessment. Working conditions, living wages, and occupational health and safety have been identified as material impacts. Material risks are child labour, forced labour and the use of migrant workers, particularly in the primary production of raw

materials from the Global South, such as coffee and cocoa. In milk production, risks relate to occupational safety, wellbeing at work, equality, and resilience. In Finland, an increased risk of forced labour has also been identified in relation to berry raw materials.

The results are summarized in the section [Material impacts, risks, and opportunities and their interaction with the strategy and business model](#) SBM-3.

The materiality assessment process is described in the section [Double materiality assessment process](#) IRO-1.

POLICIES RELATED TO VALUE CHAIN WORKERS S2-1

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Supply chain workers' terms of employment, working conditions and discriminatory treatment, as well as possible child labour, forced labour and use of migrant workers	Valio's Business Partner Code of Conduct	Valio has a Business Partner 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 Board of Directors and is available on Valio's intranet and website. The policy is reviewed regularly.
Supporting the vitality of Finnish milk production and the working conditions of milk production workers	Milk Production 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 for dairy farm workers. The dairy farmer undertakes to comply with the production guidelines as part of the Production and quality agreement signed with the cooperative.	Valio dairy farms in Finland	The production guidelines are available to all Valio dairy farmers via the Valma online service. The production guidelines are drawn up together with Valio's Primary production team and cooperative experts, and they are reviewed and updated regularly.
Supply chain workers' terms of employment, working conditions and discriminatory treatment, as well as possible child labour, forced labour and use of migrant workers	Raw material 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 serious human rights risks.	Valio Group	The raw material policies have been approved by the head of Valio's product categories and are available on Valio's intranet and website.

Through its Business Partner Code of Conduct, Valio aims to promote respect for universally accepted human rights and international principles of responsible business conduct in its supply chain. They serve as the basis for Valio's sustainability requirements in its supply chain. These rights and principles are recorded in, among others, international human rights instruments, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. They are also further defined in international declarations, agreements, standards, guidelines, and codes of practice such as those drafted by the ILO, the Ethical Trading Initiative, and the International Organization for Standardization (ISO). Valio's Business Partner Code of Conduct includes a ban on child labour, human trafficking, and forced labour.

Valio updated its Business Partner Code of Conduct in 2025. The updated Code of Conduct replaces the 2022 Supplier and Distributor Code of Conduct. The update took into account, among other things, the need for changes related to upcoming sustainability legislation, as well as sustainability themes identified as relevant in Valio's value chain. Valio's Board of Directors approved the updated Business Partner Code of Conduct at the end of 2025, and its implementation with suppliers will continue in 2026. The key teams responsible for Valio's procurement and sales received training on the content of the updated Business Partner Code of Conduct during 2025 and early 2026.

Responsibility in the supply chain is managed through supplier and raw material management practices and through raw material and country policies. In 2025, Valio refined its country policies by introducing a procedural guideline for them. The country policies are reviewed annually based on independent country risk assessments. The key teams responsible for Valio's procurement and sales received training on the country policies in late 2025 and early 2026.

Supply chain workers are included in the management of sustainability through, e.g., sustainability audits. Valio is committed to taking into account its own role (causing, contributing, being linked to) and, where necessary, to modifying its operations and remedying any human rights violation that may have occurred.

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 and they are 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)
- 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

The supplier management model is reported in the section [Supplier relations](#) G1-2.

CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS AND REMEDIAL PROCESSES 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 Business Partner 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. The channel is discussed in more detail in the section [Business conduct policies and corporate culture](#) G1-1.

ACTIONS RELATED TO VALUE CHAIN WORKERS S2-4

MILK PRODUCTION

In 2025, Valio shared information on zoonosis risks, i.e. diseases that can be transmitted from animals to humans, through its communication channels aimed at dairy farmers: the Maito ja me magazine, the Valma intranet, and in the Maidontekijät newsletter. Training topics covered for milk collection drivers and farm tank technicians in 2025 included occupational safety for collection drivers and protection against infectious diseases.

Future Valio Farmers is a new training programme jointly run by Valio and the procurement cooperatives. The programme targets young dairy farmers or individuals who are interested in becoming an entrepreneur in the sector. The training programme focuses on topics of dairy farm management, and its aim is to support 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 started with in-person sessions in March 2025 and will run until autumn 2026. Training includes four two-day-long in-person sessions, with team-based intermediate assignments completed between sessions, a study trip and a cooperative expert’s development visit to the company. Participants also prepare a development plan for their own business. A new Future Valio Farmers training programme will begin in autumn 2026.

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 procurement sustainability programme is to enhance the procurement organization’s expertise in various aspects of sustainability, meet customer expectations, comply with evolving legislation, and promote sustainable procurement from an environmental, economic and social responsibility perspective. Valio regularly trains its procurement organization and stakeholders through various training sessions and events. In 2025, a procurement training day was held with sustainable procurement as one of the main themes. Valio also organized a partner day for suppliers in the marketing category, focusing on the importance of sustainability for Valio, Valio employees, and Valio’s partners. The event also featured presentations by suppliers on environmental and social responsibility in creative work.

Close collaboration with suppliers continued: Among other things, Valio advanced calculations related to lifecycle assessments in cooperation with its raw material and packaging materials suppliers. The coverage of sustainability audits for manufacturers located in risk countries improved compared to 2024. In addition, Valio was involved in the development of marketing procurement and industry principles within the marketing procurement groups of the business network Marketing Finland and the Finnish Association of Purchasing and Logistics (LOGY).

Valio's procurement function is also involved in the sustainability groups of the Nordic Source procurement company and LOGY.

The implementation of standardized supplier management practices in subsidiaries continued in 2025. The aim is to have uniform supplier management processes, requirements, and systems. Efforts are being made to streamline compliance with sustainability requirements in procurement through ongoing system development for both Valio's procurement and 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 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.

Toward the end of 2022, allegations of human trafficking related to wild berry picking emerged, targeting one of Valio's suppliers. The related legal proceedings continued throughout 2025 and are ongoing in 2026. No new supply chain violations were identified in 2025.

A social responsibility audit commissioned by Valio in 2023 for one of its berries suppliers revealed structural issues in the sector concerning the costs of entry to Finland for berry pickers, recruitment practices in the country of origin, and working hours. In 2024, Valio introduced more detailed requirements for berry suppliers and conducted several inspections at berry

companies' sites during the 2024 and 2025 picking seasons. The inspections verified the implementation of remedial actions from the previous season, validated the responses to the berry suppliers' sustainability surveys, and assessed, among other things, the working conditions of pickers, recruitment, and remuneration practices, as well as the condition and safety of accommodation facilities. The implementation of remedial actions identified during the 2025 inspections will be verified during the 2026 inspections.

Valio aims to purchase sustainably produced Finnish wild berries and to contribute to active cooperation among berry companies, berry buyers, non-governmental organizations, and regulatory authorities.

VALIO AIMO® WHOLESALE

The Valio Aimo® wholesale business sustainability programme focuses on portfolio management and the specification of its sustainability processes, including risk identification, supplier and product criteria specification, and the updating of guidelines.

During 2025, a process for product and supplier management was established and training on it was provided to those responsible for procurement. The process defines risk categories that are used to determine actions for mitigating risks associated with products and suppliers. Risk management utilizes a risk assessment tool that evaluates the social and environmental risks of products in accordance with Sedex metrics. Risks are identified based on country of origin, after which actions are determined in collaboration with the supplier to minimize those risks. In 2025, the risk tool was expanded to

also cover the obligations of the EU Deforestation Regulation.

In 2025, Valio Aimo published a report on product-specific carbon footprint data on the My Aimo online service for customers. In addition, a report was published that allows customers to view the degree of domestic origin of their purchases as well as the proportion of products bearing organic, environmental, and Heart Symbol labels.

SUOMEN LANTAKAASU OY

Suomen Lantakaasu Oy is a biogas company owned by Valio and St1 Biokraft. At the construction site of the company's biogas plant in Kiuruvesi, violations of employer obligations toward subcontractors and activities contrary to Suomen Lantakaasu's operating principles were reported in late 2025. Occupational health and safety inspections conducted by the Regional State Administrative Agency for Eastern Finland (AVI) in the spring and summer revealed several shortcomings in compliance with Finland's labour laws and regulations. The inspections targeted the construction site's main contractor's subcontractor chain and foreign labour.

Upon learning of the incident, Suomen Lantakaasu, in collaboration with the main contractor, immediately launched an investigation into the main events at the construction site, their causes, and ways to prevent similar shortcomings in the future. Several actions were implemented at the site to ensure that all subcontractors working at the construction site comply with laws and regulations. These actions include, for example, more rigorous monitoring of working hours and ongoing communication with the authorities.

Suomen Lantakaasu will continue to develop its practices in collaboration with the main contractor.

SUSTAINABILITY TARGETS RELATED TO VALUE CHAIN WORKERS S2-5

Valio monitors the effectiveness of its principles and actions concerning value chain workers using various supplier approval criteria, which are described in more detail in the table below.

COMMITMENT TO THE BUSINESS PARTNER CODE OF CONDUCT

Supplier approval principles and practices are described in the section [Supplier relations](#) G1-2.

Valio requires all suppliers of direct purchases and major indirect purchases to commit to Valio’s Business Partner Code of Conduct. By 2025, this requirement was fully met for direct purchases. For indirect purchases, the coverage of commitments increased by 7 percentage points to 71 percent. Supplier approval criteria are monitored more broadly through the indicators below.

MONITORING OF SUPPLIER APPROVAL CRITERIA

TARGET	KPI RESULT 2025
Supplier commitment to Business Partner Code of Conduct %	Direct procurements 100% (2024: 100%) Indirect procurements 71% (2024: 64%) Contract manufacturing 100% (2024: 95%) Total 76% (2024: 70%)
Sustainability audit of direct procurement manufacturers in high-risk countries by 2027	69% (2024: 64%)
Number of food safety audits of manufacturers	45 (2024: 44)
Number of sustainability surveys sent to manufacturers	101 (2024: 230)

PROGRESS OF RAW MATERIALS POLICIES (VALIO FINLAND)

TARGET	KPI RESULT 2025	PROGRESS 2025	STATUS
Only certified coffee is used	100% (2024: 100%)	Valio purchases only certified coffee.	✓
Only certified cocoa is used	100% (2024: 98%)	Valio purchases only certified cocoa.	✓
No palm oil in consumer products and palm oil in industrial products verifiably certified	100% (2024: 100%)	No palm oil in consumer products and palm oil in industrial products verifiably certified.	✓
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% (2024: 100%)	Valio has maintained its 2025 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.	✓

ESRS S4

CONSUMERS AND END-USERS

MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS RELATED TO CONSUMERS

MATERIAL TOPICS

Consumer and end-user food safety, nutrition, availability of product information, and security of supply

POLICIES

- Valio's Code of Conduct
- Food Safety and Quality Policy
- Marketing Policy
- Nutrition commitment
- Data Protection Policy

ACTIONS

- Technology and nutrition research action plan
- Valio Food 2.0 research programme
- Category and marketing plans
- Food Data Finland Interoperable Traceability Programme
- Food safety action plan
- Product information management development plan
- Development project related to the EU Deforestation Regulation

GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS

- Advancing the Valio Food 2.0 research programme in 2028: Number of Valio ecosystem projects in the Food 2.0 programme (number)
- Number of food-safety related recalls (number)
- Fulfilment of nutrition commitments (%)

INTERESTS AND VIEWS OF STAKEHOLDERS ESRS 2 SBM-2

Recognition of the interests, views, and rights of consumers in Valio's strategy and business model is addressed in the section [Interests and views of stakeholders](#) SBM-2, S1 ESRS 2 SBM-2, S2 ESRS 2 SBM-2. The methods of interacting with consumers are described in the sections [Engaging with consumers](#) S4-2 ja [Consumer feedback channels](#) S4-3.

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

Valio has identified the consumer-related impacts, risks, and opportunities of its business as part of its double materiality assessment. Material impacts relate to food safety, the nutritional quality of products, and data protection. Positive impacts are created through

comprehensive product information, transparent communication, health benefits, product availability, and security of supply. Key risks include data breaches, compromises to food safety, and delivery challenges. Opportunities are created through the availability of sustainability information, high-quality products, and Valio's strong brand.

The results are summarized in the section [Material impacts, risks, and opportunities and their interaction with strategy and business model](#) SBM-3.

The materiality assessment process is described in the section [Double materiality assessment process](#) IRO-1.

POLICIES RELATED TO CONSUMERS S4-1

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Product availability and security of supply, as well as nutritional impacts	Valio's Code of Conduct	In line with its Code of Conduct, Valio takes into account local security of supply and food safety. Valio promotes healthy lifestyles and the nutritional quality in 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. The policy is reviewed regularly.
Product safety	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 standards. Valio's food safety certifications are available on Valio's website.	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.
Truthful and transparent communication and marketing	Marketing Policy	Valio's responsible Marketing Policy that sets forth the principles of responsible marketing for products, services and operations in all Valio markets. Marketing is compliant with applicable laws and regulations, and is honest and truthful. Valio adheres to the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code, the WHO International Code of Marketing of Breast-milk Substitutes, and the local, self-regulatory marketing communication principles in our various market areas (in Finland, e.g., the guidelines of the Finnish Food and Drink Industries' Federation (ETL) and Marketing Finland).	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.
Nutritional impacts of products	Nutrition commitment	A nutrition commitment is a National Nutrition Council of Finland model that is part of the national commitment to sustainable development. Valio has been a signatory to the commitment for several years.	Finland	Accessible on the Commitment2050 website.
Consumer data protection	Data Protection Policy	The aim of Valio's data protection policy is to ensure that the rights of data subjects are upheld and that all processing of personal data complies with applicable data protection legislation and best practices in data processing and data management. Particular attention is paid to the requirements of the General Data Protection Regulation, and potential risks are analysed, identified and minimized at the earliest possible stage.	Valio Group	The policy has been approved by Valio's Executive Board and is available on Valio's intranet. The policy is reviewed regularly.

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. The Consumer Insight team monitors and analyses Finland's changing population through timely research to gain a more comprehensive understanding of different consumer groups and their needs. The results of the research are widely utilized throughout the organization to support, e.g., product portfolio development, marketing planning, and strategic decision-making. 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 EU's General Data Protection Regulation (GDPR), and Valio enters into a data processing agreement (DPA) 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 perceptions of Valio's advertising are surveyed at various stages of the campaign planning and implementation.

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, trade shows, 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 AND REMEDIAL PROCESSES 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 2025, more than 35,000 consumer contacts were processed. In the continuous Customer Effort Score, Valio's consumer service received a score of 6.3/7 in 2025.

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 cus-

tomers 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 2025, the team handled a total of about 800 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 potential 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 as quickly as possible in crisis situations. The exercises are based on real-life situations, with actions taken to quickly contain the situation, stop its spread, and notify the necessary parties; the

progress of the process and decisions are documented just as they would be in real-life situations. After both an actual crisis situation 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. The Valio Whistle channel is described in more detail in the section [Business conduct policies and corporate culture](#) G1-1.

In 2025, Valio did not identify any human rights violations related to consumers and end-users.

ACTIONS RELATED TO CONSUMERS S4-4

VALIO FOOD 2.0 RESEARCH PROGRAMME

During 2025, Valio's Food 2.0 research programme included four public projects focused on product innovation and nutrition. The FoodID project is studying the combining of plant-based and microbial ingredients. The goal is to produce products that are competitive in terms of nutritional value and sensory quality. The FabuloATS project is developing oat and fava bean varieties to meet the needs of new product formats. The Finnutri project is studying a diet aligned with planetary boundaries from the perspective of domestic food production. The MilkBridge project is studying milk membrane lipids, which can be used to develop nutritional solutions for the dietary needs of an aging population.

PRODUCTS SUPPORTING NUTRITION

Valio strives to develop tasty and nutritious products and improve the nutritional quality of diets by encouraging Finns to eat in accordance with dietary recommendations. Valio promotes these goals by developing products that meet the Heart Symbol criteria and by making nutrition commitments.

The Heart Symbol is a nutrition claim registered in the EU that indicates the nutritional quality of the food, product, or meal. The right to use the symbol is granted by an impartial panel of experts. The Heart Symbol tells consumers that the product is a better choice within its product category in terms of fat content and quality, as well as sugar and salt. During 2025, Valio developed 34 new Heart Symbol products, and by the end of the year, Valio’s domestic product range included 176 Heart Symbol products.

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. Valio’s new nutrition commitments for 2025–2026 were published on the Commitment2050 website in January 2025. Valio made two nutrition commitments: Valio is launching a new range of products to make it easier to make healthy food choices and meet the requirements of the nutrition recommendations. Additionally, Valio is increasing the number of Heart Symbol products in the cheese and spreads categories.

PRODUCT INFORMATION

Product information accuracy, availability, and traceability are key factors in ensuring consumer and customer trust and safety. Reliable and up-to-date product information enables transparent choices, supports responsible supply chains, and prevents material risks, such as incorrect allergen information or incomplete certification labels. Increasing regulation is constantly creating new requirements for traceability and standardized product information, which underscores the importance of consistent data models and processes.

In 2025, Valio focused on developing product information management and product certifications in order to meet the associated requirements. Valio maintained several product certifications, including Organic, Halal, Kosher, and Rainforest Alliance certification. The product information system was made more user-friendly, guidance was improved, data discoverability was enhanced, and data accuracy was verified. In addition, product information provided to customers via the Synkka product information service, maintained by GS1, was expanded. Through these measures, Valio strengthened the accuracy, availability, and comprehensiveness of product information throughout the entire product lifecycle.

Valio is participating in the Food Data Finland Interoperable Traceability Programme, coordinated by GS1, which aims to build a digital solution based on common standards and operating models and covering the entire Finnish food supply chain to trace products from raw materials to the consumer. Key players from the food industry and the grocery trade are involved, and the collaboration also extends closely

to authorities, industry associations, and technology providers. In 2025, projects focused on forming an overall picture of food chain traceability, identifying raw materials, managing basic data, and understanding the information needs related to corporate responsibility reporting.

FOOD SAFETY

Valio maintains and develops food safety management in compliance with the requirements of the FSSC 22000 and BRC standards. 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 prevent factors that could jeopardize consumer health and safety. Self-monitoring covers the entire production process, from the receiving of raw materials and packaging materials to the monitoring of products, facilities and process equipment, as well as storage and transportation.

In 2025, Valio began implementing improvement actions that had been identified as necessary during the previous year’s assessment of hygiene practices and self-monitoring support system. Implementation proceeded in accordance with the action plan. In addition, Valio conducted an assessment of the HACCP system at all its production plants in Finland with the aim of identifying areas for improvement and the related needs for Group-level policies and guidelines. Work will continue in 2026 by remediating areas in need of improvement and refining guidelines, as well as a corresponding assessment in Estonia.

RESPONSIBLE MARKETING AND COMMUNICATION

Valio maintains and develops its principles of responsible marketing in collaboration with key industry organizations and associations. In 2025, Valio strengthened its expertise in responsible marketing and communications through training and updated operating principles. At the same time, the responsible marketing policy was updated to reflect the changing media landscape, and detailed guidelines and measures were established to ensure brand safety. Through these measures, Valio ensures that its marketing is ethical, safe, and strengthens the trust of consumers and stakeholders.

The key changes in the updates to Valio’s responsible marketing policy concerned ensuring the recognizability of advertising regardless of the channel or format, as well as reinforcing the principles of equality and non-discrimination. During the year, Valio defined brand safety principles and measures to ensure that Valio’s advertising appears only in responsible, safe, and brand-appropriate environments. The guidelines place particular emphasis on excluding inappropriate and offensive environments, supporting reliable news media, and avoiding misinformation and disinformation.

PREPARATIONS FOR IMPLEMENTATION OF THE EMPOWERING CONSUMERS FOR THE GREEN TRANSITION DIRECTIVE

In 2025, Valio began preparing for the implementation of the EU’s Empowering Consumers for the Green Transition Directive. The aim was to strengthen understanding of how the direc-

tive's obligations affect Valio. As part of the preparations, a comprehensive training programme was arranged for the organization, covering the principles of responsible marketing as well as the content and requirements of the directive. Valio conducted a comprehensive assessment of the directive's impacts on its packaging, marketing, and communications, and identified the necessary changes. Based on this, the planning and preparation of changes were initiated. The aim is to implement the packaging changes in a phased and controlled manner during 2026 so that excess write-downs of packaging materials can be minimized. The directive affects an estimated 390 Valio products.

INFORMATION SECURITY

Valio invests in information security to protect data and information systems and ensure the confidentiality and integrity of data, the availability of systems, and the protection of data subjects' rights. Information security also helps to strengthen the implementation of data protection.

Valio's most significant information security actions in 2025 were related to compliance with the requirements of the EU's NIS2 Cybersecurity Directive and the national Cybersecurity Act. There were no significant cybersecurity incidents in 2025.

Some Valio employees participate in ongoing cybersecurity training conducted via e-mail throughout the year. Valio organizes mandatory cybersecurity training for all employees, as well as separate training sessions that take into account the specific characteristics of each job role.

Valio is actively involved in, among other things, information exchange groups organized by the Finnish Transport and Communications Agency Traficom's National Cyber Security Centre for companies critical to security of supply. A Valio representative has served as chair of the food group since 2024.

TARGETS RELATED TO CONSUMERS S4-5

In line with its sustainability focus areas, Valio is promoting the Food 2.0 research programme, which will continue through the end of 2028. In 2025, the Food 2.0 programme comprised 17 projects in which Valio participated as a researcher or co-funding partner. The programme is described in more detail in the section [Sustainability focus areas and targets](#).

Valio also assesses the impact of its consumer-related policies and actions by monitoring the number of food safety-related recalls and the fulfilment of its nutrition commitments. There were no public recalls in 2025 (2024: 2 globally). This figure does not include the Valio Aimo® product range.

During the monitoring period for its nutrition commitments, Valio announced two new nutrition commitments. During 2025–2026, Valio will launch a new product line featuring snacks developed to support healthy dietary choices and meet nutrition recommendations. All snack products carry the Heart Symbol. In addition, Valio will launch new Heart Symbol products in the cheese and spreads product category.



GOOD GOVERNANCE



GOOD GOVERNANCE

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ESRS G1

BUSINESS CONDUCT

BUSINESS CONDUCT-RELATED MATERIAL TOPICS, POLICIES, ACTIONS AND TARGETS

MATERIAL TOPICS

Compliance of own operations, animal welfare

POLICIES

- Valio's Code of Conduct
- Information Security Policy
- Data Protection Policy
- Valio's guidelines on identifying and preventing corruption
- Valio's Business Partner Code of Conduct
- Milk Production Guidelines

ACTIONS

- Due diligence development plan
- Primary production action plan
- Procurement action plan

GROUP-LEVEL TARGETS / METRICS FOR MONITORING THE IMPACT OF ACTIONS

- Completion of Code of Conduct training by own personnel (%)
- Enabling the measurement of cattle welfare for all animal groups on dairy farms 2026: Animal Welfare Verification System (AWVS) project implementation (%)

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE G1-1

Valio's corporate culture is based on values and a leadership promise, which are part of both employee induction and supervisory training. Valio's values - the core principles that guide our daily work - are consumer and customer focus, responsibility, renewal, and collaboration.

- We approach things from the perspective of consumers and customers: how do we meet their needs and solve their challenges?
- We act responsibly as part of society.
- We also take personal responsibility and we are result-oriented.
- We are open to change, and we actively strive to develop and to create innovative solutions. We help each other do our best in a solution-driven way.

The implementation and progress of Valio's values and leadership commitment are monitored through the Valio Voice employee survey, in which a separate rating is given for the realization of each value and the leadership commitment.

MATERIAL TOPICS AND POLICIES

MATERIAL TOPICS	POLICY	KEY CONTENT RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	SCOPE	RESPONSIBILITY AND AVAILABILITY
Compliance of own operations	Valio's Code of Conduct	<p>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 Valio respects 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.</p> <p>Any inappropriate, dangerous, or otherwise prohibited conduct will be dealt with immediately. Any behaviour that violates the Code of Conduct must be reported. Concerns can also be reported anonymously via the Valio Whistle reporting channel.</p>	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.
Compliance of own operations	Valio's guidelines on identifying and preventing corruption	Valio has zero tolerance toward corruption in all its forms. This means that Valio does not, under any circumstances, tolerate bribery, conflicts of interest, improper influence, or other corruption-related misconduct in its operations. The purpose of the guidelines is to provide Valio employees with more detailed instructions and procedures for identifying and preventing corruption. The guidelines support ethical decision-making and ensure that all actions are in accordance with applicable laws and regulations.	Valio Group	The guidelines have been approved by Valio's Executive Board and are available to employees on Valio's intranet. The guidelines are reviewed regularly.
Compliance in the procurement and supply chain	Valio's Business Partner Code of Conduct	Valio's Business Partner 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 Group	The policy has been approved by Valio's Board of Directors and is available on Valio's intranet and website. The policy is reviewed regularly.
Animal welfare	Production guidelines	The descriptions and targets of the Valio approach to animal welfare are set out in production 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 dairy farms in Finland	<p>The production guidelines are available to all Valio dairy farmers via the Valma online service.</p> <p>The production guidelines are drawn up together with Valio's Primary production team and cooperative experts, and they are reviewed and updated regularly.</p>
Cybersecurity and information security	Information Security Policy	The primary objective of Valio's information security activities is to ensure business continuity. This is carried out in accordance with laws and regulations and helps meet statutory requirements, such as the Act on the Protection of Privacy in Working Life. Factors guiding information security include Valio's business and data protection requirements, threat and risk assessments, the global and national security situation, and guidance from authorities.	Valio Group	The policy has been approved by Valio's Executive Board and is available on the intranet. The policy is reviewed regularly.
Data protection	Data Protection Policy	The aim of Valio's Data Protection Policy is to ensure that the rights of data subjects are upheld and that all processing of personal data complies with applicable data protection legislation and best practices in data processing and data management. Particular attention is paid to the requirements of the General Data Protection Regulation, and potential risks are analysed, identified and minimized at the earliest possible stage.	Valio Group	The policy has been approved by Valio's Executive Board and is available on the intranet. The policy is reviewed regularly.

VALIO'S CODE OF CONDUCT AND FAIR BUSINESS TRAINING

Valio updated its Code of Conduct at the beginning of 2024. 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 percent of personnel in each country. The target was achieved in 2025. The training is specified to be renewed in conjunction with updates to the Code of Conduct, or more frequently if necessary.

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

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. In 2025, Valio updated its internal guidelines for the Valio Whistle channel by introducing a so-called gate model for reports submitted by Valio's own employees. The purpose of the model is to support the prompt handling of reports by directing them to the appropriate party and ensuring that serious allegations of misconduct are directed to the Valio Whistle channel for resolution.

If a Valio employee suspects or observes irregularities within their own team or organization, they are

instructed to discuss the matter first with their immediate supervisor or to report it to their supervisor's supervisor, the organization's HR manager, or the employee representative at their workplace. If this is deemed insufficient, the matter may also be reported to the organization's management, the subject owner at Valio, or the legal department.

If the observation concerns, for example, a violation of the law, official regulations or the Code of Conduct or financial misconduct, the primary reporting channel is Valio Whistle. 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. Valio's Executive Vice President, People, Employee Relations Director, and General Counsel are responsible for processing reports submitted to the Valio Whistle channel. The Executive Vice President, People reports annually to Valio's Executive Board and the Board of Directors on the number and topics of the reports and the actions taken.

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 transpar-

ent 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 Business Partner 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 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 audi-

tors. 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.

CONTRACT MANUFACTURING

A small portion of Valio's products is manufactured by selected contract manufacturers through a contract manufacturing process. Contract manufacturing refers to the production or packaging of products using Valio's own raw materials or raw materials and packaging materials approved by Valio. Contract manufacturing is used, among other things, for production-related reasons, such as the lack of necessary processes or packaging solutions at Valio's own production plants.

Valio has contract manufacturers both in Finland and abroad. Contract manufacturing is based on Valio’s strategy and values and follows Valio’s standard product development process and supplier approval and management processes. This ensures compliance with food safety, quality, and sustainability requirements.

Valio’s procurement targets are described in more detail in the section [Sustainability targets related to value chain workers](#) S2-5.

MANAGEMENT OF VALIO AIMO® WHOLESALE SUPPLIERS

The Valio Aimo® wholesale business has around 700 suppliers, more than 80 percent of them are Finnish. Valio Aimo invests in long-term partnerships and cooperation with its suppliers. Its sustainability programme emphasizes portfolio management and sustainability processes, including risk identification, defining supplier and product criteria, and the updating of guidelines.

In 2025, Valio established a process for product and supplier management in its wholesale business. The process includes food safety and sustainability classifications, and the risk categories derived from these classifications determine the risk management measures required for the approval of suppliers and products for inclusion in the product range. Suppliers must sign Valio’s Business Partner Code of Conduct and commit to compliance with it. The need for and method of conducting a supplier’s food safety and sustainability audit, as well as any other risk management actions, are also determined on the basis of the risk classification.

VALIO DAIRY FARMS

Valio dairy farmers undertake to comply with the production practice guidelines in a production and quality agreement entered into with the milk procurement cooperative. Compliance with the guidelines is verified through farm self-assessments, which are mandatory for all farms, and through Valio visits by the cooperative’s experts; the visits are carried out annually on at least 20 percent of the farms. In 2025, 639 Valio visits and 222 other farm visits were carried out (861 in total). The quality and safety of all milk used by Valio is carefully ensured through proper handling and regular sampling.

ANIMAL WELFARE

Animal welfare is at the foundation of Valio’s operations. Valio primary production’s sustainability programme related to animal welfare 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 primary production’s sustainability programme, the cooperative suspends or stops milk collection from the farm. Under the terms of the sustainability programme, all Valio dairy farms must be included in Naseva, the Centralized 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, primary production’s sustainability programme includes a voluntary sustainability bonus to encourage Valio dairy farmers to continuously improve the health and welfare of their livestock. In 2025, farmers carried out a total of 3,745 welfare

actions for dairy cows and 3,106 welfare actions for young cattle.

The Animal Welfare Verification System (AWVS) project is developing a method for measuring and verifying cattle welfare using a new approach created by welfare researchers at the Natural Resources Institute Finland (Luke). The method takes into account all animal groups on dairy farms and measures their welfare using 45 welfare indicators. In 2025, cattle welfare measurements were piloted at 50 Valio farms. In addition to verifying welfare, the project is exploring opportunities to create added value in the milk value chain by using welfare data.

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 Jõudluskontrolli. Valio carries out assessments annually or every three years in accordance with legislation (Farm Approval Act 43719 TEMPL).

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 and Valio’s guidelines on identifying and preventing corruption.

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 entities subject to international sanctions, for example.

In 2025, Valio updated its internal guidelines on identifying and preventing corruption. The guidelines outline the various forms corruption can take and describe the measures Valio has in place to combat corruption. The guidelines include instructions for employees on what to do if they observe corruption or other unethical conduct at Valio. The guidelines are binding in all of Valio’s subsidiaries and countries of operation.

Every Valio employee must report any illegal or unethical activity they observe to their supervisor, their supervisor’s supervisor, or to Valio’s Legal Affairs. The report can be made 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 has identified sales and procurement functions and business management as most vulnerable to corruption and bribery. At the end of 2025, Valio launched a new online training programme on identifying and preventing corruption. The training is mandatory for functions and individuals who work in sales or procurement or whose decisions may impact these areas. The training is recommended for all employees.

POLITICAL INFLUENCE G1-5

POLITICAL DONATIONS

Within the Executive Board, Valio’s political donations are the responsibility of Valio’s Executive Vice President, Business Enabling Functions, and they are implemented by Valio’s Director of Public Affairs. Valio has not provided direct financial support or in-kind contributions for political purposes.

FINANCIAL POLITICAL CONTRIBUTIONS MADE IN FINLAND

FINANCIAL POLITICAL CONTRIBUTIONS MADE IN FINLAND	UNIT	2025
Monetary political contributions made directly and indirectly	EUR	0 €
In-kind political contributions	EUR	0 €
Total	EUR	0 €

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Valio participates in advocacy work related to business, the food industry and the dairy sector through national, European, and international organizations. 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. Valio engages in 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.

None of the members who began their terms on Valio’s Board of Directors or Supervisory Board during 2025 have worked in public administration during the last two years.

PAYMENT PRACTICES G1-6

Valio pays 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 Oy

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 Oy’s Selected information for the reporting period ended 31 December 2025 is not prepared, in all material respects, in accordance with the ESRS E1 standard.

WHAT WE WERE ENGAGED TO ASSURE

We have at the request of the Management of Valio Oy (hereinafter also the “Company”) undertaken a limited assurance engagement on the selected information described below for the reporting period ended 31 December 2025, disclosed in Valio Oy’s Sustainability report 2025 (hereinafter the Selected information).

The Selected 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
- Disclosure Requirement related to 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

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 Oy for our work, for this report, or for the conclusions that we have reached.

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (“ISAE 3000 (Revised)”), and, in respect of the greenhouse gas related

information, International Standard on Assurance Engagements 3410, Assurance engagements on greenhouse gas statements (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner’s responsibilities section of our report.

OUR 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.

OTHER MATTER

Valio Oy has prepared and published its Sustainability Report 2025 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 RESPONSIBILITIES

The management of the Company is responsible for:

- the preparation and presentation of the Selected information in accordance with the ESRS E1 standard;
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Selected information, in accordance with the ESRS E1 standard, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

INHERENT LIMITATIONS IN PREPARING THE SELECTED INFORMATION

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

PRACTITIONER’S RESPONSIBILITIES

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 we exercise professional judgement and maintain professional skepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company’s use of the ESRS E1 standard as the basis for the preparation of the Selected information;
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company’s internal control; and

- design and perform procedures responsive to where material misstatements are likely to arise in the Selected information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the Selected information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Interviewed representatives of the Company;
- Interviewed employees responsible for collecting and reporting the Selected sustainability information at the Group level;
- Assessed how the reporting instructions and procedures are applied in the Company;

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

Helsinki 27 April 2026

PricewaterhouseCoopers Oy

Mikael Niskala

Partner

Sustainability Reporting & Assurance

Waldio