

ANNUAL REVIEW

PROGRESS IN OPERATIONS AND SUSTAINABILITY

2025



Contents

Year 2025

Valmet in brief	3
Key figures	4
President and CEO's review	5
Key events	6
Global presence	7

Strategy

Towards a regenerative tomorrow	9
Segments	12
Two segments with clear missions	13
Process Performance Solutions	15
Biomaterial Solutions and Services	17
People and culture	19
Sustainability	20
Sustainability priorities	21

About this report

The report covers Valmet's progress in its strategy, operations, and sustainability in 2025.

Valmet's Annual Report 2025

PDFs of Valmet's Annual Review 2025, Financial Statements and Report of the Board of Directors 2025, Remuneration Report 2025, and Corporate Governance Statement 2025 can be read and downloaded at www.valmet.com.



VALMET IN BRIEF

Valmet is a global technology leader serving process industries. We work with our customers throughout the lifecycle, delivering cutting-edge technologies and services as well as mission-critical automation and flow control solutions. Backed by more than 225 years of industrial experience and a global team of approximately 18,500 professionals close to our customers, we are uniquely positioned to transform industries towards a regenerative tomorrow.

In 2025, Valmet's net sales totaled approximately EUR 5.2 billion. Our head office is in Espoo, Finland, and we have experts in approximately 40 countries around the world. Valmet's shares are listed on Nasdaq Helsinki.

ORDERS RECEIVED
EUR MILLION

5,216

NET SALES
EUR MILLION

5,197

COMPARABLE EBITA
EUR MILLION

620

COMPARABLE
EBITA MARGIN

11.9%

PERSONNEL

18,487

YEAR 2025 IN BRIEF

Key figures

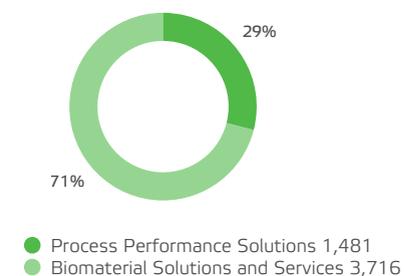
Financial¹

	2025	2024	Change
Orders received, EUR million	5,216	5,837	-11%
Order backlog ² , EUR million	4,306	4,452	-3%
Net sales, EUR million	5,197	5,359	-3%
Comparable EBITA ³ , EUR million	620	609	2%
% of net sales	11.9%	11.4%	
Operating profit (EBIT), EUR million	438	449	-2%
% of net sales	8.4%	8.4%	
Comparable ROCE ⁴	13.0%	12.7%	
Net debt to EBITDA ratio	1.40	1.55	-10%
Gearing	35%	39%	
Earnings per share, EUR	1.52	1.52	0%
Adjusted earnings per share, EUR	1.82	1.93	-6%
Dividend per share, EUR ⁵	1.35	1.35	0%
Research and development expenses, net, EUR million	126	123	3%

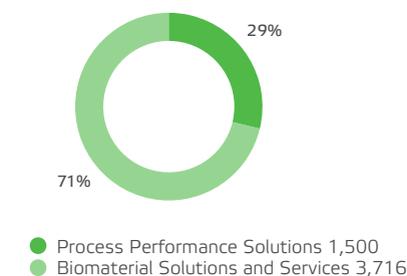
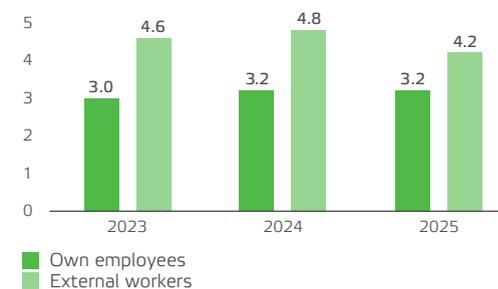
Social and Environmental

	2025	2024	Change
Personnel ²	18,487	19,310	-4%
Total recordable incident frequency (TRIF) ⁶			
Own employees	3.2	3.2	0%
External workers	4.2	4.8	-13%
Health, safety and environmental committee coverage, % of personnel	95%	95%	
Number of supplier sustainability audits	57	45	
Supplier Code of Conduct coverage, % of spend ⁷	77%	-	
Climate performance			
Scope 1 and 2 GHG emissions, 1,000 tCO ₂ e ⁸	55	68	-19%
Suppliers with aligned climate targets, % of spend	15 %	9 %	
Circular and net-zero aligned solutions and services, % of net sales	32.9 %	23.0 %	
Environmental performance at own locations			
Energy consumption, GWh ⁸	401	432	-7%
Water withdrawal, 1,000 m ³	2,207	1,650	34%
Waste, 1,000 t	40	38	5%

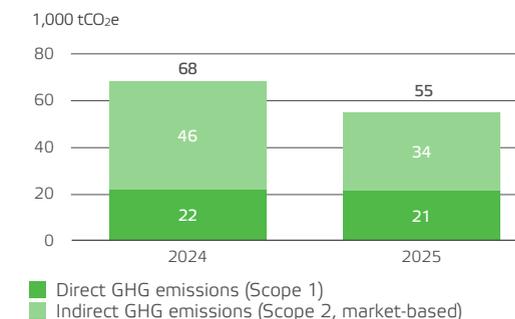
Net sales by segment, EUR million



Orders received by segment, EUR million

Total recordable incident frequency (TRIF)⁶

GHG Emissions



¹ Group figures: The formulas for calculating the key financial figures are presented in the 2025 Financial Statements.

² At the end of the period.

³ Comparable earnings before interest, taxes and amortization.

⁴ Comparable return on capital employed before taxes.

⁵ Board of Directors' proposal.

⁶ TRIF reflects the number of injuries resulting in medical treatment, restricted work, or an absence of at least one workday per million hours worked.

⁷ Supplier Code of Conduct was published in the beginning of 2025.

⁸ Figure for 2024 restated to include owned and leased vehicles.



PRESIDENT AND CEO'S REVIEW

Lead the Way – transforming industries towards a regenerative tomorrow

Looking back on 2025, I feel a strong sense of pride in our shared journey. By sharpening our direction and positioning us for long-term growth, we turned 2025 into a year of true transformation for Valmet.

Unveiling our new *Lead the Way* strategy in June was a defining moment: the beginning of a new chapter for Valmet. It gave us a clear compass, with bold steps for delivering even greater value for our customers across the entire lifecycle. At the heart of it is our new purpose: *transforming industries towards a regenerative tomorrow*, which captures both our ambition and our responsibility.

Imagine industries that are not just sustainable, but regenerative: industries that use fewer resources and reuse what we have, creating a cycle of renewal and growth. This is the future we at Valmet are co-creating with our customers through our technology, services, and more than 225 years of industrial excellence. We established two focused segments with clear missions: Process Performance Solutions for unlocking resource efficiency; and Biomaterial Solutions and Services for advancing circularity. Our new financial targets reflect Valmet's ability to deliver sustainable value.

Our strategy rests on four fundamentals: *customer success; lifecycle commitment; accountability; and global competitiveness*. These come alive in our simplified new operating model, which is helping us move with more focus and speed as decisions are made closer to customers, and challenges are solved where they arise. It's been highly rewarding to witness Valmeteers stepping up – this gives Valmet strength in the fast-evolving world around us.

A personal highlight again this year was meeting many of our valued customers. Listening to their expectations, learning from their experiences, and seeing firsthand Valmet's place at the core of their businesses reminds me of the importance of our work. Our customers' support for our new strategy has shown that we have a real impact on their success and transformation.

It has also been exciting to celebrate many accomplishments with Valmeteers. We secured significant new projects, supported customers with our services, introduced innovations such as the Valmet DNAe automation system for marine operations, and made strong progress at sites, including the start of work at Arauco's Sucuriú mill in Brazil, the largest single phase pulp mill in the world. The agreement to acquire Severn Group strengthens our Flow Control business, expanding our solutions and market reach. I have also been proud to see how Valmeteers

have stood by our customers during dynamic and challenging times.

This year marked the beginning of Valmet's culture journey where we are building a new culture based on empowerment, accountability, and psychological safety. Our new Leadership Principles guide us in how we behave, collaborate, and drive change. I deeply believe that this is how high-performing teams thrive. I want to sincerely thank all Valmeteers for your open engagement, resilience, and commitment throughout this year of change.

As we move into 2026, we do so with clarity and dedication. We will continue to focus on customer success across the lifecycle and on the transformation towards a regenerative tomorrow, while accelerating innovation and competitiveness across our business.

Thank you to our customers, partners, and shareholders for your trust and collaboration.

Together, we are leading the way, and I am excited about what lies ahead.

Thomas Hinnerskov
President and CEO

YEAR 2025 IN BRIEF

Key events 2025

January 16, 2025



Third tissue machine to strengthen premium production in North America

Valmet will deliver a third Advantage ThruAir Drying tissue machine to Irving Consumer Products' mill in Macon, Georgia, the USA. The installation supports the company's commitment to ultra-premium tissue products for the North American market, with start-up planned for 2027.

June 2, 2025



Introduction of next-generation automation system, Valmet DNAe, for the marine industry

Valmet introduced DNAe, a fully web-based integrated automation system for the marine industry. It features seamless equipment integration, advanced analytics, and built-in cybersecurity. DNAe enhanced efficiency, safety, and digitalization, while offering cost-efficient upgrade paths.

June 4, 2025



New 'Lead the Way' strategy launched, and new 2030 financial targets published

Valmet held its Capital Markets Day 2025, at which it launched its new strategy and 2030 financial targets, designed to deliver a step-up improvement in financial performance, growth, and the ability to transform industries towards a regenerative tomorrow.

January 22, 2025



Modernization of ŠKO-ENERGO heating plant in the Czech Republic

Valmet will modernize ŠKO-ENERGO's heating plant in Mladá Boleslav, Czech Republic. The project includes the conversion of two circulating fluidized bed boilers from coal to biomass, adding a new bubbling fluidized bed boiler, and upgrading flue gas cleaning systems for improved efficiency.

July 8, 2025



Key pulp mill technology for Shandong Sun Paper in China

Valmet will deliver cooking and a fiberline, a recovery boiler, ash crystallization, analyzers, and safety systems to Shandong Sun Paper's new Yandian pulp mill in China. The mill will produce 600,000 tons of pulp annually, with start-up scheduled for the last quarter of 2026.

August 11, 2025



Strategic valve services agreement signed with Petrobras in Brazil

Valmet signed a nationwide agreement with Petrobras to supply spare parts for Neles™ valves, actuators, and positioners across all operations. The one-year contract, renewable for up to five years, ensures equipment availability, cost predictability, streamlined processes, and specialized technical support.

September 16, 2025



High-end sack and kraft paper machine for Guangxi Jianhui Paper in China

Valmet will supply a sack and kraft paper machine with automation and services to Guangxi Jianhui Paper in China. The investment will improve operational performance and advance circularity in packaging. The start-up of the new PM8 paper machine is scheduled for the end of 2026.

October 29, 2025



New Advantage ThruAir tissue line expands Sofidel America's premium production

Sofidel America will invest in a Valmet Advantage ThruAir tissue line to expand ultra-premium tissue production in North America. The scope includes a full production line, automation, flow control, and Industrial Internet solutions. Sofidel operates 20 tissue lines, with the latest start-up in Ohio, USA, in 2025.

November 6, 2025



Gold Medal in EcoVadis sustainability assessment

Valmet received a Gold Medal in the EcoVadis sustainability assessment, ranking among the top five percent of 150,000 companies worldwide. With a score of 82/100, six points higher than last year, Valmet is now in the top 2 percent globally, moving closer to its Platinum Medal goal.

December 22, 2025



Severn Group to be acquired to strengthen Process Performance Solutions segment

Valmet has agreed to acquire Severn Group, a long-established valve company with three divisions and a 60-year history in demanding flow control applications. The transaction is expected to close in the second quarter of 2026.

THIS IS VALMET

Global presence

Valmet has a strong global presence, allowing us to serve our customers effectively while capturing growth opportunities across diverse markets. We employ approximately 18,500 professionals worldwide in approximately 40 countries and work with customers in more than 120 countries. Our network includes more than 110 service centers, more than 170 sales offices, more than 70 production units, and more than 30 R&D centers around the globe.*



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● Number of personnel *Excluding customer sites where Valmet operates.

STRATEGY

Lead the Way

Valmet introduced its new 'Lead the Way' strategy at the Capital Markets Day in June 2025. Lead the Way is a bold strategic step to elevate performance and deliver even greater value to customers, employees, and stakeholders. This strategy marks the next chapter in Valmet's over 225-year history, building on its strong foundations and its readiness to shape industries and succeed in a rapidly changing world.



Towards a regenerative tomorrow

At the core of Valmet's 'Lead the Way' strategy is a bold purpose: *transforming industries towards a regenerative tomorrow*. "Regenerative tomorrow" reflects Valmet's commitment to go beyond sustainability by actively restoring and renewing industrial systems within the limits of planetary boundaries. It means enabling customers to achieve low-carbon and circular operations through advanced technologies and lifecycle solutions, ensuring resource efficiency while safeguarding the Earth's ecological balance.

A regenerative future is an ambitious goal, calling for innovation, collaboration, and leadership. By enabling our customers to reuse, reduce, and recycle resources, we create solutions that drive renewal and resilience throughout the value chains we serve and deliver lasting value for people, society, and the environment.

Valmet is uniquely positioned across the value chain to lead transformation across industrial sectors. With Valmet's solutions and services across the lifecycle, our customers can achieve measurable improvements in resource efficiency and reductions in emissions, supporting their sustainability goals and strengthening long-term competitiveness. Our process technologies and services, automation, and flow control solutions help customers

optimize energy, water, and resource use, minimizing waste, and our services extend lifecycles in production processes.

We also enable carbon capture through innovative flue gas pre-treatment, automation, and process optimization, and develop technologies for recycling, regeneration, and closing material and water loops, thus accelerating our customers' transition to net-zero and ultimately net-positive operations.



Valmet's new strategy was launched at Capital Markets Day in June 2025.

Strategy fundamentals

Valmet's strategy is built on four strategic fundamentals that shape every aspect of our operations: customer success, lifecycle commitment, global competitiveness, and accountability. These fundamentals define how we work with our customers, driving growth and long-term value creation.

1 Customer success: Valmet puts customer success at the heart of everything we do. By combining leading technologies with innovative solutions, we deliver value throughout the lifecycle of our customers' operations. One example is Valmet DNAe, our next-generation automation system. With advanced analytics and real-time optimization capabilities, Valmet DNAe helps customers achieve their production, quality, and environmental goals by boosting efficiency and sustainability throughout their operations.

2 Lifecycle commitment: We partner with our customers across all operational phases, from research and development, design, and delivery to performance and maintenance. Our offering brings together cutting-edge technologies, tailored services, and digital tools, supported by deep expertise delivered close to customers. This approach maximizes performance, extends equipment life, and reduces environmental impact. Through our lifecycle agreements, we deliver reliability, efficiency, and sustainability throughout every stage of our customers' operations.

3 Global competitiveness: To succeed in a challenging global market, Valmet is sharpening its focus on cost-competitiveness and operational excellence by leveraging global scale in procurement, production, and logistics. Effective July 2025, our new operating model streamlines the organization, deepens the collaboration between our business areas and customers, and establishes a centralized Global Supply unit to drive manufacturing and procurement excellence. These changes reinforce our commitment to delivering lifecycle value, strengthening customer relationships, and maintaining global competitiveness.

4 Accountability: 'Lead the Way' strategy builds a culture where accountability and empowerment go hand in hand. This culture empowers Valmetters to take initiative, drive decision-making, and work together to create value for customers and drive growth. Our new Leadership Principles reinforce this culture by shaping behaviors that help us to lead the way.



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LEAD THE WAY

Transforming industries towards a regenerative tomorrow



PROCESS PERFORMANCE SOLUTIONS

UNLOCKING RESOURCE EFFICIENCY

- Leading lifecycle value, reliability, and customer experience
- Customer-focused innovation and strategic portfolio expansion
- Growth in high-quality technologies and digital capabilities in mission-critical solutions

BIOMATERIAL SOLUTIONS AND SERVICES

ADVANCING CIRCULARITY

- Seamless lifecycle approach to growing in services and technology
- Continuous innovation with customers, leading the way to circularity
- Relentless drive for product cost-competitiveness

STRATEGY FUNDAMENTALS

Customer success Lifecycle commitment Global competitiveness Accountability

VALUES

Customers Excellence Renewal People



Strategic milestone with the acquisition of Severn Group

In December 2025, Valmet took a significant step in the execution of 'Lead the Way' strategy by entering into an agreement to acquire Severn Group, a well-established industrial valve company, from Bluewater, a UK-based private equity firm. Severn serves process industries globally and has over a 60-year track record of delivering specialized flow control solutions across the most demanding applications. The company employs about 950 people and manufactures mainly in the UK, USA, and India.

Severn's strong technologies, installed base and customer relationships with a diverse set of the world's largest blue-chip industrial companies support Valmet's growth strategy beyond its traditional core biomaterials business. This acquisition also further strengthens Valmet's Process Performance Solutions segment and position as a leading provider of mission-critical valve and valve automation solutions and services.

The transaction is valued at USD 480 million on a cash- and debt-free basis (approximately EUR 410 million calculated at prevailing exchange rates). The acquisition is estimated to be completed during the second quarter of 2026, subject to customary closing conditions.

Research and Development

Valmet's purpose is to lead the transformation of industries towards a regenerative tomorrow, laying the foundation of our research and development work. We focus on advancing circularity and resource efficiency throughout the customer lifecycle, leveraging our technologies and services to deliver leading lifecycle value, reliability, optimal customer experience, and market-leading digital capabilities. The drive for product cost-competitiveness goes hand in hand with our commitment to resource efficiency and circularity. In 2025, Valmet's research and development expenses amounted to EUR 126 million. The company had approximately 1,400 protected inventions at the end of the year.

The Beyond Circularity program is one of Valmet's most significant research and development investments. This four-year program covers Valmet's entire offering and aims to accelerate the green transition. The program progressed as planned during the year. By year-end, the ecosystem had expanded to include over 370 partners collaborating on 47 projects, co-funded by Business Finland and the European Union. Within Valmet, more than 100 ongoing R&D projects were directly linked to the program, demonstrating the company's strong commitment to innovation and sustainability.

Valmet's **Business Accelerator program**, launched in 2020 to drive new growth, concluded in 2025. Its focus areas – Industrial Internet, Biofuels and Materials, Recycled Textile Fibers, and 3D/Molded Fiber – are now advancing as strategic initiatives within the new business areas.

Ambitious financial targets for 2030

'Lead the Way' strategy is anchored by ambitious financial goals for 2030, signaling a new level of aspiration for the company. The targets include achieving 5 percent organic net sales growth (CAGR) over the cycle, raising the comparable EBITA margin to 15 percent, reaching a 20 percent comparable return on capital employed (ROCE), and maintaining gearing below 50 percent.

These targets are designed to drive improved financial performance, growth, and the company's ability to transform industries towards a regenerative tomorrow.

To achieve these goals, Valmet implemented a new operating model in July 2025. This model was designed to better serve customers with a lifecycle approach and to increase efficiency, while reinforcing the company's strategic fundamentals in daily operations.

The operating model streamlines the organization, strengthens cost-competitiveness, and reinforces accountability at every level. Business areas operate close to customers, providing integrated expertise in services and technology, and the newly established Global Supply unit centrally drives operational excellence and procurement efficiency. By investing in advanced technologies, strengthening lifecycle services, and driving efficiency across all operations, Valmet can leverage its strengths, achieve its strategic ambitions, and create lasting value for stakeholders.

FINANCIAL TARGETS

Valmet's new 2030 financial targets reflect a step change in ambition

5%
ORGANIC NET SALES
GROWTH (CAGR)
OVER THE CYCLE

15%
COMPARABLE
EBITA MARGIN

20%
COMPARABLE ROCE

<50%
GEARING

SEGMENTS IN BRIEF

Empowering performance and sustainability through our segments

Valmet's two strategic segments combine deep process expertise with innovation to help industries meet evolving demands. Through advanced technologies and lifecycle services, we enable customers to improve performance, embrace sustainability, and succeed in a changing world.

Process Performance Solutions

Driving efficiency and reliability across industries

Valmet's Process Performance Solutions segment delivers flow control and automation technologies with lifecycle services. These solutions enhance efficiency, reliability, and sustainability across global process industries.

TWO BUSINESS AREAS:

- Flow Control
- Automation Solutions

Biomaterial Solutions and Services

Powering sustainable production for a renewable future

Valmet's Biomaterial Solutions and Services segment provides complete production lines and lifecycle services for pulp, paper, packaging, tissue, and bioenergy producers, improving fiber yield, energy efficiency, and sustainability worldwide.

THREE BUSINESS AREAS:

- Pulp, Energy and Circularity
- Packaging and Paper
- Tissue
- Global Supply



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Two segments with clear missions

Valmet's strategy is implemented through two focused business segments, both with a clear mission.

The Process Performance Solutions segment delivers flow control technologies and automation systems, ranging from individual measurements to full plant-wide solutions, complemented by lifecycle services. It serves a global customer base of a broad range of industries with mission-critical solutions that enhance resource efficiency, operational reliability, and financial performance.

The segment's mission is to *unlock resource efficiency*, and it is achieved through leading lifecycle value, reliability, and customer experience. Services and technologies are integrated across the two business areas, Automation Solutions and Flow Control, enabling continuous innovation, portfolio expansion to broaden our industry base, and the growth of digital capabilities in mission-critical solutions. At every stage, embedded services such as remote monitoring, predictive maintenance, and process optimization support customer performance, operational excellence, and long-term sustainability.

Market activity in the Process Performance Solutions segment was solid in 2025, with most customer industries such as refining, chemicals, and marine showing sustained demand for both flow control and automation solutions.

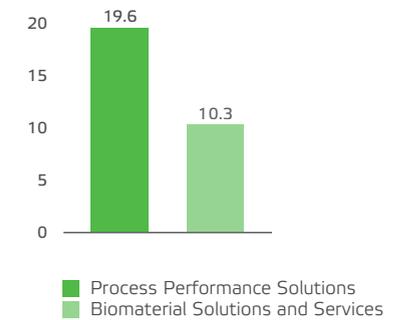
The Biomaterial Solutions and Services segment serves global producers across the pulp, paper, packaging, tissue, and bioenergy industries. It provides complete production lines and key process islands, complemented by a full range of lifecycle services. These solutions enable improvements in fiber yield, energy and water efficiency, emissions, and operational uptime.

The segment's mission is to *advance circularity*, which is achieved through a seamless lifecycle approach, continuous innovation with customers, and a strong focus on cost-competitiveness. Services are integrated across the three business areas – Pulp, Energy and Circularity; Packaging and Paper; and Tissue – supporting customer performance and sustainability at every stage.

In 2025, the Biomaterial Solutions and Services markets were characterized by persistent customer industry overcapacity and modest growth in their demand, which kept mill operating rates subdued and limited new investment. Furthermore, ongoing tariff uncertainties added complexity to the operating environment.

A centralized Global Supply is one of the key developments arising from the 'Lead the Way' strategy and renewed operating model. Its task is to deliver global competitiveness through procurement excellence, production footprint optimization, facilities optimization, and warehouse footprint optimization within the Biomaterial Solutions and Services segment.

Comparable EBITA margin, %



Market characteristics

Process Performance Solutions

- **Advanced automation push:** Accelerated technological development, cloud, and AI drive a new wave of possibilities and demand for industrial automation, including control and quality systems, plant and fleet-wide optimization, and digital twin solutions
- **Resource efficiency:** As the availability of cheap natural resources declines, process industries refocus on material efficiency for primary raw materials, water, and energy, as well as minimizing or utilizing all waste streams.
- **Consolidation and economies of scale:** Process industry companies increasingly choose consolidation to improve profitability and secure the financial capacity for increasingly large and complex capital investments.
- **Geopolitical obstacles and uncertainty:** Exceptional volatility in geopolitical relations, trade dynamics, and supply chains challenge both capital investment and operational decision-making.
- **Skilled labor shortage:** As many industries are facing a looming skilled labor shortage, solutions that are intuitive and where technology providers take wider responsibility are preferred.

Biomaterial Solutions and Services

- **Overcapacity and regional divergence:** Persistent overcapacity, especially in Europe and China, keeps mill operating rates low, while North and Latin America remain more stable.
- **Profitability and efficiency focus:** Higher input costs and a focus on profitability drive cost-saving programs, asset closures, and efficiency moves.
- **Volatile environment and investment caution:** Geopolitical risks, tariffs, and higher wood costs weigh on trade and competitiveness, with volatile market conditions and uncertainty delaying investment decisions.
- **Consolidation pressure:** Ongoing market headwinds intensify competition among customers.
- **Services and modernization opportunities:** Services market growth is fueled by new capacity and aging assets, with strong rebuild and upgrade demand in North America; sustainability, energy savings, and efficiency improvements create opportunities in both mature and emerging markets.



PROCESS PERFORMANCE SOLUTIONS

Optimizing performance and sustainability through lifecycle solutions

The Process Performance Solutions segment delivers flow control and automation solutions ranging from components to full plant-wide solutions, complemented by lifecycle services. The segment serves customers globally with mission-critical solutions that enhance resource efficiency, operational reliability, and financial performance. Its strategic mission is to unlock resource efficiency, with a target EBITA margin of 20 percent by 2030.

At the heart of Valmet's customer value creation, the segment provides integrated automation systems, industrial valves, pumps, valve controllers and actuators, analyzers, and digital optimization tools that help customers improve production efficiency, reduce costs, and enhance safety and sustainability. Serving pulp, paper, energy, marine, and other process industries, the segment ensures stable operations while enabling smarter decision-making through real-time data and advanced analytics.

“The segment helps customers improve production efficiency, reduce costs, and enhance safety and sustainability.”

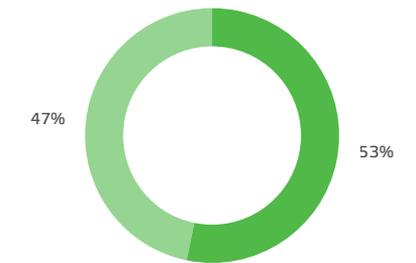
Driving innovation and sustainability

The segment's scope spans early design and commissioning to decades of lifecycle support, including remote and onsite services, predictive maintenance, and performance agreements. This comprehensive interface reflects Valmet's lifecycle approach – delivering continuous improvements and long-term reliability.

In 2025, major automation upgrades were conducted at leading pulp and paper mills, and expanded Valve Performance Monitoring deployments took place, as well as successful migrations to Valmet DNAe, the next-generation distributed control system.

Sustainability highlights featured solutions that reduce raw material and energy use, lower emissions, and extend equipment life, supporting customers' decarbonization and circularity goals. Through these achievements, Process Performance Solutions reinforces Valmet's refreshed strategy – accelerating digitalization, lifecycle partnerships, and sustainable operations across global industries.

Orders received by Business Area, EUR million



- Flow Control 798
- Automation Solutions 702

KEY INNOVATIONS

The segment's most significant innovations in 2025 included artificial intelligence driven control features for pulp processes, enhanced cybersecurity with ISASecure SSA certification, and new digital tools for predictive maintenance and energy optimization. Other innovations included:

- Valmet DNAe for the marine industry
- Valmet Wet End Analyzer
- Valmet High Yield Pulping Optimizer
- Valmet WMS: Web Monitoring System
- Valmet Furnace Infrared Imaging System
- Neles™ NDX valve controller adds FOUNDATION™ Fieldbus

PROCESS PERFORMANCE SOLUTIONS

Business areas



Flow Control

The Flow Control business area delivers mission-critical valves, pumps, and valve automation solutions for safe and efficient material flow in global process industries. Serving the biomaterials, energy, refining, chemicals, and mining industries, it drives reliability, sustainability, and process performance. Key products include Neles™, Jamesbury™, Stonel™, Valvcon™, and Flowrox™ valves, pumps, and valve automation solutions.

EXPANDING RELIABILITY ACROSS DIVERSE INDUSTRIES

In 2025, Flow Control strengthened its role as a trusted partner: At the Suzano Ribas do Rio Pardo pulp mill in Brazil, tailored service agreements boosted operational reliability; Mercer Stendal in Arneburg, Germany, adopted Valmet's Valve Performance Monitoring for predictive maintenance, reducing downtime and costs; and Flowrox™ valves at Alagöz Mining in Türkiye delivered precise control and durability, enhancing efficiency and product quality.

Flow Control's 2025 highlights include celebrating 50 years of flow control services and expanding customer reach in the mining and renewable energy sectors. These achievements support Valmet's strategy by diversifying the customer base, driving lifecycle value, and innovating for sustainability and digitalization.



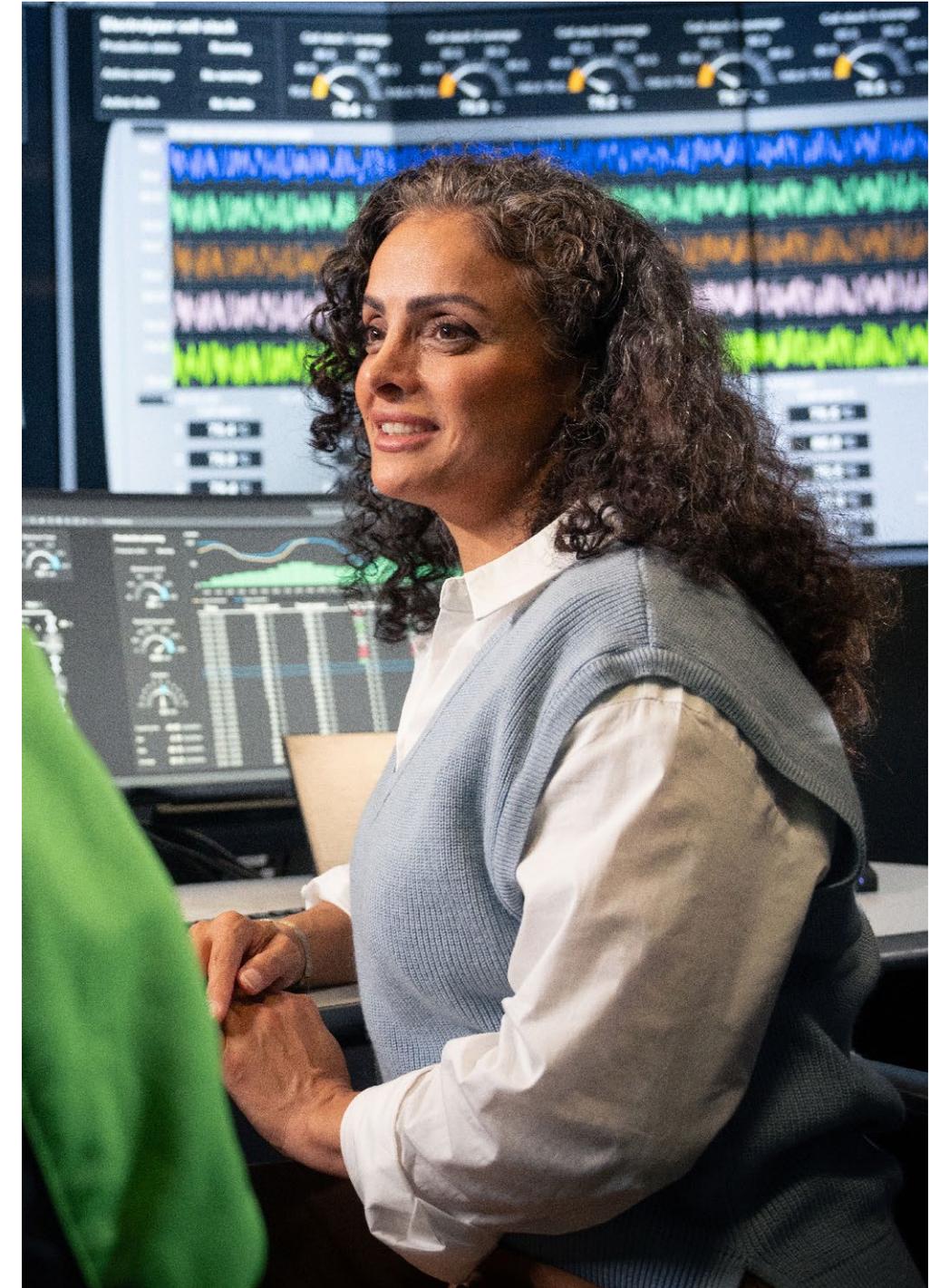
Automation Solutions

The Automation Solutions business area delivers mission-critical automation for global process industries and the marine sector. Its portfolio spans measurements, analyzers, and integrated control systems with digital optimization and lifecycle services, improving efficiency, quality, safety, and sustainability.

DRIVING PERFORMANCE AND RELIABILITY THROUGH INNOVATION

In 2025, the Automation Solutions business area delivered standout projects: Valmet DNAe and Quality Control System at Billerud's factory in Pietarsaari, Finland, enabling efficiency and waste reduction; a successful Valmet DNAe migration at Schöllershammer PM5 in Düren, Germany, for improved reliability and usability; and a Valmet DCS installation at Europe's largest electric boiler plant, supporting CO₂-free district heating.

Highlights of the year included the launch of Valmet DNAe for marine, ISASecure SSA cybersecurity certification, and an Automation Award win. The business area has significantly advanced Valmet's strategy by expanding automation into new industries, driving lifecycle value, and enabling smarter, safer, and more sustainable operations.



BIOMATERIAL SOLUTIONS AND SERVICES

Delivering smart performance and sustainable value across the lifecycle

The Biomaterial Solutions and Services segment delivers complete production lines, key process islands, machine sections, and lifecycle services for the pulp, paper, packaging, tissue, and energy industries. It drives circularity, efficiency, and decarbonization through advanced technologies and sustainable innovations. Its strategic mission is to advance circularity, with a target EBITA margin of 14 percent by 2030.

Valmet's Biomaterial Solutions and Services segment plays a pivotal role in advancing circularity and sustainability across global fiber-based industries. Its solutions improve fiber yield, energy and water efficiency, emissions control, and operational uptime – delivering measurable benefits in cost-effectiveness, reliability, and environmental performance.

Innovations and achievements driving circularity

Serving pulp, paper, packaging, tissue, and bioenergy producers, the segment acts as a full-scope partner, supporting customers from initial investment through decades of operation. Its customer interface spans capital projects, rebuilds, modernization, and continuous

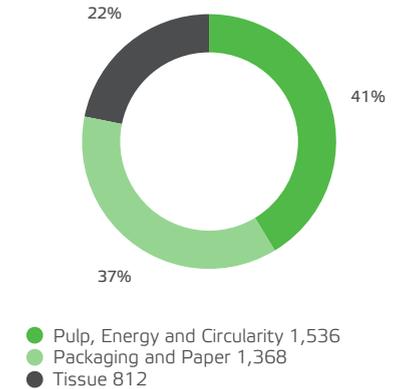
performance improvement, reflecting Valmet's lifecycle approach and commitment to long-term value creation.

In 2025, the segment made significant strides: site works began at Arauco Sucuriú, the world's largest pulp mill built in one phase; and Valmet secured its largest-ever energy order for BEW Berliner Energie und Wärme's biomass power plant in Berlin, Germany, including extensive service agreements.

In 2025, technology development in molded fiber packaging progressed, enabling cellulose fibers to be pressed into three-dimensional forms such as trays and cups, offering customers a renewable alternative to plastic. At the Äänekoski demo plant in Finland, in partnership with Metsä Group, efforts focused on speed, resource efficiency, and product quality to make this solution competitive for high-volume food packaging markets.

Sustainability remained central, with technologies that cut emissions, optimize resource use, and enable decarbonization reinforcing Valmet's refreshed strategy to lead in lifecycle solutions, circularity, and climate-positive innovations globally.

Orders received by Business Area, EUR million



KEY INNOVATIONS

2025's innovation highlights included artificial intelligence driven active bale height control for pulp processes, the Exergy Pre-evaporator delivering significant steam savings, and new emission control designs with advanced filters and scrubbers.

In energy, Valmet delivered its first bubbling fluidized bed boiler for pellet firing, while in circularity, it launched a breakthrough pyrolysis solution to convert used polystyrene plastics into virgin-like styrene monomer – advancing chemical recycling and reducing plastic waste. In Packaging and Paper, Valmet introduced Sleeve Roll D1300 – a novel forming solution that delivers energy-efficient dewatering and enhanced paper quality.

The segment's solutions deliver measurable benefits in cost-effectiveness, reliability, and environmental performance."

BIOMATERIAL SOLUTIONS AND SERVICES

Business areas



Pulp, Energy and Circularity

Pulp, Energy and Circularity business area provides technologies and lifecycle services for pulp mills, biomass energy, and emission control. It drives efficient fiber use, renewable energy, and circular solutions to cut environmental impact and boost resource value globally.

DRIVING CIRCULARITY AND SUSTAINABLE PRODUCTION WORLDWIDE

In 2025, the business area achieved major milestones. Sun Paper's plant in Nanning, China took only 12 months from agreement to start-up – with from chip to design capacity in a single day. Göteborg Energi's 140 MWth at Rya biomass power plant in Gothenburg, Sweden, started up successfully with integrated digital and performance services, and Klabin Ortigueira in Brazil continued its extensive lifecycle cooperation.

Other highlights of the year included the first carbon capture project in Europe, and the delivery of significant upgrade and modernization projects around the world. These enable sustainable production, decarbonization, and circularity, while strengthening lifecycle partnerships and driving innovation globally.



Packaging and Paper

The Packaging and Paper business area delivers technologies and automation for new lines, rebuilds, and key single solutions for board, paper, and packaging production. It focuses on efficiency, quality, and sustainability with innovative technologies and lifecycle support, helping customers optimize raw material and energy use globally.

ADVANCING CIRCULARITY WITH LIFECYCLE SUPPORT

Successes for the business area in 2025 included the start-up of a high-capacity coated board line for Liansheng PM2 in China, boosting energy efficiency and quality. DS Smith signed a multi-year maintenance agreement for its Lucca mill in Italy, supporting the new PM 3 containerboard machine. In addition, major rebuilds were completed in North America, and Valmet was selected as a supplier for Guangxi Jianhui Paper's high-end sack and kraft paper machine in China.

Further highlights included innovations such as Sleeve Roll technology, multilayer headbox technology for high-quality and cost-effective cartonboard production, and the launch of Bioneer press felts containing bio-based raw materials.



Tissue

The Tissue business area delivers technologies, automation, rebuilds, and services for tissue production – from stock preparation and tissue machines to converting and packaging lines. With complete lines and lifecycle support, it helps customers save fiber, energy, and water, while ensuring efficient, sustainable, high-quality tissue products.

END-TO-END SOLUTIONS FOR SUSTAINABLE TISSUE PRODUCTION

In 2025, the Tissue business area showed strong achievements with increasing focus on lifecycle solutions and innovations worldwide. Longstanding customer Sofidel ordered Valmet's largest full-scope tissue project to date for its Circleville mill in the USA. The Lila Group decided to invest in its fifth Advantage DCT line at a new mill in Erzurum, Türkiye, and the innovative converting solutions for hot embossing, core less rolls, and dust control was launched.

Other highlights included the start-ups of Metsä Tissue's new Mariestad mill in Sweden and Suzano's Aracruz tissue mill in Brazil, where Valmet delivered both tissue machines and converting lines. These end-to-end solutions drive lifecycle services, digitalization, and sustainability.



GLOBAL SUPPLY

Within the Biomaterial Solutions and Services segment, Valmet's Global Supply unit plays a key role in optimizing sourcing, manufacturing, inventories, and logistics. These activities are crucial for ensuring ongoing global competitiveness, driving an increase in profit margins, and accelerating the growth of services. In addition, Global Supply is responsible for managing indirect procurement across Valmet, as well as HSE, quality, and facilities activities globally.

During 2025, Global Supply concentrated on establishing itself as a new global unit within the organization. The team also initiated its first efforts to reduce procurement costs and consolidate suppliers, laying the foundation for enhanced efficiency and stronger supplier relationships in the future.

PEOPLE AND CULTURE

People and culture

Our diverse team of approximately 18,500 Valmetees, representing more than 80 nationalities across approximately 40 countries, embarked on an exciting new culture journey in 2025, inspired by our 'Lead the Way' strategy and guided by our new Leadership Principles. Together, we are building a workplace where everyone can thrive, push boundaries, and deliver value across the customer lifecycle.



In 2025, Valmet started its culture journey by introducing the Valmet Leadership Principles. These principles are a key enabler of our 'Lead the Way' strategy, and combined with our values, help us to create a renewed culture across the company.

At Valmet, we all lead

Valmet's Leadership Principles are designed as practical behaviors that guide the choices we make, the mindset we bring, and the example we set. These principles – Take accountability, Lead with courage, Build on trust, and Collaborate for growth – enable us to innovate faster, execute better, and serve our customers with excellence. Activities are underway to help Valmetees learn and connect with the principles as individuals, in teams, and in connection with our strategy.

Psychological safety has been a key focus area throughout the year. Approximately one third of employees participated in related workshops, supporting Valmet's efforts to build an environment where individuals feel comfortable sharing ideas, speaking up, and raising concerns. These initiatives

contribute to innovation and openness and help empower individuals and teams to support the company's long-term objectives.

To better understand employee experiences during the change, Valmet conducted several short and impactful change pulse surveys throughout the year. The feedback received is used to identify strengths and areas for improvement as the company continues its transformation. An evolved approach will continue, ensuring that employee perspectives are included in shaping future developments.

Committed to safety

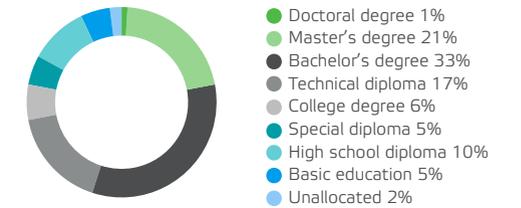
We successfully gathered valuable insights into our safety culture and wellbeing through our 2025 global survey of all employees and subcontractors. This comprehensive feedback has directly influenced our safety strategy, ensuring it aligns with the data presented.

We also updated our HSE induction training, ensuring that many employees have refreshed their understanding of the Life Saving Rules and Minimum Safety Standards. The

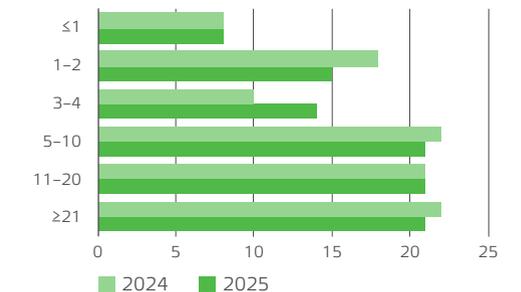
annual global HSE awareness week further emphasized the importance of safety across the organization.

Our collaboration across Valmet and with suppliers is designed to deliver safe, reliable, and sustainable operations, protecting people and the environment, and creating value for our customers. Our HSE strategy, "HSE – Lead the Way to Zero Harm," aims to establish a world-class health, safety, and environmental performance culture by 2030, driven by the four key pillars of Leadership, Risk Management, Process Excellence and Innovation, and Engagement and Learning.

Education structure, %



Service years, %



⊕
 READ MORE:
valmet.com

SUSTAINABILITY

Towards regenerative industries

Valmet carries both the responsibility and capability to drive industrial transformation in the pulp, paper, and energy sectors. Climate change, biodiversity loss, and resource overconsumption are the defining challenges of our time.

A regenerative tomorrow means creating resource-efficient, circular solutions that renew the systems on which industries depend. Through advanced technologies, lifecycle services, and strong partnerships, we help industries move towards greater circularity and resilience.

IT STARTS WITH US

UNLOCKING RESOURCE EFFICIENCY

ADVANCING CIRCULARITY

TOWARD REGENERATIVE INDUSTRIES

Moving from minimizing harm to actively renewing resources, restoring ecosystems, and building resilient industrial systems.

VALMET'S OWN OPERATIONS

- Commitment to Net zero by 2040
- Design for Circularity principles in R&D
- Minimizing waste and emissions
- Environmental actions at locations.

PROCESS PERFORMANCE SOLUTIONS

- Automation solutions for optimized resource use
- Flow control for efficiency and safety
- Smart monitoring and predictive maintenance
- Digital tools that reduce downtime, waste, and energy.

BIOMATERIAL SOLUTIONS & SERVICES

- Closed-loop and recovery solutions
- Improving customers' fiber and energy use
- Fossil-free energy enablement
- Use of recycled raw materials.

INNOVATING BEYOND TODAY

- Recycling technologies for new material value streams
- Carbon capture and storage/utilization
- Next-gen biomaterials
- Industrial electrification
- Partnerships for breakthrough innovation.

SUSTAINABILITY PRIORITIES

Our sustainability priorities take us from purpose to action

Valmet's Sustainability Agenda translates our purpose into action through four sustainability priorities: Climate and nature, Circular and net zero-aligned solutions, People and rights, and Responsible value chain.

We have updated our Sustainability Agenda to make sure our sustainability work is even more focused, actionable, and aligned with where our business and the world are heading. With a focused and forward-looking approach, we strive to develop a resilient business model that drives the transition to a low-carbon, resource-efficient future and ensures fair working conditions across the value chain.

Our Sustainability Agenda starts from a simple premise: a sustainable future is also a competitive one. As a leader in industrial transformation, our goal is to guide the industries we serve towards a net-zero, circular economy that respects planetary boundaries and protects nature for future generations. We design solutions that reduce absolute environmental impacts, accelerate the transition to net zero, and keep materials in use for longer. Equally, sustainability is about how people experience our business every day. We

work to build a culture where different perspectives are welcomed, opportunities are fair, and respect is reflected in decisions, leadership, and ways of working across Valmet and throughout the value chain.

We keep raising the bar for accountability. Our Sustainability Agenda provides clear priorities and helps measure what matters, making progress visible. It challenges us to move from commitments to outcomes and from intent to impact. Through consistent action and long-term vision, we aim to create value that extends far beyond our own business and contributes to the well-being of society and the planet. In the following pages, we outline each of the four sustainability priorities in more detail.



SUSTAINABILITY PRIORITIES

Deep dive into the sustainability priorities



2025 HIGHLIGHTS AND PROGRESS

- New life cycle assessments conducted to support commercial excellence with robust environmental performance data
- Perini ECOre system launch for the production of tissue paper rolls without the traditional cardboard cores
- Progress in developing carbon capture pretreatment and pyrolysis
- Automation supplied for hydrogen fuel cell power facility in Naepo New Town, South Korea to support clean energy goals
- Bioneer product family-related launches in press felts and roll covers, with climate impacts quantified and modeled with LCA
- New four-step approach to improve resource efficiency in board and paper making.

TARGETS

- 60 percent share of sales from net-zero- and circular-economy-aligned solutions and services by 2040
- 10 percent reduction of energy use intensity of best available technologies by 2030
- 70 percent reduction of freshwater consumption in customers' recycled board mills and tissue technology.

ACTIONS

- Extending lifecycles of customers' technologies
- Advancing material recovery and next-generation recycling
- Industrial sidestream and waste-to-value solutions
- Design for durability, reuse, recyclability, and resource-efficiency
- Service agreements that prioritize lifecycle efficiency
- Decarbonizing industrial processes with low-carbon and future technologies.

Driving circular transformation

KEY TOPICS:

- Commercial excellence in circularity, resource efficiency, and net-zero solutions and services
- R&D for sustainability and energy efficiency
- Collaboration with customers to reduce climate impacts across industries
- Life cycle assessments (LCA).

We help industries transition from linear and fossil-based systems to circular, resource-efficient, and low-carbon operations. Through circular design, material recovery, energy-efficient processes, carbon capture technologies, advanced recycling, and lifecycle services, we support customers in reducing emissions, improving resource efficiency, and moving towards net-zero operations.



Respecting planetary boundaries

KEY TOPICS:

- Climate Transition Plan
- Biodiversity initiatives
- Environmental performance at own locations.

We recognize the urgency of the climate crisis and the fragility of natural ecosystems. Guided by our Climate and Nature Policy Statement and Climate Transition Plan, we reduce emissions, protect biodiversity, and strengthen the resilience of our operations and value chain. Through our technologies and services, we enable industrial transformation for our customers, while having a clear reduction path for our own emissions.

2025 HIGHLIGHTS AND PROGRESS

- Climate Transition Plan with 2040 net-zero target for own operations and 2050 net-zero ambition for the whole value chain
- Climate and Nature Policy Statement created
- 19 percent reduction in scope 1 and 2 emissions from 2024
- Investment to reduce use of fossil fuels in a production location in Tampere, Finland.

TARGETS

- 60 percent emissions reduction in own operations by 2030 and net-zero by 2040
- 50 percent of spend from suppliers with emissions reduction targets by 2030
- 85 percent of recycled steel used in own foundries by 2030.

ACTIONS

- Investing to replace fossil fuels with renewables in own locations
- Increasing purchases of fossil-free electricity and district heat
- Driving emission reductions in supply chain by engaging suppliers
- Increasing share of low-carbon emissions steel in own foundries and purchases
- Optimizing logistics to reduce emissions
- Preventing pollution, improving energy, water, and resource efficiency
- ISO certified environmental and energy management systems.

SUSTAINABILITY PRIORITIES



2025 HIGHLIGHTS AND PROGRESS

- Several Human Rights Impact Assessments conducted covering customer project site and sub-contractors
- More than 600 Fire Safety focused HSE inspections and trainings completed
- Launch of our Leadership Principles as the starting point of our culture journey under the new 'Lead the Way' strategy.

TARGETS

- Continuous reduction in injury frequency
- Increase representation and inclusion across the workforce
- Transition to a continuous listening approach for assessing employee engagement by 2026
- 40 sustainability due diligence measures (supplier audits, impact assessments, value chain worker engagement) for high-risk operations per year.

ACTIONS

- Prioritizing safety leadership, positive safety culture, and risk prevention programs
- Implementing a global DEI&B program
- Open feedback and engagement culture
- Human Rights Impact Assessments and stakeholder engagement.

Upholding rights, fostering belonging

KEY TOPICS:

- Human rights and fair labor practices
- Health, safety, and well-being
- Diversity, equity, inclusion, and belonging
- Employee engagement and development.

We uphold internationally recognized human rights and ensure fair, safe, and healthy working conditions. We build on trust and collaboration to create a culture where people of all backgrounds feel valued, included, and empowered to take ownership. Belonging goes beyond compliance. It means creating an environment where our people have fair access to opportunities and can contribute, challenge, and thrive together.



2025 HIGHLIGHTS AND PROGRESS

- 57 Supplier sustainability audits conducted in 2025
- Supplier Code of Conduct published and achieved 77 percent coverage of suppliers by spend
- 97 percent of employees have completed Valmet's renewed Code of Conduct e-learning course
- Established a comprehensive Sustainability Due Diligence Framework and a Sustainability and Due Diligence Compliance Committee.

TARGETS

- 90 percent of suppliers by spend have signed Valmet's Supplier Code of Conduct by the end of 2026
- 50 percent of spend from suppliers with emissions reduction targets by 2030
- 100 percent of employees have completed Valmet's renewed Code of Conduct e-learning course by 2026.

ACTIONS

- Supplier engagement and capacity building
- Partnerships with strategic suppliers
- Third-party supplier sustainability audits
- Fostering ethical business culture across the organization.

Ensuring responsibility and sustainability across our value chain

KEY TOPICS:

- Sustainability due diligence and transparency
- Sustainable supply chain management
- Ethics and compliance
- Supplier engagement and development.

We integrate sustainability due diligence and ethical business practices throughout Valmet's operations and supply chain. Through transparency, risk-based assessment, and collaboration with suppliers worldwide, we work to identify, prevent, and address human rights, environmental, and ethical risks. Beyond compliance, responsible practices are key to long-term resilience and value creation for people, business, and the planet.

VALMET REPORTS 2025



FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS 2025

The report includes Valmet's Financial Statements, the Report of the Board of Directors, and the CSRD Sustainability Statement for 2025



ANNUAL REVIEW 2025

The report covers Valmet's progress in its strategy, operations, and sustainability in 2025.



CORPORATE GOVERNANCE STATEMENT 2025

The report covers Valmet's governance principles and activities, Board of Directors, and management in 2025.



REMUNERATION REPORT 2025

The report covers Valmet's remuneration principles and remuneration in 2025.

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