

Corporate Governance Statement 2024



Valmet Oyj Corporate Governance Statement

February 13, 2025

Valmet Oyj (Valmet or the Company) fully complies with the Finnish Corporate Governance Code in force (the Code) adopted by the Securities Market Association. The Code is available in its entirety on the internet at www.cgfinland.fi/en.

This Corporate Governance Statement is issued separately from the report of the Board of Directors. It has been prepared in accordance with the requirements for Corporate Governance reporting of the Code, and it also covers other key corporate governance areas that Valmet wants to highlight. The Audit Committee of the Board of Directors has reviewed this Corporate Governance Statement at its meeting on February 12, 2025. This Corporate Governance Statement and updated information about the governance and remuneration of the Company is available on the Company's website at www.valmet.com.

Regulatory framework

The duties of Valmet's bodies are governed by Finnish legislation, and the duties of its subsidiaries' bodies by the legislation of their respective places of business. In addition to the Code, Valmet complies with the Corporate Governance principles defined by the Board of Directors. These principles are based on the Finnish Companies Act and the Finnish Securities Markets Act. Valmet's decision making and governance also complies with other Finnish legislation and regulations, the Market Abuse Regulation, the Company's Articles of Association, the Guidelines for insiders of Listed Companies published by Nasdaq Helsinki Ltd (the Helsinki Stock Exchange), and the Helsinki Takeover Code published by the Securities Market Association.

Valmet prepares Consolidated Financial Statements and Interim Reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and the Finnish Securities Markets Act, as well as the applicable Finnish Financial Supervisory Authority's standards and the rules of the Helsinki Stock Exchange. The report of the Board of Directors of Valmet's Financial Statements is prepared in accordance with the Finnish Accounting Act, and the guidelines and statements of the Finnish Accounting Board.

Valmet's governing bodies

The Annual General Meeting is the highest governing body of Valmet in which the shareholders participate in the supervision, decision making, and control of the Company. The Board of Directors is responsible for the administration and proper organization of the operations of the Company, including the selection and continuous performance evaluation of the President and CEO. The President and CEO, assisted by the Executive Team, oversees the day-to-day operational management of Valmet and its businesses.





CORPORATE GOVERNANCE STATEMENT 2024

Annual General Meeting of shareholders

The Annual General Meeting is held once a year before the end of June on a date determined by the Board of Directors. At the Annual General Meeting, all the shareholders of the Company can participate in the supervision, decision making, and control of the Company and exercise their right to speak and vote. It decides on the matters stipulated in the Finnish Companies Act and the Articles of Association. Such issues include:

- Adoption of the financial statements;
- Use of the profit shown on the balance sheet;
- Election of the Chair, Vice Chair, and members of the Board of Directors and the decision on their remuneration;
- Discharging the members of the Board of Directors and the President and CEO from liability; and
- Election of the Auditor and the decision on the Auditor's compensation.

Participation in the Annual General Meeting requires that:

- the shareholder is registered in Valmet's shareholder register on the record date of the meeting, which is eight business days before the meeting, and
- they register for the meeting by the date mentioned in the meeting notice.

The holder of a nominee-registered share may be entered temporarily in the shareholder register for participation in the Annual General Meeting if the shareholder has the right to be registered in the shareholder register on the record date, based on their holding. In addition, participation requires advance notice of participation at the latest by the date mentioned in the notice of the meeting.

Valmet publishes a notice of the Annual General Meeting no more than three months and no less than three weeks before the meeting on the Company's website and in one or more widely circulated newspapers, or delivers it directly to shareholders when required by law. Additionally, Valmet publishes the

meeting notice as a stock exchange release immediately after the Board of Directors has decided on the convening of the Annual General Meeting. The agenda of the Annual General Meeting, decision-making proposals, and meeting documents are available on Valmet's website at least three weeks prior to the meeting.

Shareholders are entitled to have an issue placed on the agenda of the Annual General Meeting, provided that the issue requires a decision by the Annual General Meeting in accordance with the Finnish Companies Act. The request must be submitted in writing to the Board of Directors sufficiently early for the issue's inclusion in the notice of the meeting. The date by which the shareholder must notify the Board of Directors of an issue to be added to the agenda of the Annual General Meeting will be announced on Valmet's website. In 2024, this date was January 19, 2024. According to the Finnish Companies Act, the request is deemed to have been submitted sufficiently early if the Board of Directors has been notified about it at least four weeks prior to the delivery of the meeting notice.

Valmet ensures that the Annual General Meeting is easily accessible to all shareholders by providing an opportunity to participate either at the venue or to follow virtually through a dedicated online platform.

Annual General Meeting in 2024

The Annual General Meeting was held in Helsinki on March 21, 2024. A total of 1,089 shareholders were present, either personally or represented by a statutory or authorized representative, including the shareholders who had voted during the advance voting period. It was recorded that 120,706,278 shares were represented at the beginning of the meeting, corresponding to approximately 65.4 percent of all the shares and votes in the Company. All Board members and the auditors of the Company were present at the meeting. Further information and the meeting documents of the Annual General Meeting are available on the Company's website at www.valmet.com.



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Board of Directors

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

As a rule, the Board of Directors refers inquiries from stakeholders such as investors, media, customers, and analysts to management for response. Valmet's top management, with representatives from Investor Relations or Group Communications, participates in meetings with investors, analysts, and media when necessary.

Valmet's Board of Directors consists of no less than five and no more than eight members. The members of the Board of Directors are elected for a term expiring at the closing of the following Annual General Meeting. The Articles of Association of the Company do not contain any provisions on a special order of appointment of the Board members.

The Board of Directors of Valmet meets when a meeting is convened by the Chair or, if the Chair is unavailable, the Vice Chair. The Board of Directors constitutes a quorum when more than half its members are present, and one is the Chair or the Vice Chair. A resolution of the Board of Directors will be the opinion which is supported by more than half the members present or, in the event of a tied vote, the opinion with which the Chair of the meeting concurs. The President and CEO and the CFO of Valmet participate in the meetings of the Board of Directors, and the General Counsel acts as secretary of the Board of Directors. Other members of Valmet's Executive Team and other executives participate in the meetings when required.

Main duties

The duties of the Board are defined in Finnish laws and regulations, Valmet's Articles of Association, the Finnish Corporate Governance Code and Valmet's Corporate Governance Policy, and in the Charters of the Board. The main duties and working principles of the Board of Directors are defined in a written charter and include:

- The approval of Valmet's long-term goals and strategy;
- The approval of the annual business plan and other major action plans;
- The approval of Valmet's organizational structure and the principles for the incentive systems;
- The appointment – and if necessary, the dismissal – of the President and CEO;
- The monitoring and evaluation of the performance of the President and CEO, and deciding on their remuneration and benefits;
- Ensuring and overseeing sustainability-related matters, including guiding principles and reporting;
- Ensuring that the supervision of accounting and financial matters is properly organized, and ensuring the proper preparation of interim and annual financial statements;
- Ensuring the adequacy of planning, information, and control systems for monitoring results and managing risks in operations;
- The approval of Related-Party Transactions that are not part of the Company's ordinary course of business or are not implemented under arm's-length terms;
- Making proposals for and convening the General Meetings of shareholders;
- Deciding on other matters not belonging to day-to-day operations, such as major investments, acquisitions

and divestitures, and major joint ventures and loan agreements;

- The approval of Valmet's corporate policies in key management areas such as code of conduct and corporate governance – including insider guidelines, risk management, financial control, treasury, internal control, corporate communications, human resources, health, safety, and the environment, disclosure, and related-party transactions;
- The conduct of an annual evaluation of its operations and working methods; and
- Deciding on other matters falling under the Board's responsibility by law.



CORPORATE GOVERNANCE STATEMENT 2024

Board of Directors in 2024

The Annual General Meeting elected eight members to Valmet's Board of Directors for the term expiring at the close of the Annual General Meeting 2025.

Board composition

Board member	Gender	Member since	Born	Nationality	Education	Main occupation	Valmet shareholding on December 31, 2024
Mikael Mäkinen	Male	2019, Chair	1956	Finnish	M.Sc. (Eng.)	Chair of the Board of Directors of Valmet Oyj	11,906
Jaakko Eskola	Male	2022, Vice Chair	1958	Finnish	M.Sc. (Eng.)	Board professional	4,870
Anu Hämäläinen	Female	2022	1965	Finnish	M.Sc. (Econ.)	Executive Vice President, CFO, Kesko Corporation	4,196
Pekka Kemppainen	Male	2018	1954	Finnish	Lic. Sc. (Tech.)	Board professional	6,535
Per Lindberg	Male	2021	1959	Swedish	M.Sc. Mechanical Engineering PhD, Industrial Management and Economics	Board professional	3,591
Monika Maurer	Female	2018	1956	German	Diploma in Physics and Chemistry Diploma in Pedagogy	President and CEO, Radio Frequency Systems	6,535
As of March 21, 2024							
Annareetta Lumme-Timonen	Female	2024	1967	Finnish	M.Sc. (Eng.) D.Sc. (Tech.)	Investment Director, Solidium Oy	1,582
Annika Paasikivi	Female	2024	1975	Finnish	B.A. M.Sc. (Global Politics)	President and CEO, Oras Invest Oy	1,449
Until March 21, 2024							
Aaro Cantell	Male	2016	1964	Finnish	M.Sc. (Tech.)	Entrepreneur, Chair of the Board of Normet Group Oy	
Eriikka Söderström	Female	2017	1968	Finnish	M.Sc. (Econ.)	Board professional	
Personnel representative							
Juha Pöllänen	Male	2021	1968	Finnish	Carpenter	Chief shop steward	

At its organizing meeting, all the other elected Board members were assessed by the Board of Directors to be independent of the Company and of the significant shareholders, except Annareetta Lumme-Timonen, who was assessed to be independent of the Company and not independent of a significant shareholder (Solidium Oy), and Annika Paasikivi, who was assessed to be independent of the Company and not independent of a significant shareholder (Oras Invest Oy) in accordance with the recommendation in the Code.

In 2024, the Board convened 16 times, with a total attendance rate of 95 percent.



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Board attendance in 2024

	Number of meetings	Attendance %
Mikael Mäkinen	16/16	100
Jaakko Eskola	16/16	100
Anu Hämäläinen	15/16	94
Pekka Kemppainen	16/16	100
Per Lindberg	14/16	88
Annareetta Lumme-Timonen*	11/12	92
Monika Maurer	16/16	100
Annika Paasikivi*	11/12	92
Until March 21, 2024		
Aaro Cantell	3/4	75
Eriikka Söderström	4/4	100

* Annareetta Lumme-Timonen and Annika Paasikivi Board members as of March 21, 2024.

Among other matters, the Board of Directors’ focus in 2024 was, among others, on Valmet’s long-term strategy, succession planning, overseeing sustainability including CSRD (Corporate Sustainability Reporting Directive) reporting progress, mega mill greenfield project in South America, and closing two mid-size acquisitions. The Board makes annual visits to gain a further understanding of and insight into Valmet’s global operations. In 2024, the Board made a visit to Jiading and Jiaxing in China.

Board evaluation

The Valmet Board of Directors undertakes an annual evaluation of the Board’s work, its committees, and directors, with the aim of further developing and enhancing Board procedures and efficiency, and identifying its future focus areas. The Board of Directors has conducted a detailed review, discussed the evaluation results, and identified development areas to further improve the Board’s performance, processes, and effectiveness. The key development areas identified in 2024 were to increase dialogue to shape the strategy and Boards interaction with the management and organization more broadly.

Board diversity principles

Valmet recognizes the importance of diversity, including gender, nationality, age, background, and education, at the board and all levels of the group, and is committed to increasing diversity across all its operations. Sufficient diversity at the Board of Directors level is relevant in ensuring the efficient work and performance of the Board of Directors. Moreover, diversity can be seen to promote open discussion, independent decision-making as well as good corporate governance, efficient supervision of the Company’s directors and executives, and succession planning. The principles of Board diversity and their implementation are reviewed annually by the Shareholders’ Nomination Board.

Valmet Shareholders’ Nomination Board has reviewed and confirmed the principles for Board diversity and considers them in its work and proposals. The Nomination Board adheres to the principles of Board diversity in the nomination process to ensure that the Board forms a functional composition and that the Board’s competence profile supports the Company’s strategy and long-term success. Valmet’s principles of board diversity include, inter alia, the promotion of experience and a varied educational background, relevant qualifications, balanced gender diversity, international variance, and an adequate commitment regarding time contribution, availability and engagement. Board members should have sufficient expertise and knowledge of and competence in the Company’s field of business and industry. These objectives can be achieved with thorough and early preparation when considering the Board composition.

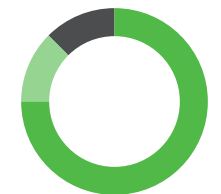
The Company’s objectives regarding diversity are considered to be sufficiently met. According to the Nomination Board’s assessment, the composition of the Board comprises the qualifications defined in the principles of Board diversity in a balanced way. Both genders are represented in the Board in a well-balanced manner and both genders have been represented in the Board for a long time. Currently, the Board consists of eight members, of which half are men and half are women.

The Board members represent three different nationalities, and their age ranges from 49 to 70 years. The Board members have a wide range of educational backgrounds, and they have international experience in various executive roles across different industries. The resumes of the Board members are available on the Company’s website at www.valmet.com.

Board diversity



Gender
 ● Male 50.0% (4/8)
 ● Female 50.0% (4/8)



Nationality
 ● Finnish 75.0% (6/8)
 ● German 12.5% (1/8)
 ● Swedish 12.5% (1/8)



Age
 ● 41-50 12.5% (1/8)
 ● 51-60 25.0% (2/8)
 ● 61-70 62.5% (5/8)



Tenure
 ● Less than 1 year 25.0% (2/8)
 ● 1-2 years 25.0% (2/8)
 ● 3-5 years 25.0% (2/8)
 ● Over 5 years 25.0% (2/8)



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Valmet Board competence matrix

	Industry expertise	Financial/Accounting	Corporate risk management	Corporate governance	Corporate strategy development	Corporate acquisitions	Corporate HR	CEO experience	International experience	Sustainability
Mikael Mäkinen	■	■	■	■	■	■	■	■	■	■
Jaakko Eskola	■		■	■	■	■	■	■	■	
Anu Hämäläinen	■	■	■	■	■	■	■		■	
Pekka Kemppainen	■	■	■	■	■	■	■		■	
Per Lindberg	■		■	■	■	■	■	■	■	■
Annareetta Lumme-Timonen	■	■	■	■	■	■				■
Monika Maurer		■	■	■	■	■	■	■	■	■
Annika Paasikivi			■	■	■	■		■		

Committees

The Board of Directors has two permanent committees: the Audit Committee; and the Remuneration and HR Committee. The composition of the Board committees and the qualifications of the committee members are set forth in Valmet's Corporate Governance Policy. The Board of Directors elects the members of the committees from among its members at its organizing meeting and monitors the activities of the committees. Both committees have charters approved by the Board of Directors and report to the Board on their activities after each meeting.

Audit Committee

The Audit Committee monitors the Company's financial reporting and prepares issues for the Board of Directors related to the monitoring of Valmet's financial situation, financial reporting, auditing, and risk management. Based on the Corporate Governance Policy and the Audit Committee Charter, the Audit Committee, among other things:

- Assesses Valmet's draft financial statements and interim reports, accounting policies, accounting principles of significant or exceptional business transactions, management forecasts, and statements related to Valmet's guidance and short-term market outlook;

- Assesses compliance with laws and provisions and with internal instructions, as well as the efficiency of internal control and risk management;
- Approves the audit plans of internal and external auditors and follows up reporting related to these plans;
- Prepares for the election of external auditors and sustainability reporting assurance provider, monitors the statutory auditing of the financial statements and consolidated financial statements, assesses and reviews the auditors' reports with the auditors, and assesses the quality and scope of the audit. Additionally, it assesses the independence of the auditors, particularly any impact on independence arising from other services they offer to Valmet. It pre-approves all non-audit services provided by the external auditors;
- Approves the procurement principles for external auditing and sustainability reporting assurance services and their annual fees under the guidance given by the shareholders at the Annual General Meeting;
- Assesses Valmet's financial reporting and reporting methods in collaboration with the Company's management, internal audit, and an external auditor or other external experts;
- Reviews CSRD Report (Corporate Sustainability Report Directive);

- Reviews Valmet's Corporate Governance Statement;
- Reviews the Principles for Related-Party Transactions; and
- Maintains procedures enabling the receipt and processing of complaints related to accounting, internal control and internal auditing, and the potential anonymous and confidential reporting by employees and third parties of misconduct, fraud, and accounting and auditing issues.

The Audit Committee convenes at least four times a year. The majority of the members must be independent of the Company, and at least one of the members must be independent of the Company's significant shareholders. The members of the Audit Committee must have the qualifications necessary to perform the responsibilities of the committee, and at least one member must have expertise specifically in accounting, bookkeeping, or auditing.

Audit Committee in 2024

The Audit Committee was comprised of Eriikka Söderström (Chair until the 2024 Annual General Meeting), Anu Hämäläinen (Chair as of the Board organizing meeting), Pekka Kemppainen, Per Lindberg (as of the Board organizing meeting), and Annareetta Lumme-Timonen (as of the Board organizing meeting). The Audit Committee held six meetings in 2024, and the total attendance rate was 91 percent.



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Audit Committee attendance in 2024

	Number of meetings	Attendance %
Anu Hämäläinen	6/6	100
Pekka Kemppainen	6/6	100
Per Lindberg	2/4	50
Annareetta Lumme-Timonen	4/4	100
Until March 21, 2024		
Eriikka Söderström	2/2	100

The committee members were independent of the Company and of significant shareholders, except for Annareetta Lumme-Timonen, who was assessed to be independent of the Company and not independent of a significant shareholder (Solidium Oy).

As in previous years, the Audit Committee conducted a self-assessment survey of the Audit Committee's work and performance, and will utilize the survey results to further improve and develop the identified key development areas and processes.

In 2024, the Audit Committee's special focus was on ESG (Environmental, Social, and Governance) reporting, and especially on CSRD (Corporate Sustainability Reporting Directive), risk management, information security, and critical project management.

Remuneration and HR Committee

The Remuneration and HR Committee focuses on the development of remuneration plans for the President and CEO, and the other executives, as well as the remuneration principles generally observed by the Company and in accordance with its Charter. The Remuneration and HR Committee, among other things:

- Reviews and monitors the competitiveness of Valmet's remuneration and incentive systems, and the development of personnel issues such as the competence and talent development and successor planning of Valmet's senior management;

- Evaluates the performance and compensation of the President and CEO;
- Prepares and makes proposals to the Board of Directors for the compensation and benefits of the President and CEO;
- Makes proposals to the Board of Directors for the appointment of the Executive Team members, based on the President and CEO's preparation;
- Decides on the remuneration and benefits of the Executive Team members; and
- Reviews the Remuneration Policy and Remuneration Report.

The committee convenes at least twice a year and consists of the committee Chair and at least two members. All the members are independent of the Company. The President and CEO participates in the meetings, except for situations when the agenda item concerns them.

Remuneration and HR Committee in 2024

The Remuneration and HR Committee was comprised of Mikael Mäkinen (Chair), Aaro Cantell (until the 2024 Annual General Meeting), Jaakko Eskola, Monika Maurer, and Annika Paasikivi (as of the Board organizing meeting). The committee had eight meetings in 2024, with a total attendance rate of 94 percent.

Remuneration and HR Committee attendance in 2024

	Number of meetings	Attendance %
Mikael Mäkinen	8/8	100
Jaakko Eskola	8/8	100
Monika Maurer	8/8	100
Annika Paasikivi	5/6	83
Until March 21, 2024		
Aaro Cantell	1/2	50

The committee members were independent of the Company and of significant shareholders, except for Aaro Cantell, who

was assessed to be independent of the Company and not independent of a significant shareholder (Solidium Oy), and Annika Paasikivi, who was assessed to be independent of the Company and not independent of a significant shareholder (Oras Invest Oy), in accordance with the recommendation in the Corporate Governance Code.

In 2024, the Remuneration and HR Committee's main focus was on the succession planning and renewal of the short-term incentive framework. The Committee also developed the long-term incentive plan further.

Nomination Board

Valmet has a Nomination Board, whose task is to prepare a proposal regarding the composition and remuneration of the Board of Directors for the Annual General Meeting each year and to ensure that the Board of Directors and its members have a sufficient level of knowledge and experience for the needs of the Company. According to the [Nomination Board Charter](#), the Nomination Board must also seek prospective successor candidates for the members of the Board of Directors. The Nomination Board takes into account the principles of Board diversity in its work and proposals.

The Nomination Board consists of the representatives of Valmet's four largest shareholders, registered in Euroclear on July 1, who accept the assignment. In addition, the Nomination Board includes the Chair of the Board of Directors of Valmet. The Chair of the Board of Directors convenes the first meeting of the Nomination Board, and the Nomination Board elects a Chair from among its members. The Nomination Board gives its proposal to the Board of Directors annually no later than January 31 before the next Annual General Meeting.

The Nomination Board constitutes a quorum when more than half its members are present. No decision is made unless all members have been given the opportunity to consider the matter and to participate in the meeting. Decisions of the Nomination Board must be made unanimously.



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The actions of the Board of Directors are evaluated annually, and the results of this evaluation are disclosed to the Nomination Board. The results of the evaluation must be appropriately taken into account in the work of the Nomination Board. The Nomination Board may also use external experts.

Nomination Board in 2024

Shareholder representatives in the Valmet Nomination Board in 2024

Name	Gender	Main occupation	Born	Education
Jari Paasikivi (Chair)	Male	Chair of the Board of Directors of Oras Invest Oy	1954	M.Sc. (Econ.)
Reima Rytsölä	Male	CEO of Solidium Oy	1969	M.Soc.Sc.
Markus Aho	Male	Chief Investment Officer, Varma Mutual Pension Insurance Company	1980	M.Sc. (Tech.)
Mikko Mursula	Male	Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company	1966	M.Sc. (Econ.)
Mikael Mäkinen	Male	Chair of the Board of Directors of Valmet Oyj	1956	M.Sc. (Eng.)

Upon its appointment, the Nomination Board convened five times.

Nomination Board attendance in 2024

	Number of meetings	Attendance %
Jari Paasikivi	5/5	100
Reima Rytsölä	5/5	100
Markus Aho	5/5	100
Mikko Mursula	5/5	100
Mikael Mäkinen	5/5	100
Total attendance rate %		100

The Nomination Board has submitted its proposals regarding Board composition and remuneration to the Valmet Board of Directors, and the Board has incorporated these proposals into the notice announcing the Valmet 2025 Annual General Meeting to be held on March 26, 2025.

Operational management

President and CEO

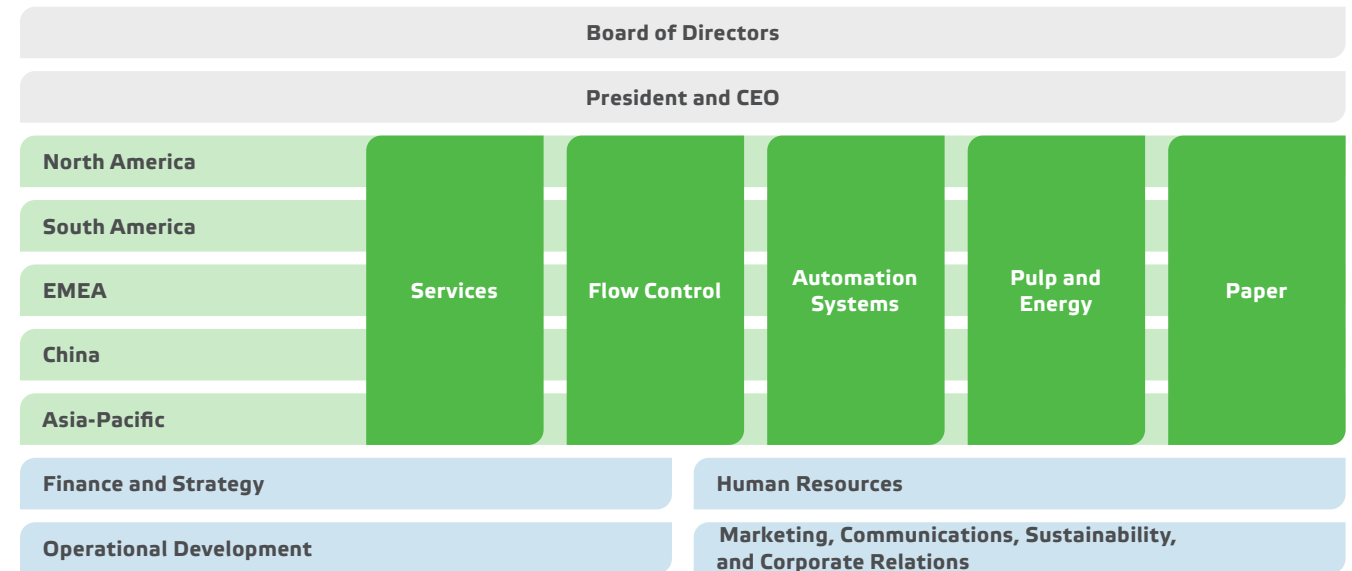
The President and CEO manages Valmet's operations in accordance with the Finnish Companies Act, corporate governance rules, and the instructions given by the Board of Directors. The President and CEO guides and supervises the operations of Valmet and its businesses. The President and CEO is appointed – and, if necessary, dismissed – by the Board of Directors and reports to the Board of Directors about Valmet's financial situation, business environment, and other significant issues. The President and CEO prepares the matters on the agenda of the Board of Directors and its committees, and implements their decisions. Additionally, the President and CEO acts as Chair of the Executive Team. The Board of Directors may, if it so wishes, appoint a deputy to the CEO, who shall be responsible for the duties of the CEO in the event of the CEO's absence. Currently, no deputy has been appointed for the CEO.

Pasi Laine served as the President and CEO of Valmet from December 31, 2013 until August 11, 2024.

Thomas Hinnerskov, born 1971, serves as the President and CEO of Valmet as of August 12, 2024. He holds a Master of Science degree in Economics.

Valmet's operating model

Valmet's operating model consists of five Business Lines, five Areas, and four support functions. The Business Lines are Services, Flow Control, Automation Systems, Pulp and Energy, and Paper; and the geographical areas are North America, South America, EMEA (Europe, Middle East, and Africa), China, and Asia-Pacific. The four main support functions are Finance and Strategy, Human Resources, Operational Development, and Marketing, Communications, Sustainability, and Corporate Relations.





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Executive Team

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

In 2024, Valmet's Executive Team consisted of:

Executive Team diversity



Gender
 ● Male 75.0% (12/16)
 ● Female 25.0% (4/16)



Nationality
 ● Brazilian 6.3% (1/16)
 ● Chinese 6.3% (1/16)
 ● Danish 6.3% (1/16)
 ● Finnish 75.0% (12/16)
 ● Finnish/American 6.3% (1/16)



Age
 ● 41-50 37.5% (6/16)
 ● 51-60 62.5% (10/16)

Valmet's Executive Team in 2024

Executive Team member	Gender	Team member since	Born	Nationality	Education	Executive Team position	Valmet shareholding on December 31, 2024
Pasi Laine	Male	2014	1963	Finnish	M.Sc. (Eng.)	President and CEO, until August 11, 2024	
Thomas Hinnerskov	Male	2024	1971	Danish	M.Sc. (Econ.)	President and CEO, as of August 12, 2024	0*
Katri Hokkanen	Female	2022	1981	Finnish	M.Sc. (Econ.)	Chief Financial Officer	9,295
Aki Niemi	Male	2014	1969	Finnish	M.Sc. (Eng.)	Business Line President, Services	44,783
Sami Riekkola	Male	2018	1974	Finnish	M.Sc. (Eng.)	Business Line President, Pulp and Energy	23,187
Emilia Torttila-Miettinen	Female	2022	1979	Finnish	M.Sc. (Eng.)	Business Line President, Automation Systems	2,884
Petri Rasinmäki	Male	2023	1974	Finnish	M.Sc. (Eng.), EMBA	Business Line President, Paper	2,929
Simo Sääskilähti	Male	2022	1971	Finnish	M.Sc. (Eng.), M.Sc. (Econ.)	Business Line President, Flow Control	6,855
Jukka Tiitinen	Male	2014	1965	Finnish American	M.Sc. (Eng.)	Area President, North America, until December 31, 2024	45,040
Celso Tacla	Male	2014	1964	Brazilian	MBA, Production Engineer, Chemical Engineer	Area President, South America	78,512
Tero Kokko	Male	2023	1973	Finnish	Ph.D. (Eng.), M.Sc. (Econ.)	Area President, EMEA	4,104
Xiangdong Zhu	Male	2017	1967	Chinese	B.Sc. (Eng.), MBA	Area President, China	38,079
Petri Paukkunen	Male	2021	1966	Finnish	B.Sc. (Eng.)	Area President, Asia-Pacific	15,986
Julia Macharey	Female	2014	1977	Finnish	M.Sc. (Econ.), B.A. (Intercultural Communication)	Senior Vice President, Human Resources and Operational Development, until January 31, 2024	
Anu Pires	Female	2024	1970	Finnish	M.Sc. (Econ.)	Senior Vice President, Human Resources, as of September 1, 2024	0
Anu Salonsaari-Posti	Female	2014	1968	Finnish	MBA, M.Sc. (Econ.)	Senior Vice President, Marketing, Communications, Sustainability and Corporate Relations, until December 31, 2024	37,300
Janne Pynnönen	Male	2024	1977	Finnish	M.Sc. (Eng.)	Senior Vice President, Operational Development, as of February 1, 2024	1,087
Olli Hänninen	Male	2024	1980	Finnish	M.Sc. (Eng.)	Senior Vice President, Strategy, as of October 1, 2024	1,400

* Thomas Hinnerskov has an allocation of 61,037 shares in restricted share pool. A precondition for the payment of the share reward based on the restricted pool is that the employment relationship of Thomas Hinnerskov with Valmet continues until the payment date of the reward, which is in March 2027. Shares in long-term incentive plan PSP (Performance Share Plan) 2024-2026 have also been allocated to Thomas Hinnerskov in 2024, with rewards from these plans will be paid to participants in spring 2027.



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Main features of internal control and risk management related to the Financial Reporting Process

Valmet's internal control mechanism seeks to ensure the Company's compliance with the Code, applicable laws, regulations, and the Company's operating principles, as well as the reliability of financial and operational reporting. Furthermore, the internal control mechanism seeks to safeguard the Company's assets and to ensure overall effectiveness and efficiency of operations to meet Valmet's strategic, operational, and financial targets.

Risk management processes are aligned with Valmet's internal control practices. The goal of risk management is to support Valmet's strategy and the achievement of business objectives by anticipating and managing potential business threats and opportunities, and thus to ensure business continuity.

Valmet's operating model of internal control and risk management related to financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles (IFRS), and other requirements for listed companies.

Principal components of internal control



The overall system of internal control in Valmet is based on the framework issued by the Committee of Sponsoring Organizations (COSO) and comprises five principal components of internal control: the control environment; risk assessment; control activities; information and communication; and monitoring.

Control environment

The Board of Directors has established a written formal working order that clarifies its responsibilities and regulates the internal distribution of the work of the Board of Directors and its committees. The Board of Directors bears the overall responsibility for the internal control of financial reporting. Furthermore, the Board of Directors has appointed the Audit Committee, the primary task of which is to ensure that established principles for financial reporting, risk management, and internal control are adhered to, and that appropriate relations are maintained with the Company's auditors. The responsibility for maintaining an effective control environment and the ongoing work on internal control regarding financial reporting is delegated to the President and CEO. The Internal Audit function reports all relevant issues to the Audit Committee, and the President and CEO.

The control environment sets the tone of internal control in Valmet, influencing the control awareness of its people. It provides discipline and structure for all the other components of internal control. Valmet's control environment is based on Valmet's corporate culture: the integrity, values, ethical behavior, and competence of Valmet's personnel, as well as the attention and direction provided to the personnel by the Board of Directors. Valmet's values and control environment provide the Board of Directors, and Valmet's management the basis for reasonable assurance of Valmet achieving the objectives for internal control. The President and CEO and the Executive Team define Valmet's values and ethical principles (reflected in the Code of Conduct) and set the example for the corporate culture, which creates the basis for the control environment. The same parties, with the Services, Flow Control, Automation

Systems, Pulp and Energy, and Paper Business Lines (the Businesses) and Areas are responsible for communicating Valmet's values to the organization.

Risk assessment

Risk assessment is the identification and analysis of relevant risks to the achievement of the objectives, forming a basis for determining how risks should be managed. Valmet's risk assessment regarding financial reporting aims to identify and evaluate the most significant threats affecting financial reporting at all levels. The risk assessment results in control targets through which Valmet seeks to ensure that the fundamental requirements placed on financial reporting are fulfilled. Information about the development of essential risk areas and the activities executed and planned in these areas, as well as the measures to mitigate them, is communicated regularly to the Audit Committee.

Control activities

Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks related to the achievement of the entity's objectives. Control activities occur throughout the organization at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties. Valmet Internal Control Standards are designed to ensure that local management in every Valmet unit designs and effectively implements the most important monitoring procedures related to selected key financial and business administration processes in all Valmet units. For each of these processes, the tasks that must be segregated are also listed. The units document the control activities in use for each of their key business processes.

Internal control and risk management in 2024

Internal control procedures and various audits were executed throughout the year. Operational audits focused on, amongst



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other things, supplier audits, sales networks, anti-bribery, and sound business practices.

Coordinated Risk Management processes and practices were executed during the year to ensure that enterprise risk management activities were performed in a consistent and ongoing manner in accordance with governance and business needs. Risk management evaluations were carried out to monitor risk management performance in the most significant units globally. The evaluations emphasized strategic, operational, hazard, and financial risks, as well as business interruption, logistics, and property damage risks.

Information and communication

To secure an effective and efficient internal control environment, Valmet seeks to ensure that the Company's internal and external communication is open, transparent, accurate, and timely. Information regarding internal steering instruments for financial reporting, that is, accounting principles, financial reporting instructions, and the disclosure policy, are available in Valmet's intranet. Valmet arranges training for the Company's personnel regarding internal control issues and tools. In this way, Valmet management gives a clear message to all personnel that the internal controls and related responsibilities are taken seriously. Valmet's CFO and the Head of Internal Audit report the results of the work on internal control in the agenda of the Audit Committee. The results of the Audit Committee's work in the form of observations, recommendations, and proposed decisions and measures are reported to the Board of Directors after every Audit Committee meeting.

Monitoring

The effectiveness of internal control related to financial reporting is monitored by the Board of Directors, the Audit Committee, the President and CEO, corporate management, and the management of the reporting businesses and affiliates.

Monitoring includes the follow-up of monthly financial reports, a review of the rolling estimates and plans, and reports from internal and external audits.

Internal Audit annually assesses the effectiveness of Valmet's operations and the adequacy of risk management. Internal Audit compiles an annual audit plan, the status and findings of which it regularly reports to Valmet management, external auditors, and the Audit Committee. Furthermore, Valmet's Internal Audit and external auditors meet regularly to coordinate the assessment efforts.

Monitoring in 2024

Valmet has processes in place for monitoring projects with potential risks, starting from the sales phase to project completion. Valmet management and the Audit Committee have actively and specifically monitored identified critical projects and the project-specific progress.

Compliance with laws and the Code of Conduct

In all its operations, Valmet seeks to comply with applicable laws and statutes, as well as generally accepted practices. Additionally, the Company's operations are guided by Valmet's Code of Conduct, internal policies and guidelines, and the Company's values. Valmet's Code of Conduct describes the Company's corporate culture, commonly accepted practices, and commitment to compliance with laws and regulations.

In addition to laws and regulations, the foundation of Valmet's Code of Conduct is the UN Universal Declaration of Human Rights, the UN Global Compact initiative, which the Company has endorsed, and the International Labour Organization's (ILO) declaration on Fundamental Principles and Rights at Work. When applicable, the OECD's Guidelines for Multinational Enterprises are also incorporated into Valmet's Code of Conduct. Business management is responsible for the internal control of the operations in their respective sector. Valmet strives to ensure that everyone in the Company is familiar with and compliant with the applicable laws, regulations, and

principles related to their own work. In addition to Valmet's management, the due course of operations is monitored by the Audit Committee, which reports any misconduct to the Board of Directors.

Reporting suspected misconduct

Valmet's guidelines on compliance reporting define how suspected misconduct should be reported, how it is investigated, and how the issue proceeds. Valmet employees are encouraged to report suspected misconduct to their own supervisors, the Human Resources function, to other management, or, if necessary, directly to Legal Affairs or Corporate Internal Audit. Valmet employees and third parties can also report anonymously any suspected misconduct either by telephone or through a web-based channel managed by an external service provider. In 2024, the Company received 104 reports through the compliance reporting process. All allegations are investigated confidentially without undue delay. None of the 2024 reported cases has a significant impact on Valmet's financial result. Valmet has a strict principle of non-retaliation against reports made in good faith. This is monitored by the Audit Committee. The Head of Internal Audit reports the related cases regularly to the Audit Committee. The Legal Affairs and HR functions together implement any measures consequential to the misconduct.

Internal Audit

Valmet's Internal Audit assists the Company in achieving its objectives by providing a systematic and disciplined approach to evaluating and improving risk management, internal control, and governance processes. This includes assessing the efficiency and effectiveness of operational processes, and compliance with Valmet policies and procedures, as well as providing advice and support in improving the processes. The purpose, authority, and responsibilities of Internal Audit are defined in the Internal Audit Charter approved by the Audit Committee. Internal Audit work is risk-based, independent, objective, and based on the Global Internal Audit Standards. The Head of Internal Audit reports administratively to the CFO, and functionally



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to the CEO and to the Audit Committee. All significant audit findings are reported to the Audit Committee, which also approves the annual internal audit plan.

Internal Audit in 2024

In 2024, Internal Audit completed the annual audit plan, covering both a sample of Valmet locations and Valmet or Business Line-level processes. Internal Audit also worked with internal stakeholders in consultative assignments and development initiatives and took part in investigating suspected misconduct cases. Trade sanctions monitoring, external partner management integration of acquired businesses, non-financial reporting, and the development of the internal audit process have been a focus area for Internal Audit.

Related-party transactions

To ensure that possible conflicts of interest are appropriately taken into consideration in all decision making, the Company has Group-wide procedures in place to identify and define its related parties. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary activities and arm’s-length terms in accordance with applicable laws and regulations.

Valmet’s Group Accounting monitors and supervises related-party transactions as part of the Company’s normal reporting and monitoring procedures and reports on a regular basis to the CFO, who acts as the secretary to the Audit Committee.

Decision-making processes have been structured to avoid conflicts of interest. If the Company were to have any transactions that were not part of the Company’s ordinary course of business or were not implemented under arm’s-length terms, such transactions must be handled by the Audit Committee and approved by the Board of Directors.

The legal department, with Valmet’s Group Accounting, is responsible for maintaining and updating the list of related parties.

The principles concerning the monitoring and evaluation of related-party transactions have been established by the Audit Committee and approved by the Board of Directors.

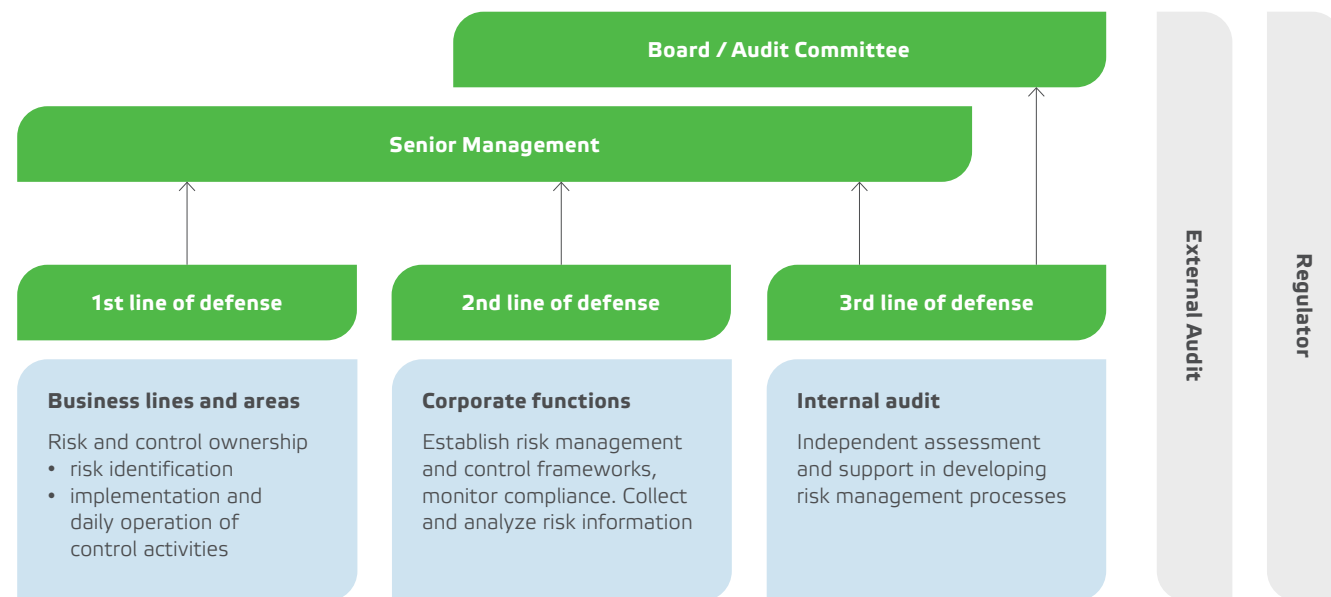
Further information regarding related-party transactions is provided in the Annual Report and the notes to the Financial Statements.

During the financial period, Valmet did not have material related-party transactions or transactions deviating from the Company’s ordinary course of business, or transactions that were not made on customary commercial terms considering the market practices generally observed and accepted by the industry in which Valmet operates.

Main procedures related to insider administration

Valmet complies with Nasdaq Helsinki Ltd’s Guidelines for Insiders of Listed Companies, the Market Abuse Regulation (596/2014/EU, as amended, (“MAR”)), and other applicable laws and regulations related to insider issues and trading restrictions. In addition, Valmet has supplemented the above regulations by collecting the relevant insider instructions and prohibitions in Valmet’s internal insider guidelines approved by the Board of Directors (“Valmet Insider Guidelines”). Valmet Insider Guidelines include provisions on: What constitutes inside information; prohibited use of insider information; insider groups, restrictions on trading; insider projects, the management of insider issues, i.e., specifying tasks

Roles and responsibilities in risk management





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of management and the person in charge of the insider issues; and advance evaluation and supervision of insider issues.

Valmet Insider Guidelines are regularly updated to reflect any changes in applicable laws and regulations, Nasdaq Helsinki Ltd's Guidelines, and instructions by the authorities. Valmet Insider Guidelines are made available to all Valmet employees on its website.

Valmet's insider administration under Valmet's Legal function provides guidance and support to Valmet's management and employees on the interpretation and application of Valmet Insider Guidelines and applicable regulations.

Management transactions

Valmet's members of the Board of Directors, the President and CEO, and members of the Executive Team ("Managers") and their closely associated persons as defined in MAR have a duty to notify Valmet and the Finnish Financial Supervisory Authority of any transaction with Valmet's financial instruments (exceeding EUR 5,000 (from December 4, 2024 onwards, EUR 20,000) cumulatively per annum). The Company maintains a list of Managers and their closely associated persons (natural and legal). Valmet is obliged to disclose each aforementioned transaction as a stock exchange release. Although not legally obliged to do so, for the sake of transparency, Valmet has maintained an up-to-date list of Managers' shareholdings with the Managers' consent, available on its website: www.valmet.com.

Closed window

Valmet's Managers, as defined above, are prohibited to trade in Valmet's financial instruments during the "closed window," i.e., for a period of 30 days immediately prior to the publication of each Valmet interim review or financial statements review (or financial statements, including unpublished material information). By Valmet's decision, the closed window is also extended to apply to an extended group of employees and some external workforce with continuous access to the Company's

financial reporting systems or potential access to sensitive information due to their close role with the Managers. The prohibition to trade applies, whether or not an individual subject to the closed window actually holds any inside information at that time. The purpose of restrictions on trading imposed on the Managers and other relevant persons is to increase trust in Valmet and the functioning of the securities market generally.

Project-specific insiders

Valmet also maintains a project-specific insider list when necessary by including any individuals with information about a material project. For avoidance of doubt, the Managers and persons subject to the closed window may be included in the project-specific insider lists, as well as primary contact persons of external advisors and other third parties with a knowledge of the project (parties acting for and on behalf of Valmet also have a legal obligation to maintain their own project-specific insider list). The decision to establish a project-specific insider list is made by the Company's Board of Directors or the President and CEO. Project-specific insiders are absolutely prohibited from trading with Valmet's financial instruments until the termination of the project. Inclusion in project-specific insider lists is always separately notified to affected individuals.

Audit fees 2024

paid to PricewaterhouseCoopers Oy and its affiliates (PwC)

	2024	2023
Audit fees	-3.0	-2.5
Audit-related assignments	-0.1	-
Tax assignments	-	-
Other services*	-0.4	-0.2
Total	-3.6	-2.7

*Includes fees for assurance services regarding the Sustainability report.

Auditors

According to the Articles of Association, Valmet has one auditor, which must be a firm of public accountants certified by the Finland Chamber of Commerce. The Audit Committee prepares the auditor selection process.

The auditor's statutory obligation is to audit the Company's accounting, the Board of Directors' report, financial statements, and administration for the financial year. The Company's auditor must also audit the consolidated financial statements.

In conjunction with Valmet's Financial Statements, the auditor provides the Company's shareholders with an Auditor's Report as required by law. The auditor reports primarily via the Audit Committee and at least once a year to the Board of Directors. The Audit Committee evaluates the performance and services of the independent auditors each year and decides if there is a need to arrange an open tender process.

Authorized Public Accountant PricewaterhouseCoopers Oy, with Pasi Karppinen as responsible auditor, was elected as Valmet's auditor by the Annual General Meeting 2024. Authorized Public Accountant PricewaterhouseCoopers Oy has been Valmet's auditor since the Annual General Meeting in 2014.



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Valmet reports 2024



FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS 2024

The report includes Valmet's Financial Statements and Report of the Board of Directors for 2024.



ANNUAL REVIEW 2024

The report covers Valmet's market environment and the progress of its strategy, operations, and sustainability in 2024.



CORPORATE GOVERNANCE STATEMENT 2024

The report covers Valmet's governance principles and activities, the Board of Directors, and management in 2024.



REMUNERATION REPORT 2024

The report covers Valmet's remuneration principles and remuneration in 2024.



GREEN FINANCE REPORT 2024

The report includes information about Valmet's allocation and impact of the proceeds of green debt transactions issued under the Green Finance Framework.

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