



Handelsbanken Sustainability Trends

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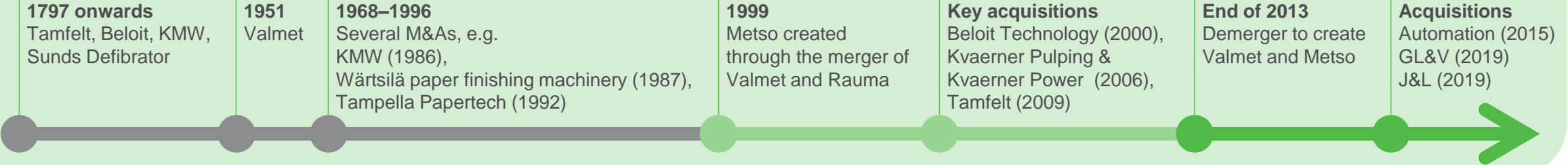
Valmet

Leading process technologies,
automation and services for the pulp,
paper and energy industries

We have strong market shares, unique offering and over 220 years of history

 <p>Paper</p> <p>Market position #1</p> <p>Market share ~40%</p>	 <p>Pulp and Energy</p> <p>Market position #1–3</p> <p>Market share 20-40%</p>	 <p>Automation</p> <p>Market position #1–3</p> <p>Market share 10-20%</p>	 <p>Services</p> <p>Market position #1–2</p> <p>Market share ~17%</p>
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Valmet's road to becoming a global market leader



Our business environment

We have defined three key megatrends that we carefully consider when making strategic choices.



Resource efficient and clean world

- Climate change, environmental awareness and resource scarcity drive the need to improve resource efficiency and reduce emissions.



Digitalization and new technologies

- Digitalization, automatization and new high impact technologies drive efficiency and new business models.



Urban, responsible and global consumers

- Urbanization, increasing living standards, changing demographics, and globalization drive changes in consumer behavior and our customers' demand.

Sustainability at Valmet

Identified megatrends impacting Valmet's business

Resource efficient and clean world

Digitalization and new technologies

Urban, responsible and global consumer

Our mission

Converting renewable resources into sustainable results



Recognitions

MEMBER OF
Dow Jones Sustainability Indices
In collaboration with 


Sustainability Award
Bronze Class 2020


A LIST
2019
CLIMATE


ETHIBEL
SUSTAINABILITY
2024

Valmet's sustainability 360° approach supports growth, cost efficiency and risk mitigation



Growth

Cost efficiency

Risk mitigation

Sustainability360° agenda

Summary of action plans 2019–2021



Sustainable supply chain

- We develop our existing processes that create the foundation for a sustainable supply chain
- We create new approaches to reduce the environmental impacts of our supply chain



Health, safety and environment (HSE)

- We invest in safety culture and effective HSE processes and practices
- We collaborate with customers and partners to improve HSE results



People and performance

- We boost employee engagement and develop the best talent
- We are a responsible employer and promote diversity



Sustainable solutions

- We create technologies and services that enhance renewable raw materials, and water and energy efficiency
- We actively promote the sustainability benefits of Valmet's offering to meet customers' needs



Corporate citizenship

- We ensure our global human rights compliance through a due diligence framework
- We are a trusted local partner and promote transparent reporting

MAIN QUANTITATIVE TARGETS

✓
40

Supplier sustainability audits per year

Sustainability screening
100%
of new suppliers

Orders received for new products and services
>25%
by 2021



Emissions

-60%

by 2030



Waste to landfill

-80%

by 2030



Water consumption

-20%

by 2030



Increase in safety observation reporting

4

per employee / year
by 2025

OurVoice high-level action completion
100%



Lost-time incident frequency (LTIF)

1

by 2025



Total recordable incident frequency (TRIF)

2.5

by 2025

Certified management system coverage
>90%
of employees
by 2025

Main operating principles

Sustainability is part of our everyday operations and founded on our operating principles

International principles

- UN Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Global Compact and SDGs
- OECD's Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights





Valmet's policies and management systems

- Code of conduct and related policies
- Valmet's values
- ISO 9001 quality management system
- ISO 14001 environmental management system
- OHSAS 18001 health and safety management system



Valmet is a recognized sustainability leader

Top rating in the world's most prestigious sustainability indices

<p>Included in the Dow Jones Sustainability World Index for the sixth consecutive year</p>	<ul style="list-style-type: none"> • 318 companies were included in the World Index for 2019 • Inclusion demonstrates best-in-class approach and commitment to sustainability and transparent reporting 	<p>MEMBER OF Dow Jones Sustainability Indices</p> <p>In collaboration with </p>
<p>Leadership position in CDP's climate program 2019 for its actions and strategy to mitigate climate change</p>	<ul style="list-style-type: none"> • Valmet maintains its leadership position in CDP's climate program ranking by achieving the best A rating • A rating is achieved by companies globally that have publicly reported on their actions on climate change mitigation 	
<p>Included in the Ethibel Sustainability Index Excellence Europe for 2019</p>	<ul style="list-style-type: none"> • Ethibel is constantly looking out for companies which may be eligible for ethical investments and to be included in its ethical investment register • The index includes the 200 best performing European stock listed companies in the field of corporate social responsibility 	
<p>Bronze Class sustainability distinction by SAM Sustainability Yearbook for 2020</p>	<ul style="list-style-type: none"> • SAM Sustainability Yearbook lists the world's sustainability leaders and ranks companies as gold, silver or bronze class on the basis of their performance 	

Global megatrend: transition to low-carbon economy

- Countries that have signed Paris Climate Agreement will present their long-term low greenhouse gas emission strategies by 2020
- Emissions of greenhouse gases need to be reduced rapidly in the coming years and decades and brought to net-zero by 2050
- Pulp and paper industry is energy intensive where emissions come mainly from energy needed for processes
 - In 2016 European pulp and paper industry accounted for 5% of industrial emissions
- Pulp and paper industry is the forerunner to move into low carbon economy and is investing more than €5 billion per year to decarbonize (source: CEPI 12/2019)
- Customer interest and expectations are growing significantly due to developments in regulation and stakeholder expectations
- Valmet has an unique opportunity to help customers to reduce energy use in processes and therefore reduce CO₂ emissions and differentiate in the market

Conclusion

1. Valmet is a global sustainability leader with strong ESG performance and comprehensive ESG reporting
 - Valmet has environmental targets for 2030 for its own operations, aimed at e.g. improving the use of renewable energy
 - Valmet ensures that it has a positive impact on safe and fair working conditions and has a human rights monitoring framework in place
2. Valmet's technologies and services respond to sustainable development challenges
 - Technologies developed by Valmet help to reduce water pollution and freshwater use in industrial operations
 - Technologies such as our board-making solutions can also help to increase the recycling of process water
 - Technologies such as the multifuel boilers for energy production enable use of different energy mixes
 - Light-weighting technologies that reduce the amount of fiber used in board production, and power boilers that can use agricultural residues impact this goal by increasing the efficient use of resources



