

The logo for Walki, featuring the word "walki" in a lowercase, white, sans-serif font. The background of the entire page is a close-up photograph of a lily of the valley plant, showing vibrant green leaves and clusters of small, white, bell-shaped flowers. A large, semi-transparent white circle is overlaid on the upper right portion of the image.

walki

# Walki Corporate Sustainability Report

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2024

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**REPORT DETAILS**

This sustainability report contains information regarding Walki Group (later referred to as Walki). Walki has operations in 11 countries (Finland, Germany, Belgium, France, Spain, Poland, UK, Sweden, China, India and Malaysia). The headquarters is in Espoo, Finland. Walki is a member of the OJI Group.

Walki Group has published a sustainability report annually since 2012. For 2024, a financial report has been published separately.

This report focuses on Walki’s global operations. The data presented covers all 16 of Walki’s plants (see chapter Certifications for full list) and sales offices. In case of exceptions, the boundaries have been mentioned along with the figures in this sustainability report.

The GHG emission figures for 2023 have been updated to reflect corrected data. The updated data is mentioned in the text. More details on the GHG emission performance for 2024 can be found in chapter GHG emission reductions.

During 2024, Walki closed down its plant in Kwidzyn, Poland. The plant is not considered in the data for GHG emissions and is also excluded from other figures such as employee data.

Please contact Pauliina Saari, Sustainability Director, at pauliina.saari@walki.com for more information regarding Walki’s sustainability report.

# Key sustainability figures 2024



**86% OF PACKAGING PORTFOLIO RECYCLABLE, COMPOSTABLE OR WITH A DESIGN FOR RECYCLING READY**  
(82% in 2023)

**69% OF SOLD PACKAGING PRODUCTS RECYCLABLE OR COMPOSTABLE**  
(62% in 2023)

**19% OF PRODUCTS DURABLE**  
(20% in 2023)

**22% OF RECYCLED RAW MATERIALS**  
(18% in 2023)



**67% OF BIO-BASED OR RECYCLED RAW MATERIALS**  
(67% in 2023\*)

**71% OF FIBRE-BASED RAW MATERIALS FSC OR PEFC CERTIFIED**  
(69% in 2023)

**70% OF PRODUCTION WASTE RECYCLED OR REUSED**  
(70% in 2023\*)

**92% RENEWABLE AND OTHER NON-FOSSIL ENERGY OF TOTAL ENERGY USE**  
(85% in 2023)



**8 SITES WITHOUT ANY LOST TIME ACCIDENTS**  
(10 in 2023)

**3.2 LOST TIME ACCIDENTS PER MILLION WORKING HOURS**  
(5.2 in 2023)

**4.3% ABSENCES DUE TO ILLNESS**  
(4.15% in 2023)

**0.09% ABSENCES DUE TO ACCIDENTS**  
(0.2% in 2023)

\*2023 corrected

## THE YEAR IN BRIEF BY WALKI CEO

# Playing the long game for a sustainable future

Amid geopolitical and macroeconomic upheaval, we must not lose sight of the long-term challenges the world is facing. We remain committed to our sustainability roadmap, in which supporting our customers in their transition to a low-carbon and circular future is at the core.

The economic and geopolitical landscape has remained challenging and difficult to predict. However, our ability to adapt with agility and flexibility to market uncertainties, combined with our strong focus on product quality, reliability, and innovation in offering a diverse portfolio of sustainable packaging solutions, has been central to delivering an improved underlying EBITDA ahead of last year's.

For the full year 2024, comparable net sales dropped by 2% compared to the previous year. Sales prices decreased due to the pass-through of lower raw material costs, while delivery volumes increased by 4%. Despite muted topline development, our adjusted EBITDA increased by €8.0 million, or 14%. This improvement was primarily driven by higher sales margins and volume growth. The increase in sales margin, i.e. the margin on variable costs per ton, continued to improve over the previous year's level, thanks to the effective implementation of commercial and operational excellence initiatives.

In times of geopolitical and economic turbulence, it sometimes seems that sustainability has taken a backseat on the global agenda. Yet, the fundamental challenge of climate change remains as urgent as ever. The need to

reduce carbon emissions has not diminished, nor has the imperative to accelerate circularity. Now, more than ever, we must find ways to drive sustainable solutions forward, ensuring that long-term environmental responsibility is not overshadowed by short-term crises.

The EU has played a crucial role in demonstrating to the world how regulation can push both companies and consumers to adopt sustainable solutions. Now, the focus must shift from regulation to scalable, actionable solutions. The Packaging and Packaging Waste Regulation (PPWR) is a key step in this direction, setting clear targets for recyclability, reuse, and waste reduction.

Our role in this transition remains unchanged. Our solutions impact the daily lives of millions, safeguarding products through packaging and ensuring homes stay warm with insulation materials. As an industry leader, we believe we not only have the ability but also the responsibility to drive meaningful change.

## Proactive approach towards sustainability

We remain committed to our mission of accelerating the world's transformation to a circular, resource-efficient, and low-carbon future, and our actions in 2024 serve



as clear evidence of our proactive approach. Guided by our sustainability roadmap's three pillars of adhering to sustainable raw materials, reducing GHG emissions and creating a zero-waste future, we have made significant strides in 2024.

We updated our materiality assessment to adhere to the principle of double materiality, ensuring that our sustainability efforts are both strategically relevant for our business and contribute meaningfully to broader environmental and social goals.

This update laid the groundwork for preparing CSRD-aligned reporting (Corporate Sustainability Reporting Directive) based on the assessment results. Currently, the requirements of the CSRD directive are under evaluation as the Omnibus Package, introduced by the European Commission in February 2025, includes proposals aiming to simplify and reduce administrative burdens in EU sustainability reporting and due diligence requirements. Regardless of the possible legislative changes, Walki will continue to develop data management and reporting processes to cater for both internal and external data needs and follow the possible updates to the directive.

We also created an emission reduction action plan specifically targeting raw material-related emissions, the largest category of our scope 3 GHG emissions. Our emission reduction plan now encompasses the main emission categories across all scopes.

In addition, we took a significant step in our climate commitment by submitting our greenhouse gas (GHG) emission reduction targets to be validated by the Science Based Targets initiative (SBTi). Our near-term targets were officially approved by the SBTi in April 2025. This ensures that our targets align with the latest climate science and contribute to limiting global warming in accordance with the Paris Agreement.

We aim to reduce our 2021 emission levels by 2030 by 54% regarding Scope 1 and 2 and by 52% regarding Scope 3. To achieve this, we have intensified our collaboration with suppliers in various ways. We not only apply more stringent sustainability criteria when assessing suitable suppliers but also gather high-quality data from our value chain.

By improving the quality of Walki's GHG emission calculations – both at the organizational and product level – we can make more informed decisions. Equipped with better data, our R&D and sourcing teams can identify raw material combinations that minimise GHG emissions. Walki® WICO<sub>2</sub> insulation facing is one example of a product with significantly lower carbon footprint, a result of joint innovation efforts by our R&D and sourcing teams.

### Pushing boundaries in innovation

According to our sustainability agenda, our aim is to have 100% of our portfolio consisting of either recyclable, compostable or durable solutions. To reach this, we need to constantly push our boundaries when it comes to innovation.

We cherish our R&D Technical Competence Centre in Pietarsaari, Finland, that serves as a hub for research, development, and innovation, focusing on advancing fibre-based and sustainable material solutions. The centre plays a key role in testing, validating, and scaling new technologies, particularly in barrier coatings, recyclability, and circular economy solutions. This is where we, in collaboration with Lactips, developed paper-based food packaging using a casein-based biopolymer coating. In autumn 2024, we invested in our own inhouse recyclability assessment laboratory to speed up the process of experimenting with the recyclability of different material combinations.



### Diverse portfolio to support sustainability

Our overall guiding star is our strong belief in a fibre-based future. We are continuously advancing the development in fibre-based solutions for applications that seemed impossible just a year ago and have rapidly transitioned from low-barrier to medium-barrier applications. One notable example is the paper-based secondary packaging bag we launched for the pancakes made by Paysan Breton, a brand that belongs to the French dairy cooperative Laïta, replacing their plastic-based solution. Our 14 MEUR invest in Valkeakoski, inaugurated in 2023, has increased our capacity for fibre-based and flame-retardant solutions.

Yet, even in a fibre-based future, we still need polymer-based solutions. By ensuring mono-materials we can accelerate a circular future also for plastics. In 2024, our Lamibel® MDO-PE Laminate Barrier passed the procedures of the RecyClass Assessment Protocol for PE films. Organizations like RecyClass provide the frameworks needed to facilitate the transition to a circular future for plastics, and their recognition of our products demonstrates that plastics can be circular too.

On another front, composting is a simple yet powerful way to reduce waste, lower carbon emissions, and enrich soil with essential nutrients, making agriculture more

sustainable. By diverting organic waste from landfills, improving soil health, and preventing water pollution, composting supports biodiversity, enhances food security, and helps combat climate change.

Our Bioska solutions help facilitate organic waste collection and composting by making it easier for households and businesses to collect biowaste. We have answered to the growing demand of convenient compost solutions by investing in our plants in Murcia in Spain and Ylöjärvi in Finland.

In line with our culture of continuous improvement, I am delighted to see our safety statistics consistently improving in the right direction.

### Playing the long game

Although we must all operate and make decisions amid turmoil and uncertainty, the long-term rationale is still valid: if we are to reverse the trajectory on climate change and biodiversity loss, we need to play the long game and stay focused on our vision. The transition to a fibre-based and low carbon world where everything is designed for recycling is essential. Together with our owner Oji, we are committed to our task at hand: helping our customers navigate this transition.

This is a complex task that cannot be tackled in isolation. I want to take this opportunity to thank our employees, customers, and partners across our supply chains, the startup ecosystem, and academia for their commitment to this journey. The future is in our hands—let's embrace this responsibility together!

### Leif Frilund

CEO and President, Walki Group

WALKI'S BUSINESS AND STRATEGY

# Walki overview



## CONSUMER PACKAGING

**Main customer types:** brand owners, retailers

**Main product categories:** flexible packaging, films and bags

**Key market drivers:** new regulations on packaging waste, single-use plastics and mandatory collection of biowaste, consumer trends toward sustainable packaging, and circular economy



## PACKAGING MATERIALS

**Main customer types:** secondary packaging converters, paper & board producers

**Main product categories:** reel packaging, ream wrapping, industrial liners, barrier board, flexible materials

**Key market drivers:** plastic replacement with fibre-based packaging, new regulations on packaging waste and single-use plastics, circular economy, and growing e-commerce.



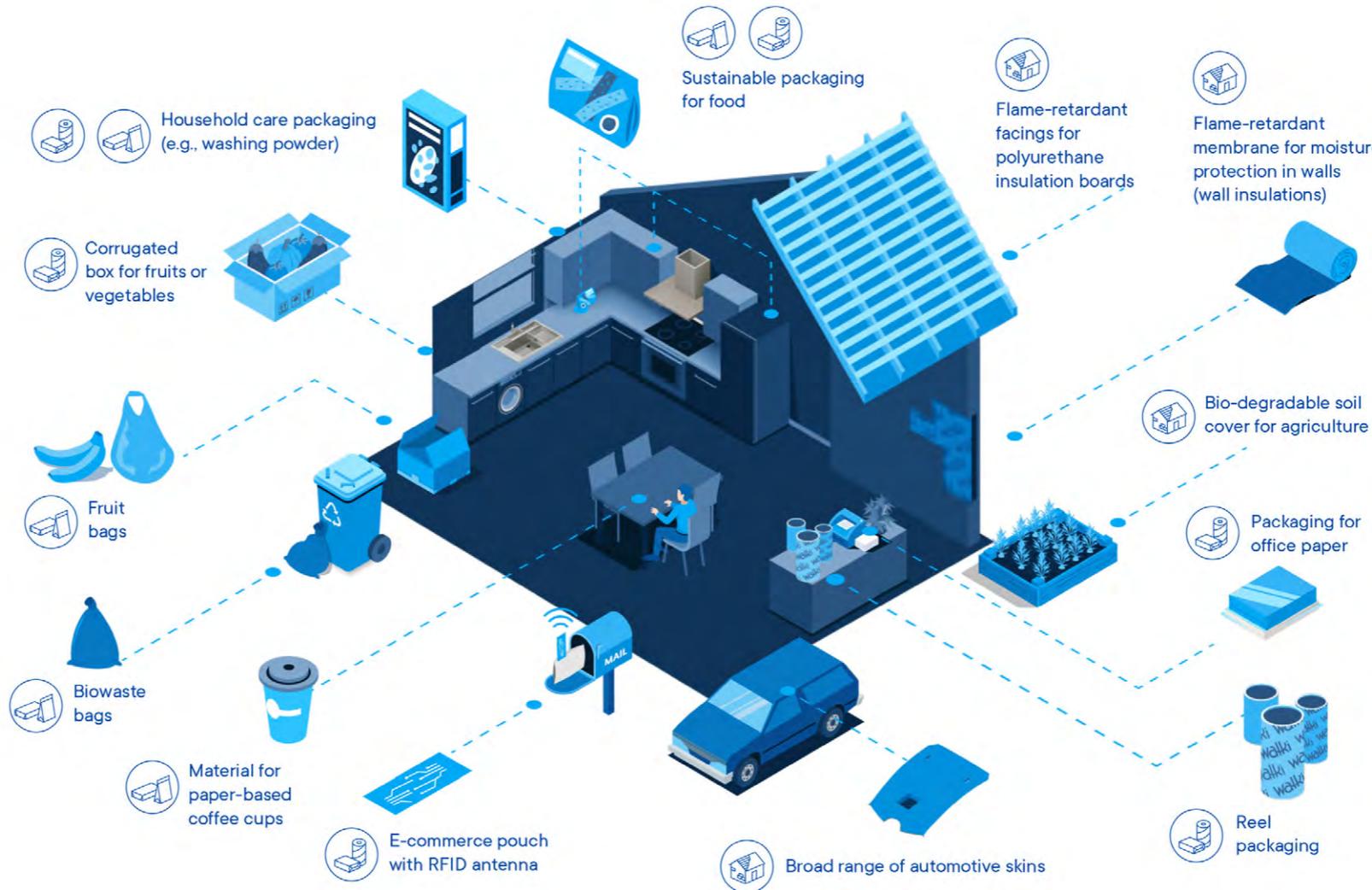
## ENGINEERED MATERIALS

**Main customer types:** construction material companies and industrial manufacturing companies

**Main product categories:** insulation facings, construction membranes, technical products

**Key market drivers:** energy efficiency in buildings, increased fire safety, lightweighting, recyclability and durability

Walki's diverse product portfolio serves a wide range of markets and customer archetypes, each with unique business dynamics. To better align our organizational structure with these archetypes and address the specific needs of our client segments, we restructured our business areas in 2024.



**16\*** PRODUCTION PLANTS  
IN **8** COUNTRIES

**1,585** EMPLOYEES IN  
**11** COUNTRIES

**MAIN CUSTOMER TYPES:**

- retailers and distributors
- brand owners (e.g. food producers, pharma)
- secondary converters (e.g. printing, box producing)
- paper and board producers
- construction material companies
- industrial manufacturing companies

**NET SALES OF PRODUCTS SOLD  
IN 2025:  
617 M€**

\*Walki closed the Kwidzyn plant in August 2024 and this plant has been excluded from the total figure

WALKI'S BUSINESS AND STRATEGY

# Transforming materials towards a circular future

At Walki, we envision a future where resource use is redefined, moving away from traditional linear models toward circular, efficient, and low-carbon solutions. Our long-term ambition is to be a driving force in this transition, helping to shape a more sustainable and resource-conscious society.

We deliver transformative, sustainable solutions to solve the most demanding challenges in packaging and the built environment. Walki's products play an essential role in daily life, from reducing energy consumption to protecting food and other valuable goods. Our diverse market offering spans packaging materials, high-performance insulation solutions, and engineered materials. Organised into three business areas — Consumer Packaging, Packaging Materials, and Engineered Materials — we serve a broad customer base, including secondary converters, retailers, fast-moving consumer goods (FMCG) companies, and construction material manufacturers.

As an advanced materials conversion specialist, Walki is committed to leading the way in sustainable packaging and engineered material solutions. Our goal is to continuously develop more circular alternatives and extend the lifecycle of materials wherever possible. We actively support our customers in meeting their sustainability targets while maintaining high product functionality and performance.

**Our main roles include:**

- Being a thought partner to brand owners & FMCG companies to help them achieve their sustainability targets while maintaining high functionality of packaging solutions
- Supporting industrial customers to protect their products with sustainable, customised paper-based solutions on their transportation journey
- Delivering sustainable flame-retardant materials and functionally crucial components for energy-efficient insulation and moisture-control solutions in the construction sector

Sustainability is embedded in Walki's core operations. We have made significant progress in designing products with environmental responsibility in mind, but we recognize that achieving our vision requires continuous development. Strengthening our product portfolio, advancing operational efficiency, and deepening collaboration across the value chain remain our key priorities.



**Our focus is on:**

- Increasing circularity
- Finding fibre-based alternatives to plastic packaging solutions in end-uses where this is possible without compromising the functionality of the packaging
- Using polymers in a sustainable way, enabling both high functionality and recyclability
- Facilitating biowaste collection and recycling by providing convenient compostable solutions
- Increasing the use of recycled materials and materials from renewable sources
- Further development of the functionality of the products to improve life cycle sustainability
- Using recycled and certified fibre-based paper and board products
- Designing durable products
- Reducing GHG emissions by product design and efficient, low carbon operations

**WALKI'S VALUES**

- Integrity:** being honest and approachable
- Initiative:** making decisions even when they are difficult
- Commitment:** keeping our promises

Innovation, technological investments, and material expertise are at the core of Walki's strategy. We drive new market solutions for sustainable raw materials, renewable energy, and low carbon technologies through innovation and co-creation within our business ecosystem. Beyond environmental responsibility, the health, safety, and well-being of our employees remain top priorities. Our sustainability approach is built on shared values, guiding our daily decisions as we strive to be a lean, agile, and resilient organization.

# Stakeholder engagement and assessing material impacts, risks, and opportunities

Engaging in ongoing dialogue with Walki's stakeholders is crucial for comprehending their requirements and expectations, recognizing market trends, communicating on Walki's agenda and actions, enhancing cooperation and aligning targets.

Our objective is to ensure continuous and transparent communication with stakeholders throughout our entire value chain.

On top of the continuous engagement, during 2024 Walki performed a structured, enhanced engagement project in the form of materiality assessment. During spring 2024, Walki updated our material assessment to be in line with the principles of double materiality. Double materiality helps us understand sustainability priorities from two perspectives: how our business affects the environment and society, and how sustainability matters—such as climate change and circularity—impact Walki's financial opportunities and risks. The work was conducted with the support of an external partner and a large group of Walki employees from different functions took actively part in the various workshops and meetings. The work comprised of five phases:

## 1. Value Chain Assessment

The initial phase of the materiality assessment focused on a comprehensive evaluation of Walki's value chain.

Through a series of internal workshops, we mapped out Walki's value chains and conducted a preliminary identification of the environmental and societal impacts (impact materiality). Potential future changes in Walki's value chains and Walki's impact were also considered.

## 2. Stakeholder Engagement

To enhance our understanding of Walki's impacts across the value chain, we engaged with key stakeholders through a series of interviews. This engagement process was crucial in validating our preliminary findings and ensuring a comprehensive perspective on Walki's sustainability impacts. Stakeholder groups involved included Walki's customers, suppliers, research institutes and recycling service providers. Insight gained from the interviews was used in the following phases to assess Walki's impacts, risks and opportunities.

## 3. Assessment of Walki's Material Impacts

In the third phase, we assessed the identified impacts based on scale and scope, and in the case of negative impacts, also remediability (possibilities to correct).



Potential impacts were evaluated also based on likelihood. Further internal workshops were conducted to assess the impacts and to ensure alignment with the company's sustainability objectives.

## 4. Evaluation of Financial Risks and Opportunities

Work continued with the identification and evaluation of Walki's financial risks and opportunities related to key sustainability topics. This phase provided valuable insights into how sustainability initiatives could influence Walki's financial performance, highlighting both potential risks and opportunities. The impact on sales, costs, investments and asset values and access to financing were evaluated based on magnitude and likelihood.

## 5. Final Results and Selection of Material Topics

The final phase involved a thorough evaluation of the preliminary results, leading to the selection of material topics. This comprehensive assessment ensures that Walki's sustainability strategy is focused on the most significant impacts, risks and opportunities, aligning with the company's long-term goals. The updated materiality assessment confirmed that Walki's current sustainability focus areas (see chapter Sustainability focus areas)

are correctly addressing the most important impacts, opportunities and risks connected to environmental sustainability.

The results of the double materiality assessment will also form the basis for our future Corporate Sustainability Reporting Directive (CSRD) aligned reporting.

To keep Walki's strategy in line with the challenges and opportunities raised by our stakeholders, the materiality of sustainability topics is continuously reevaluated in interaction with various stakeholders. The means of regular engagement include for example customer, retailer and brand owner discussions, personal development discussions (see chapter Employees), supplier engagement (see chapter Responsible value chain) and active dialogue with regulators, industry associations, the academia and non-governmental organizations.

Active engagement and ongoing discussions through workshops and meetings help us align our sustainability efforts, share information and best practices, and enhance our approach.

- + Material positive impacts and financial opportunities
- Material negative impacts and financial risks

**E1: Climate change**

- +
  - Reducing GHG emissions by replacing virgin, fossil materials with recycled and renewable materials, and by designing well-functioning, recyclable and lightweight products
  - *Opportunities to provide low-carbon solutions*
- - Causing indirect GHG emissions through the value chain (e.g., production of fossil raw materials, logistics, customer operations)
  - *Extreme weather conditions pose a risk of disruptions to raw material deliveries, transportations, and production.*

**E4: Biodiversity and ecosystems**

- - Potential impacts on biodiversity upstream in the value chain (connected to wood sourcing), if group policies are not followed, and impacts linked to GHG emissions

**E5: Circular Economy**

- +
  - Replacing virgin, fossil materials with recycled and renewable materials
  - Reducing the generation of waste with well-functioning packaging materials, and improving the recyclability of packaging materials
  - *Opportunities to provide recyclable solutions*
- - *Risk of having non-recyclable packaging products in the portfolio after the implementation of the new EU packaging regulation (PPWR)*

**Walki double materiality assessment results**

**S1: Own workforce**

- +
  - Supporting employees' wellbeing through e.g., good leadership, employee engagement, equal opportunities, and healthy work-life balance
- - Potential neglect of employees' rights, safety and wellbeing if group policies are not followed
  - Potential work safety incidents at Walki's own facilities if group policies are not followed

**S2: Workers in the value chain**

- - Potential work safety incidents among value chain workers if policies are not followed

**S4: Consumers and end-users**

- +
  - Promoting consumer safety, hygiene, and health in the use phase of packaging and construction materials

**G1: Business conduct**

- - Potential environmental and social impacts across the value chain if policies are not followed

# Governance and economic impact

At Walki, we are continuously strengthening our approach to sustainability governance to support long-term growth and resilience. We work to integrate sustainability across our organization, ensuring clear focus and steady progress.

## Sustainability governance

In 2024, the main structures of sustainability governance remained the same as in 2023. On a general level, there were changes in the Walki governance model as the acquisition of Walki by Oji Holdings was finalized in April 2024.

Walki's sustainability efforts are overseen by the Group Executive Team (GET) and coordinated by the Group Sustainability Team. In 2024, the key development focus was on further integrating sustainability considerations into Walki's day-to-day operations and planning processes. The working practices of the newly established Walki internal sustainability network and Cooperation Committee were also further refined and enhanced.

Walki Group Executive Team (GET) plays a pivotal role in embedding sustainability into the company's strategy and daily operations. The GET is tasked with ensuring that resources are allocated effectively for sustainability initiatives. The GET also reviews and approves sustainability themes, commitments, policies, targets, as well as the Walki Code of Conduct and Corporate Sustainability Report. Sustainability remains a central topic

at the monthly meetings, where the GET systematically evaluates the outcomes of Walki's sustainability efforts. Within the GET, the Executive Vice President of Innovation and Sustainability leads the sustainability agenda, oversees the implementation of the sustainability roadmap, and reports progress to the rest of the team.

As part of the newly established internal sustainability network, the Group Sustainability Team oversees the planning and implementation of sustainability actions. This network includes the Cooperation Committee, which comprises representatives from each business area, group functions, and production to ensure collaboration and alignment of actions across the business. Additionally, dedicated, fixed-term task forces are formed to execute development actions with tangible outcomes. A plant-level environmental network facilitates the sharing of best sustainability practices across Walki's production plants.

Members of the GET, including Business Area and Function leads, are responsible for integrating essential sustainability topics into daily business decision-making practices and processes within their respective areas of responsibility.



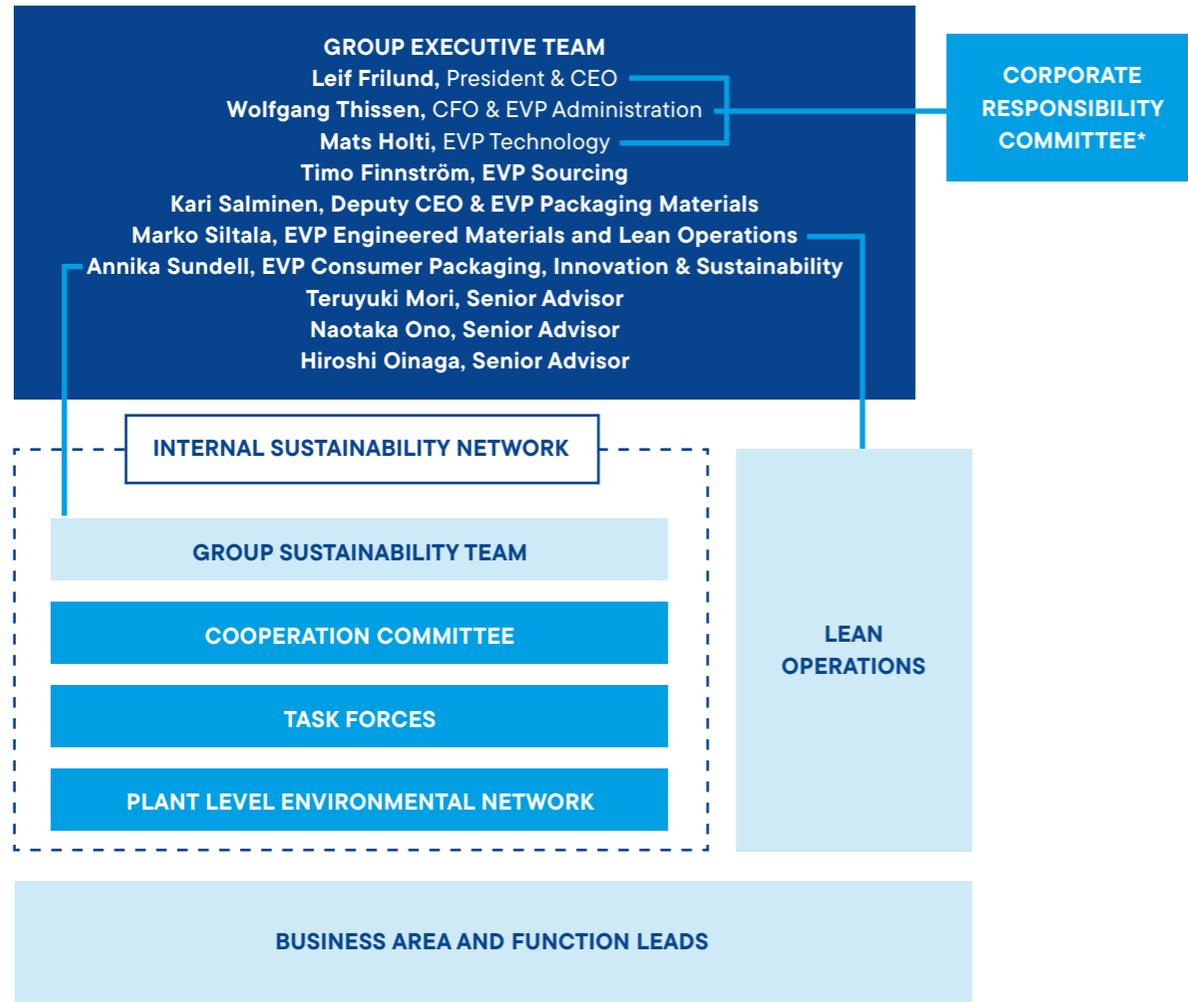
The Lean Operations organization plays a multifaceted role in sustainability-related topics. It oversees and coordinates occupational health and safety initiatives at the group level. Additionally, it drives operational excellence activities within our production plants and functions, aiming to continuously enhance resource utilization. Furthermore, it includes the group supply chain organization, which is tasked with ensuring the optimal use of the production network.

Walki actively listens to and engages with its stakeholders on sustainability topics (read more in chapter Stakeholder engagement and assessing material impacts, risks and opportunities). While the responsibility for stakeholder engagement is decentralized within the organization, the GET ensures that material topics are considered and integrated into the strategy. The business areas and the

Sourcing business function maintain strong relationships with customers and suppliers, respectively, serving as the primary points of contact.

Walki has identified the need to expand and unify risk assessment and management processes. While many processes are in place within different areas of the organisation, we plan to set up a more comprehensive and standardised system that will improve cross-functional collaboration on the topic. These processes will encompass a broader scope, including suppliers, partners and the shareholders, ensuring that also sustainability risks are identified and managed proactively. This is particularly important amid increasing climate and biodiversity related risks. In addition, political and regulatory risks continue to have an effect on businesses.

Governance structure

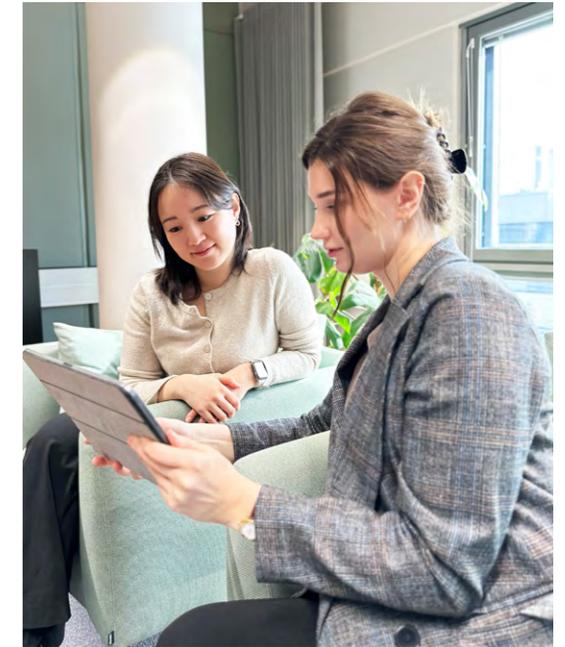


\*The main responsibility of the Corporate Responsibility Committee is connected to the Whistleblowing channel. See section Our approach in chapter Business ethics and human rights for more details.

Economic performance and impact

During 2024, the economic and geopolitical landscape has remained challenging and unpredictable. Our net sales dropped by 2% due to lower sales prices from reduced raw material costs, while delivery volumes increased by 4%. Despite this, our adjusted EBITDA grew by €8.0 million, or 14%, thanks to higher sales margins and volume growth.

Despite facing a challenging operating environment, Walki made significant strides in advancing its sustainability goals in 2024. We continued to innovate and introduce new products that support our customers in their sustainability efforts. Through our commitment to innovation, we address the most demanding challenges in packaging and the built environment, creating substantial value for our customers. Additionally, our focus on utilizing sustainable raw materials and enhancing resource efficiency is crucial in strengthening our resilience.



Economic performance

	2022		2023		2024	
	EUR million	% of net revenues	EUR million	% of net revenues	EUR million	% of net revenues
<b>Generation of value added:</b>						
Net revenues	705.3	100%	627.3	100%	617.3	100.0%
Operating costs	-581.1	-82.4%	-521.6	-83.0%	-498.7	-81.0%
<b>Distribution of value added:</b>						
Community investments		0.0%		0.0%		
Employee wages and benefits	-87	-12.3%	-92.7	-15.0%	-96.4	-16.0%
Payments to governments (taxes and royalties)	-6.5	-0.9%	-2.43	0.0%	-4.21	-1.0%
Payments to providers of capital	-13.6	-1.9%	-24.0	-4.0%	-18.2	-3.0%
<b>Economic value retained</b>	<b>17.2</b>	<b>2.4%</b>	<b>-13.4</b>	<b>-2.0%</b>	<b>-0.2</b>	<b>0.0%</b>

# Sustainability focus areas

Building on the roadmap created in 2023, we further advanced our sustainability agenda in 2024 by deepening the integration of our three focus areas—Sustainable Raw Materials, GHG Emission Reductions, and a Zero-Waste Future—into key business processes. We refined our action plans, and enhanced performance tracking to accelerate progress towards our 2030 goals.

## Our pathway towards a circular future

Our sustainability agenda reflects Walki’s most important sustainability impacts, risks and opportunities, and actions with the greatest potential for driving positive change. In 2024, Walki’s sustainability agenda was validated and finetuned by updating our double materiality assessment together with a wide range of Walki stakeholders (read more in chapter Stakeholder engagement and assessing material impacts, risks and opportunities). Continuous engagement with our stakeholders is key in leveraging our joint capabilities, fostering innovation, creating value for our customers and supporting the shift towards a circular future.

We have identified three essential sustainability areas that are the cornerstones of our sustainability agenda. Walki’s sustainable growth is driven by specific targets set for each of these areas.

Our sustainability focus areas align with Walki’s mission to accelerate the world’s transformation to a circular, resource efficient and low-carbon future. Packaging is a significant consumer of virgin materials, and packaging waste presents a growing challenge both globally and within the EU. New regulations are targeting the recyclability and material content of packaging.

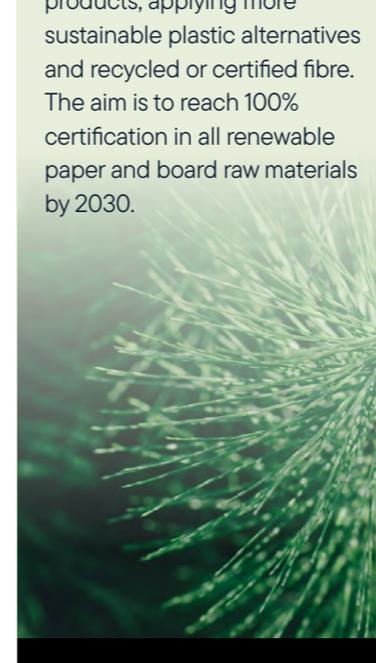


## Walki’s Sustainability Agenda

### Sustainable raw materials

**We prioritise recycled and/or renewable materials.**

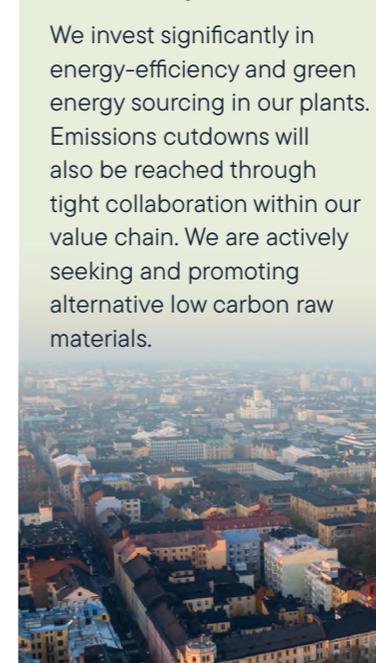
We prioritise recycled and renewable content in our products, applying more sustainable plastic alternatives and recycled or certified fibre. The aim is to reach 100% certification in all renewable paper and board raw materials by 2030.



### GHG emission reductions

**By 2030, we reduce greenhouse gas emissions from our 2021 baseline by 54% for Scopes 1+2 and by 52% for Scope 3.**

We invest significantly in energy-efficiency and green energy sourcing in our plants. Emissions cutdowns will also be reached through tight collaboration within our value chain. We are actively seeking and promoting alternative low carbon raw materials.

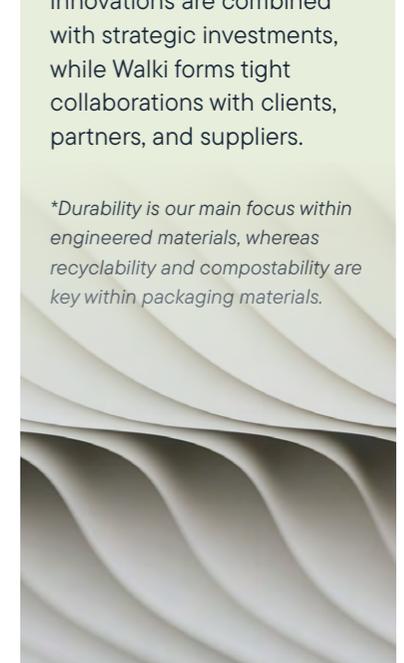


### Zero-waste future

**We make all our products durable, recyclable and/or compostable by 2030.\***

Pioneering solutions and innovations are combined with strategic investments, while Walki forms tight collaborations with clients, partners, and suppliers.

*\*Durability is our main focus within engineered materials, whereas recyclability and compostability are key within packaging materials.*



### Sustainability Foundation

Safety first | Employee well-being | Environmental and social responsibility in the supply chain  
Cooperation within our business ecosystem | Ethical business practices  
Product responsibility | Continuous improvement



**We transform materials for a circular future and towards a sustainable society.**

Walki's customers are increasingly seeking recyclable packaging, alongside establishing GHG emission reduction targets across their value chains. In the construction sector, Walki's clients remain committed to enhancing buildings' energy efficiency and minimising GHG emissions across the entire life cycle of the building.

In 2024, Walki continued to follow and finetune the sustainability roadmap created in 2023. The focus was on further strengthening the integration of sustainability into its business processes and decision-making, as well as developing key performance indicators. Sustainability focus areas are, for example, considered as part of supplier evaluation, investment decisions, energy purchases, and product development.

We developed a more detailed action plan related to GHG emission reductions. We also reviewed the specific targets related to our Zero Waste Future focus area, considering the requirements of the new EU Packaging and Packaging Waste Regulation.

Comprehensive sections on each focus area, including a detailed description of the targets and how these topics are managed, can be found in chapters Sustainable raw materials, GHG emission reductions and Zero-waste future.

### **Sustainability foundation**

In addition to the three environmental sustainability focus areas that function as pillars to our sustainability agenda, we also want to emphasise the importance of social sustainability and governance. Together, these three aspects (ESG) form the foundation of our sustainability efforts.

At Walki, the health, safety and wellbeing of employees, partners and communities, human rights and ethical

business practices, environmental and social responsibility in the supply chain, product responsibility and transparent governance processes and structures are top priorities. We have long been committed to continuous improvement in these areas at both the group and plant levels.

To ensure a structured and accountable approach to these commitments, Walki operates largely under externally certified management systems across its plants. These include health and safety management (ISO 45001), quality management (ISO 9001) and environmental management (ISO 14001), providing a strong framework for continuous improvement and operational excellence. (See chapter Certifications for a complete list of Walki's certified management systems.)

The actions related to the sustainability focus areas as well as Walki's sustainability foundation are supported and complemented by our long-standing commitment to continuous improvement. We have a structured way of running and monitoring continuous improvement projects at our production plants.

Walki's Sustainability Roadmap

Development area	2024	2025	2026-2030
<p><b>Forming tight collaborations with our customers, partners and suppliers</b></p> 	<ul style="list-style-type: none"> <li>Scaling up sustainable solutions with customers</li> <li>Integrating stricter sustainability criteria in raw material supplier selection and assessment</li> </ul>	<ul style="list-style-type: none"> <li>Focusing on joint development projects to lower product carbon footprint and introduce recycled plastics</li> <li>Working closely with our value chain to elevate the use of high-quality renewable and recycled plastics</li> </ul>	<ul style="list-style-type: none"> <li>Scaling up the use of renewable and recycled plastics</li> <li>More focus also on development projects including next generation materials</li> </ul>
<p><b>Portfolio development with fresh solutions and innovations combined with strategic acquisition</b></p> 	<ul style="list-style-type: none"> <li>Product launches of recyclable packaging solutions</li> <li>Product launches with fiber-based materials replacing fossil-based, virgin polymers</li> <li>Dispersion/glue lamination line investment at the Steinfurt plant</li> <li>Investments in new capacity to increase renewable plastic use.</li> </ul>	<ul style="list-style-type: none"> <li>Further development of recyclable solutions to replace remaining non-recyclable products influenced by PPWR, for example aluminium laminates</li> <li>Systematic CO2 reduction of the portfolio</li> <li>Increasing the use of recycled plastic</li> </ul>	<ul style="list-style-type: none"> <li>Increasing the use of renewable plastics</li> <li>Next generation materials</li> <li>Scaling up the use of renewable and recycled plastics</li> </ul>
<p><b>GHG emission reduction with energy efficiency, investments and portfolio development</b></p> 	<ul style="list-style-type: none"> <li>Submitting GHG emission targets to the SBTi</li> <li>Building a GHG emission reduction action plan covering also scope 3, first concentrating on raw material related emissions</li> </ul>	<ul style="list-style-type: none"> <li>Finalizing the SBTi validation process</li> <li>Continued advancement of the emission reduction action plan</li> <li>Further energy efficiency improvements</li> </ul>	<ul style="list-style-type: none"> <li>Continued advancement and implementation of the emission reduction action plan</li> <li>Production waste upcycling projects</li> </ul>
<p><b>Data management development to enhance fact-based decision-making and communication</b></p> 	<ul style="list-style-type: none"> <li>Expanding the user base of our LCA tool</li> <li>Development of GHG emission calculations</li> </ul>	<ul style="list-style-type: none"> <li>Further development of calculation tools and related data management</li> <li>Further integration of raw material sustainability data into IT systems and reporting</li> <li>Systematizing transparency and integration of sustainability attributes in customer communication</li> <li>Preparing for CSRD compliance</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement of data management and communication</li> <li>Establishing LCA as an integral part of product development and customer communication</li> </ul>
<p><b>Internal process development and communication</b></p> 	<ul style="list-style-type: none"> <li>Creating a pathway to more systematic integration of sustainability into business processes</li> <li>Launch of internal online training on sustainability for all Walki employees</li> <li>Launch of Walki Thought Leadership program and Annual Walki Environmental Day</li> </ul>	<ul style="list-style-type: none"> <li>Further development of the sustainability governance model and the Internal Sustainability Network</li> <li>Establishing sustainability as integral part of key decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement of sustainability governance, decision-making processes and communication</li> </ul>

FOCUS AREA

# Sustainable raw materials

At Walki, sourcing and utilising raw materials responsibly is key to reducing our environmental footprint and driving circularity. We are committed to increasing the use of renewable and recycled materials in our products while continuously exploring innovative ways to minimise resource consumption and emissions.



### Context

At Walki, transforming traditional resource usage is essential to minimising environmental impact. Raw material consumption constitutes a significant part of our environmental footprint, with impacts primarily stemming from forestry, harvesting, and the processing of wood and fibres, as well as the extraction of oil, plastic production, and aluminium manufacturing.

Our products are composed of fibre-based materials—such as liners, boards, and packaging papers—as well as plastics and aluminium foils. We are committed to increasing the use of recycled and renewable materials in both our fibre- and plastic-based products. Currently, 20% of our fibre-based raw materials come from recycled sources, while 80% are from renewable virgin fibres. Our polymer materials, however, remain primarily fossil-based resins and films. Additionally, we use small amounts of glass fibre, plastic-based scrims, and nonwovens.

Walki transforms these raw materials into consumer and industrial packaging, as well as engineered materials, using four main manufacturing processes: extrusion coating and lamination, blown film production, dispersion coating, and printing. Beyond greenhouse gas (GHG) emissions, our manufacturing processes also impact the environment through waste generation, water consumption and discharges, and emissions to air.

For more details on our climate impact and efforts to reduce GHG emissions, see chapter GHG Emission Reductions. The social impacts of our supply chain and operations are covered in chapters Business Ethics and Human Rights and Responsible Value Chain.



**IN 2024, FIBRE-BASED MATERIALS ACCOUNTED FOR 61% OF TOTAL MATERIAL USE.**

### Our approach

Sustainable raw material use is one of Walki's key focus areas within sustainability. We want to facilitate a shift to renewable and recycled materials and reduce the reliance on virgin, fossil-based materials.

This also supports efforts to reduce our climate footprint as the production of raw materials is our most significant source of greenhouse gas emissions (read more in chapter GHG emission reductions).

To reach Walki's goal, we are focusing R&D efforts on supporting our customers in finding fibre-based alternatives to plastic solutions in end-uses where this is feasible. Regarding the sourcing and use of polymer

materials, we continue to develop bio-based and recycled material innovations, and work closely with our suppliers to ensure access to high-quality raw materials. In the future, materials based on carbon capture and utilisation (CCU) will also enhance our offering.

Ensuring that virgin fibres originate from sustainably managed forests by preferring certified papers and boards is also key. Forest certifications schemes, such as FSC and PEFC, help ensure that forest management practices protect and enhance biodiversity while maintaining the productivity of forests. European Union Deforestation Regulation (EUDR) will in the future set concrete requirements for assessing and verifying that the wood fibre containing products manufactured in the EU are free of deforestation and forest degradation. Walki started to prepare for EUDR compliance in close collaboration with our suppliers during 2024 and this work will continue in 2025 as the implementation of the regulation was postponed until the end of 2025 by the European Union.

Ensuring efficient raw material use and minimising the environmental impact of our operations has been a long-term focus area for Walki. We continuously monitor, manage, and further improve the environmental performance of our production plants.

In 2022, Walki set a concrete group-wide target relating to responsible raw material use, to be achieved by 2030.

**WALKI'S TARGETS**

**WE PRIORITISE RECYCLED AND/OR RENEWABLE MATERIALS**

- The target covers fibre-based materials (paper and board materials) as well as plastics
- Recycled or renewable content in fibre-based products: **≥50%**
- 100% of fibre-based raw materials certified or recycled
- Recycled or renewable content in plastic-based products: **≥25%**

**ALL OF WALKI'S PLANTS SHOULD MAINTAIN A CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEM**

**Sustainable raw materials**

Share of products sold with specified content of renewable or recycled materials



**Performance in 2024**

**Material use**

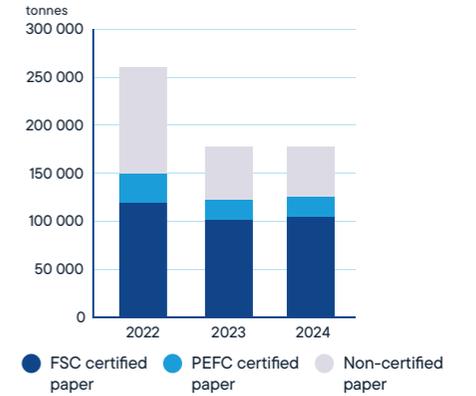
In 2024, total material purchases remained at the same level compared to the previous year. Approximately 280,000 tonnes of materials were used in total, with renewable materials accounting for 67%, and non-renewable materials for 33%.

As part of our sustainability agenda and commitment to circularity, we aim to increase the use of renewable and recyclable materials. Over the past year, the share of purchased recycled materials has grown from 18% to 22%. This figure includes only recycled raw materials sourced from post-consumer waste or external post-industrial waste. Additionally, we recycle and reuse 28% of our own production waste as industrial raw material.

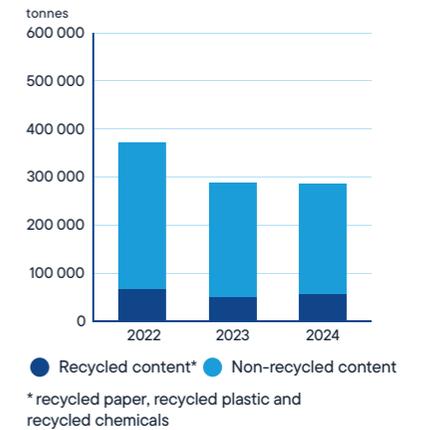
Walki has also focused on increasing the share of certified paper to ensure that virgin fibre materials are sourced from sustainably managed forests. 71% of all paper used during 2024 was FSC or PEFC certified\* compared to 69% in 2023.

Overall, 68% of Walki's products, measured by revenue, met the set targets within our sustainable raw materials focus area in 2024. An additional 6% of products has a clear pathway for reaching the target.

**Use of certified paper**



**Recycled content of total material use**



**Waste**

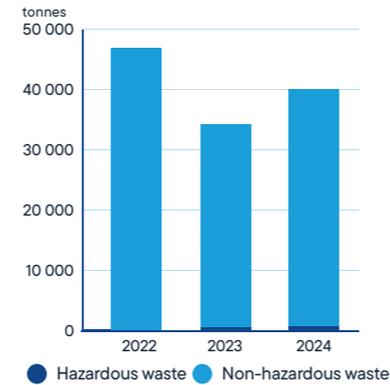
In 2024, Walki generated approximately 40,200 tonnes of waste. The total amount increased by 14 % compared to 2023, mainly due to the increased production volumes in 2024. The generated waste consisted mostly of non-hazardous production waste (85%) such as plastic films, paper and PE laminates, edge trims, extrusion polymer waste and cardboard. The remaining waste stems from non-hazardous waste outside of production (12%) and hazardous waste (3%).

Of the non-hazardous waste generated, 43% was recycled as material, 29% was recovered as energy and 28% was reused as material. A remaining share of 0.3% is sent to landfill. 92% of the waste reported as being reused as material is polymer waste recycled onsite and used in own production as post-industrial recycled raw material.

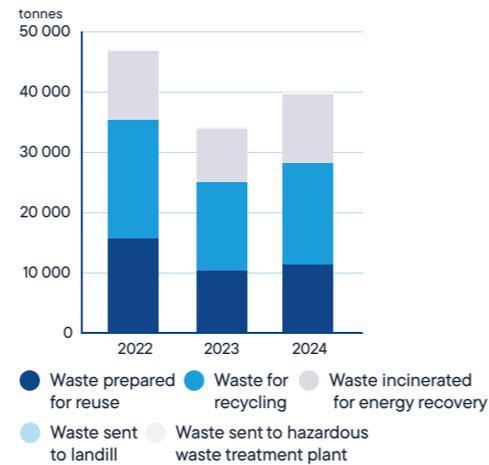
As for the disposal breakdown of hazardous waste, 54% is sent to a hazardous waste treatment plant, 37% is reused as material, 8% was recovered as energy and 1% was recycled as materials. The reused hazardous waste is solvent waste reused in production.

Overall, we are continuing our efforts to minimise all production waste and maximise resource efficiency. We regularly assess our performance and maintain certified environmental management systems (ISO 14001) at 11 plants. In 2024, no significant spills occurred at Walki's production plants, and no radioactive waste was generated.

**Waste generated**



**Waste recovered, recycled and disposed**



**Water and emissions to air**

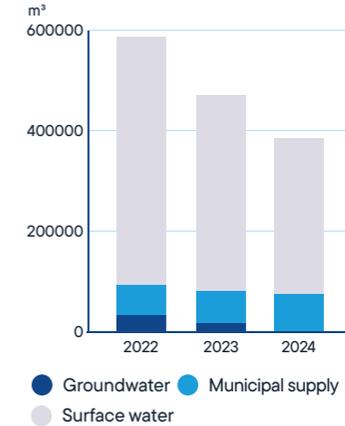
In Walki's operations water is used for production processes, moisturizing of products, and sanitary and cooling purposes. In 2024, water consumption amounted to approximately 386,000 m<sup>3</sup>. Compared to 2023, the amount decreased by 18% mainly due to decreased consumption cooling water at the Valkeakoski plant.

In line with water consumption, the total water withdrawal decreased by 21% from 473,000 m<sup>3</sup> in 2023 to 375,000 m<sup>3</sup> in 2024. Most of the water withdrawn is surface water from a lake, which is used as cooling water at the Valkeakoski plant. The water is recycled and released back into the lake. This process significantly reduces the amount of electricity needed for cooling. Walki's other production plants utilise municipal water supplies.

Related to Walki's water discharges, a slight increase occurred from 2023 in the amount of water discharged to municipal sewers (+20%) while discharges to surface water decreased (-22%). Wastewater quality at Walki plants is monitored as required by the local regulations.

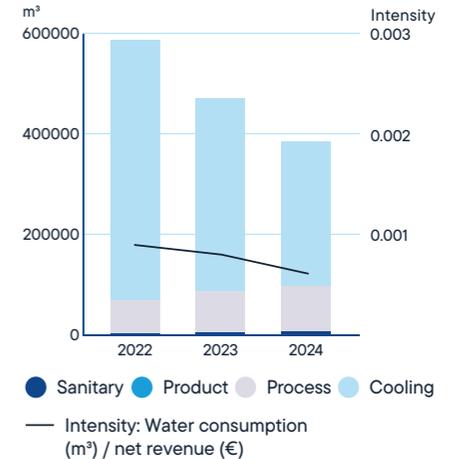
The processes used at Walki plants do not generate significant amounts of emissions into the air. The small amounts of emissions stem mainly from the use of solvent-based inks and lacquers and heating dryers in printing processes. We monitor and control the minor air emissions in compliance with local regulations.

**Water withdrawal\***



\*Most significant amount of water is used at Walki's plant in Valkeakoski (Finland), which is not an area of material water risk or high water stress.

**Water consumption**



\*Walki's target also includes FSC Controlled Wood.

**Actions in 2024 and outlook**

In 2024, our key initiatives for sustainable raw materials included the development of fibre-based solutions to substitute virgin, fossil polymer-based packaging products, the procurement of aluminium foil with a significantly lower carbon footprint compared to other foils Walki purchases, and investments in new capacity to facilitate the increased use of renewable plastic.

Paperisation of packaging products is related to the transition of plastic solutions to fibre-based materials in packaging applications where this is possible without compromising the critical barriers and other functionalities of the packaging. Fibre-based materials are derived from renewable sources, and they provide numerous advantages over especially virgin, fossil plastics. Fibre-based solutions are preferred by consumers, and they offer reduced greenhouse gas emissions and good recyclability with a highly established recycling infrastructure, resulting in lower waste management fees in many EU countries for companies using fibre-based packaging materials. In partnership with our customers, we have enhanced our range of fibre-based solutions with thin barrier liners that ensure recyclability while providing protection against moisture, grease, and damage. Developing these highly functional alternatives to plastic packaging is crucial for reducing waste and climate emissions.

Our collaboration with aluminium suppliers focused on finding a low CO<sub>2</sub> aluminium foil specifically for our engineered materials business area. These efforts were part of a larger development connected to the development a low CO<sub>2</sub> facing (read more in the case story Small tweaks in facings for big impact in chapter GHG emission reductions). This is a significant action in our emission reduction pathway as the emission intensity of aluminium foil is the highest among the raw materials used by Walki.

At the Murcia and Ylöjärvi plants, investments in additional capacity were made in extrusion equipment for bio-based materials. These investments, in combination with our R&D efforts, will enable us to further increase the current production of bags made from bio-based and recycled plastics. We also continued the close collaboration with our polymer suppliers to secure the supply of recycled and renewable plastics.

**As part of our sustainability agenda and commitment to circularity, we aim to increase the use of renewable and recyclable materials.**



Within engineered materials, our primary goal is to maintain product durability while minimising their carbon footprint through the use of low-carbon materials. Alongside increasing the proportion of fibre-based materials, we are also striving to reduce the amount of aluminium used.

In 2025 our focus will be on continuing with the development projects and value chain cooperation needed to ensure compliance with the EU Deforestation Regulation and smooth delivery of the needed due diligence statement data to our customers. We will also

continue to scale up fibre-based solutions with our customers and develop products containing high-quality recycled plastics.

Regarding Walki's own operations, 8 of the 16 plants implemented a continuous improvement project related to waste reduction in 2024 and 7 plants have set a waste reduction related target for 2025. We will continue our efforts to identify the operations and events resulting in the generation of production waste and develop our ways of working to minimise waste.

**Case story: Natural polymer**

**THE CHALLENGE:** The growing food-on-the-go segment has traditionally relied on packaging based on synthetic polymers derived from fossil resources to protect the food from fat and moisture. As packaging from this segment tends to end up in nature more frequently compared to other types of food packaging – contributing to long-term environmental pollution and the rise of microplastic – there has been a need to replace the barrier of synthetic polymers with a biodegradable alternative.

**THE SOLUTION:** Walki has addressed this problem by developing Walki®Natur for the food-on-the-go segment. Walki®Natur is a fibre-based material where the coating is made of natural polymers derived from food industry side streams. As this type of food is typically consumed within 30 minutes of purchase, the natural polymer provides sufficient short-term protection from fat and moisture.

The material can be recycled in the fibre stream, natural polymers do not produce microplastics and they are naturally biodegradable.

**THE OUTCOME:** Producers of food-on-the-go products can now provide a biodegradable option to consumers. As the packaging is based on natural polymers, waste such as leftovers from the food industry is put to good use as coating for this biodegradable packaging. This minimises waste at the production stage and promotes a more sustainable use of food resources. The food packaging based on natural polymers is fully recyclable in the fibre stream, but if improperly disposed of in nature, it will biodegrade without leaving microplastics behind.

[www.walki.com/casestories/walkiexpertsvideotransformingfoodindustrybyproductsintosustainablepackagingwithnaturalpolymers.html](http://www.walki.com/casestories/walkiexpertsvideotransformingfoodindustrybyproductsintosustainablepackagingwithnaturalpolymers.html)



**Case story: Innovating recyclable secondary packaging**

**THE CHALLENGE:** Secondary packaging is used to bundle together primary packaged product to ensure ease of handling, increase the durability of the products and enhance branding. Paysan Breton, a French producer of ready-made pancakes and a member of the dairy cooperative Laita, wanted to replace its film-based secondary packaging bag – containing six individually packed pancakes – with a mono-material that is easy to recycle in the paper stream. It was essential that the technical and mechanical properties of the current solution remained uncompromised.

**THE SOLUTION:** Walki developed an innovative paper-based solution that is fully recyclable in the paper stream. The key was to strike the right balance between sturdiness and thickness: the secondary packaging needed to be strong enough to withstand the weight of the six pancakes while remaining thin enough to ensure proper sealability. It was also important to maintain excellent runnability in the processing.



**THE OUTCOME:** Walki can now offer brand owners a secondary packaging solution that ticks all the boxes: it is fully recyclable in the paper stream while meeting all technical and mechanical requirements. The fibre-based packaging solution reduces the need for fossil-based plastics which is the typical material for secondary packaging. Furthermore, the solution is applicable across a wide range of industries beyond food.

[www.walki.com/casestories/walkiexpertsvideofibre-basedsecondarypackaging.html](http://www.walki.com/casestories/walkiexpertsvideofibre-basedsecondarypackaging.html)

FOCUS AREA

# GHG emission reductions



Walki is actively addressing climate change by advancing the shift to circular, low-carbon materials, setting ambitious greenhouse gas reduction targets, and developing innovative solutions that extend product lifecycles or enhance energy efficiency.



### Context

The effects of climate change are becoming increasingly evident worldwide, with significant economic, environmental, and social consequences. Urgent action is needed from policymakers, businesses, and consumers alike to reduce global greenhouse gas (GHG) emissions. At Walki, we are committed to supporting our customers in lowering their climate impact by providing high-quality, recyclable, and durable products that incorporate renewable or recycled materials whenever possible. At the same time, reducing GHG emissions from our own operations and value chain remains a key priority.

The largest contributors to Walki's GHG emissions are the raw materials used in our products, emissions from transportation and distribution, and the end-of-life treatment of these materials. Our sourcing includes fibre-based materials, as well as fossil-based, bio-based, and recycled polymers, along with aluminium foils (for more details, see Chapter Sustainable raw material). Beyond value chain emissions, our own operations also generate both direct and indirect GHG emissions through energy consumption. We rely on electricity, steam, district heating, and various fuels—including heavy and light fuel oil, LPG, and natural gas—to power our manufacturing sites, as well as fuel for forklifts.

In addition to reducing our own emissions, Walki actively contributes to climate action by developing innovative material solutions that help customers lower their carbon footprint. The materials for the construction sector focus on durability and functionality, contributing to reducing the GHG emissions by improved energy efficiency in the use-phase. Likewise, our packaging solutions play a crucial role in protecting goods and minimising waste, further supporting sustainability efforts.



**WALKI'S SCOPE 1 AND 2 EMISSIONS DECREASED BY 11% AND SCOPE 3 EMISSIONS INTENSITY DECREASED BY 14%**

### Our approach

GHG emission reductions is one of Walki's three sustainability priorities. We have set ambitious targets to reduce direct, indirect, and value chain emissions by 2030.

Walki has invested significantly in improving energy efficiency at our plants. Our actions have included upgrading ventilation, cooling, light and heat capture systems, which serve as a good basis for continuing to reduce GHG emissions. A continued focus on improvements, changing energy sources, logistics optimisation and electrification as well as material efficiency and product development are needed to achieve the targets.

Designing lighter packaging also plays a critical role in Walki's approach, as it directly contributes to a reduction in raw material acquisition and logistics emissions within our value chain. We are dedicated to developing solutions

that are as lightweight as possible while maintaining their functionality.

In relation to value chain emissions, collaboration with customers, suppliers and other partners is essential to achieve significant reductions. Walki is designating resources to further strengthen cooperation with key stakeholders.

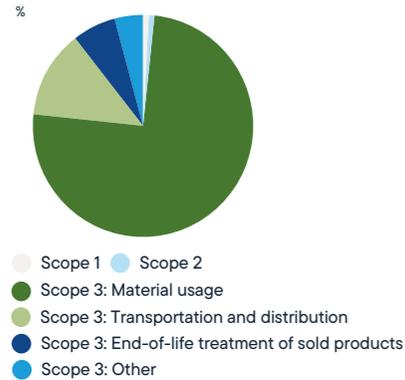
**Performance in 2024**

**Carbon footprint**

In line with Walki's sustainability agenda and roadmap, we continued our efforts to reduce GHG emissions both from our own operations (Scope 1 & 2) and in our value chain (Scope 3).

In 2024, Walki's total carbon footprint was 526,500 tCO<sub>2</sub>e with 1.1% resulting from direct emissions (Scope 1), 0.7% from indirect emissions related to purchased electricity, steam and heat (Scope 2), and the remaining 98.2% from value chain emissions (Scope 3). Within Scope 3, purchased goods and services (75%) and transportation

Walki's GHG emissions in 2024



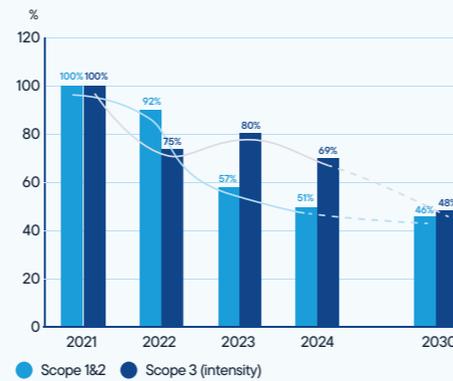
**WALKI'S TARGETS**

**WALKI'S GHG EMISSION TARGETS ARE VALIDATED BY THE SBTI.**

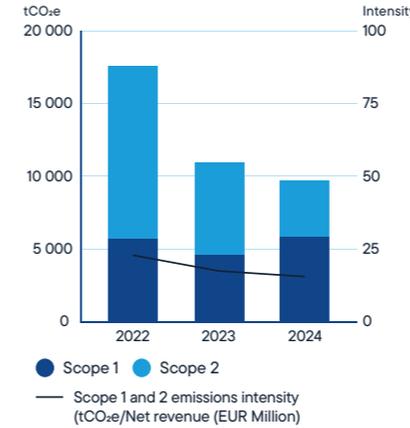
**BY 2030, WE REDUCE OUR GHG EMISSIONS FROM OUR 2021 BASELINE:**

- For Scope 1 and 2 emissions the target is a **54%** absolute reduction from the 2021 baseline
- For Scope 3 emissions the target is a **52%** reduction in greenhouse gas emissions per added value (emission intensity)

Progress towards Walki's GHG emission reduction targets



Walki's Scope 1 and 2 GHG emissions

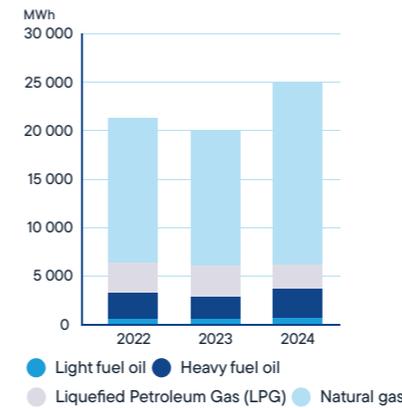


and distribution (13%) accounted for most emissions. Our efforts to reduce emissions are focused particularly on these emission categories.

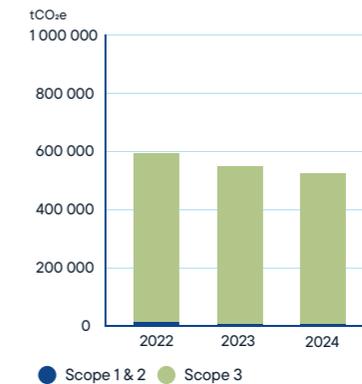
Walki's Scope 1 and 2 emissions amounted to 9,700 tCO<sub>2</sub>e in 2024, being 11% lower compared to 2023\*. Walki's Scope 1 and 2 emissions have continued to decrease, thanks to the energy efficiency improvements achieved and the increased share of non-fossil energy sources used.

Scope 3 emissions decreased by 4% from 538,400\* tCO<sub>2</sub>e in 2023 to 516,700 tCO<sub>2</sub>e in 2024. Scope 3 emission intensity (emissions per added value) decreased by 14% compared to 2023.

Direct energy consumption

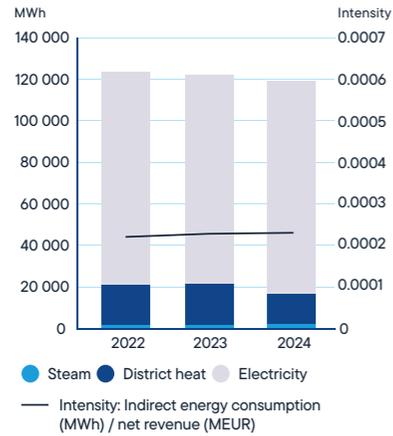


Walki's Scope 1 & 2 and 3 GHG emissions



\*The 2023 emissions have been updated to follow the SBTi guidance and to correct minor discrepancies identified. Minor modifications have been made to the Scope 1 and 2 calculations. Additionally, we have included all emission categories to the calculation, to align with the SBTi emission calculation standards.

Indirect energy consumption



In 2024, the share of renewable or non-fossil steam was 39%, district heat 62% and electricity 90%.

One of main improvement actions resulting in lower Scope 3 emissions was the sourcing of low CO<sub>2</sub> aluminium (read more in section Actions in 2024 and outlook in chapter Sustainable raw materials). We have also continued our efforts to improve the raw material related data quality by increasing the share of primary data (raw material specific emission factors) received from suppliers.

Energy use

In 2024, Walki's total direct energy consumption amounted to 25,000 MWh, signifying an increase of 13% from 2023. The 2023 data is corrected since last year's report from 19,900 MWh to 22,000 MWh. The increased energy consumption in 2024 was mainly due to increased production volumes.

Walki's indirect energy consumption, including electricity (86%), heat (12%), and steam (2%), amounted to 119 000 MWh in 2024. No significant changes in the total consumption occurred compared to 2023. The share of

renewable or non-fossil electricity increased from 90% to 96%. The total share of renewable or non-fossil energy including electricity, heat and steam increased from 85% to 92%.

Actions in 2024 and outlook

During 2024 we made further steps to achieve our GHG targets and align our actions with climate science. To reinforce our commitment, we submitted our short-term greenhouse gas reduction targets to the Science Based Targets Initiative (SBTi) for validation. The validation process by the SBTi was finalized in April 2025, which marks an important milestone in our sustainability journey.

Actions based on the scope 1+2 emission reduction plan

To achieve our Scope 1 and 2 reduction targets, we have improved our monthly energy reporting and created a Power BI dashboard to support management in following the energy consumption and emissions. Plants are also conducting continuous improvement projects targeting increased energy efficiency. The feasibility of additional energy efficiency and energy production investments in the scope 1+2 emission reduction plan are assessed regularly.

Scope 3 emission reduction plan

Sourcing of materials (Scope 3 Category 1, purchased goods and services) accounts for 75% of Walki's total emissions. During 2024 we created an emission reduction action plan focusing on raw material related emissions. The main actions in the plan include product and portfolio development and continuous cooperation with our suppliers to lower the raw material specific emissions. We have continued to make efforts to gather more accurate and reliable data for the emissions counting, and to collect more primary data from our raw material suppliers. With the varying readiness of the suppliers to provide data on the emissions covering the whole production chain, we



have reached a coverage around 65%. During 2025 we will continue our efforts in integrating carbon accounting of the purchased materials into our IT systems, resulting in more accurate view on the emissions. This will also support forecasting and viewing the carbon impact of strategic decisions.

Since 2023, Earthster, a Life Cycle Assessment (LCA) tool, has been used for our carbon footprint emission calculations for our products. The tool enables Walki to develop our products and prioritise ways to decrease emissions in order to offer our customers low-carbon solutions. In addition, we can respond to our customers'

growing need for product-related emissions data. By increasing the number of users of the tool in 2024, we have now been able to make the calculations more efficiently and faster. The tool is also used to make internal decisions and create scenarios to support the R&D department in product innovation development.

As in previous years, Walki has made targeted investments to improve energy efficiency and reduce the use of fossil-based energy across production plants to future-proof our operations. The investments done at our plant in Valkeakoski are delivering anticipated results and contributing to increased energy efficiency and reduced emissions. Similar type of energy efficiency investment is set to begin at the Pietarsaari plant. At our plant in Duffel, work began in 2024 to map out the possibility of installing solar panels.

Continuous improvement has always been integral to Walki. We set annual cost-saving targets and follow the improvement projects in a systematic way at each plant, which also supports our efforts to minimise waste and energy consumption.

Walki has set ambitious targets to reduce our own GHG emissions, and enabling our customers to reduce their climate footprint is another key objective. By increasing the share of fibre-based, renewable, and recycled materials, we are effectively reducing our Scope 3 emissions and transitioning towards a low-carbon product portfolio. A significant milestone in this journey was the launch of our new Walki®WICO<sub>2</sub> brand for insulation facings in 2024, which features a substantial reduction in embodied carbon compared to the market average.

**In addition to reducing our own emissions, Walki actively contributes to climate action by developing innovative material solutions that help customers lower their carbon footprint.**

**Case story: Reusing octabin boxes**

**THE CHALLENGE:** Walki is constantly striving to implement solutions that allow us to minimise our carbon footprint and support the circular economy. One of the actions we are taking as part of our sustainability agenda is to implement projects aimed at reusing packaging materials delivered with materials to our plants.

**THE SOLUTION:** In response to these challenges, a comprehensive project was implemented at the Murcia plant focusing on reusing cardboard octabin boxes provided with packaging materials to reduce the amount of new octabins needed for storing regranulated plastic.

After analysing the situation, collecting the data and involving the necessary people, the team realised that the supply of octabins received with packaging materials could fulfill the plant's demand for octabins used to store regranulate coming out of the recycling plant. The KPIs established as part of the project made it possible to track the progress in implementing the reuse of octabins previously treated as waste and savings achieved in this regard.

**THE OUTCOME:** By implementing the project to reuse cardboard delivered with packaging materials, the company reduced operational costs through effective management of materials and minimising the demand for new cardboard octabins, while also achieving a reduction in waste. This project is an excellent example of how a sustainable approach can bring environmental and operational benefits. In 2024 a total of 2 180 cardboard octabins were reused, resulting in considerable savings and reduced amount of waste.



**Case story: Small tweaks in facings for big impact**

**THE CHALLENGE:** Insulation facings are vital for maintaining a consistent temperature inside buildings, not only for tackling moist and mould but also to increase energy efficiency. Aluminium is a vital material in the facings as it combines several crucial properties like gas barrier, fire resistance and dimensional stability. The problem is that aluminium production is highly energy-intensive and generates significant emissions. Walki's R&D team wanted to find a way to lower the carbon footprint in its facings to help customers comply with EU's 2050 Green Deal Carbon Neutrality Targets, pushing construction companies to minimise the carbon emissions in buildings.



using the highest quality raw materials with the lowest possible carbon footprint.

**THE SOLUTION:** Walki's R&D, sustainability and sourcing teams joined forces to identify what tweaks to certain parameters in the facings could be made that would bring down the carbon footprint without compromising the functionality of the facings. The teams dug into the vast amount of data on the total greenhouse gas emissions that Walki has gathered from its whole supply chain and were able to uncover exactly where the most emissions are generated. By collaborating closely with raw material suppliers and with the Valkeakoski plant in Finland, where the testing of various low-carbon materials was done, the teams succeeded in finding an optimal combination

**THE OUTCOME:** The result is a long-lasting insulation facing that meets the highest functional standards while having an exceptionally low carbon footprint. The Walki®WICO<sub>2</sub> facing can reduce the carbon footprint of facings by more than 50% compared to the market average, from 800 gCO<sub>2</sub>e /m<sup>2</sup> to 360 gCO<sub>2</sub>e /m<sup>2</sup>\*. Thanks to the R&D effort, Walki can now offer a facing with exceptionally low embodied carbon while still maintaining all the functional features.

\*Based on general estimates. Actual results may vary based on specific applications.

**Case story: Less GHG emissions with Walki®Line Ultra Lite**

**THE CHALLENGE:** Corrugated cardboard is ideal to be used for packaging, shipping, and protecting goods due to its strength and lightweight nature. For certain type of applications like food and sensitive electronics, it's crucial to maintain the integrity of the packaging, especially in environments with high humidity or grease conditions. Especially for corrugated board boxes, good barrier properties are important for maintaining strength and stiffness to prevent potential box collapse. Traditionally, PET and PE have been used to add the needed barrier properties, but this raises the packaging's carbon footprint as the polymers are based on fossil fuels. The multi-material layer consisting of PE and PET also makes the package more difficult to recycle in the paper stream.

**THE OUTCOME:** Walki can help customers reduce their carbon footprint by offering a solution for corrugated board boxes with substantially less PE while still providing the needed barrier properties. This gives rise to less GHG emissions while simultaneously promoting the circularity as the corrugated board boxes can be fully recyclable in the paper stream.



**THE SOLUTION:** Walki developed the Walki®Line Ultra Lite where the PE layer that has traditionally been used, is replaced with glue. This reduces the share of PE while not compromising the functional properties of the corrugated cardboard box.

FOCUS AREA

# Zero-waste future

Walki is enhancing the recyclability of packaging and durability of engineered materials to minimise waste and promote circularity by investing in the development of pioneering solutions and innovations.



## Context

Transforming our product portfolio towards improved recyclability and circularity is one of Walki's main objectives. Our commitment to minimising waste extends across our entire value chain, from sourcing raw materials to manufacturing processes and end-of-life solutions.

In our consumer packaging solutions, Walki uses board or paper combined with various polymer coatings, occasionally incorporating aluminium for suitable barrier properties. These materials show a high level of recyclability, however, products with aluminium pose a challenge. Additionally, consumer packaging products include fully plastic-based products.

Walki's industrial packaging products primarily consist of different paper and paper laminates treated with both conventional plastic and biobased coatings. While these products have a high recyclability, recycling rates vary. Corrugated board products and reel packaging materials have the highest rates. In both industrial and consumer packaging, we are developing and promoting recyclable mono-materials to replace non-recyclable multi-material structures.

Our primary focus for engineered materials is to ensure functionality and durability. This category represents Walki's most complex products, often comprising multiple materials including fibre-based materials, aluminium foils, plastic films, glass fibre, and polymer-based nonwovens. Since our products are often integral components of larger end-products (such as insulation panels or automotive parts), their recyclability is contingent upon the recyclability and recycling rates of the end-products themselves.



**69% OF SOLD PACKAGING PRODUCTS IS RECYCLABLE OR COMPOSTABLE**

## Our approach

We design our products to contribute to a high level of good quality material recovery. Walki's aim is to ensure that our products can be efficiently recycled within existing material waste streams, including paper, plastic, and bio waste. If clear recycling paths or waste streams are missing or underdeveloped for certain products, we focus on enhancing product durability while actively contributing to the development of such recycling schemes.

Achieving a zero-waste future demands a significant transformation of the product portfolio and technology investments. Thanks to past and ongoing efforts, a lot has already been accomplished and a major share of Walki's products are recyclable. However, more needs to be done to transform products that are currently non-recyclable.

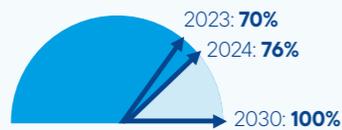
In the short term, Walki's focus for most of the products in the engineered materials segment is to enhance product durability and functionality. These products typically have a long lifetime spanning several decades with the main environmental impacts occurring during the use phase, such as energy efficiency in buildings. In the long term, areas requiring attention are design for recycling and the advancement of separation technologies and collection infrastructure for end-product components.

Compliance with the EU legislation on Packaging and Packaging Waste (PPWR) is an important part of Walki's strategic approach. With the publication of the PPWR framework legislation in January 2025, we also aligned our definitions for recyclability to be consistent with the PPWR approach in Design for Recycling (DfR) performance grades. The final assessment methods for recyclability will be specified only in the PPWR secondary legislation but we are already now estimating the PPWR aligned recyclability of our products based on the definitions in the framework legislation. We will also continue to focus on developing materials that aim higher than what is set out in current and upcoming regulation relating to what is considered as recyclable.

**WALKI'S TARGETS**

**Zero-waste future**

Share of recyclable, compostable, and/or durable products sold



**WALKI'S TARGETS**

**TO SET A CLEAR PATH TOWARDS A ZERO-WASTE FUTURE, WALKI SET A CONCRETE GROUP-WIDE TARGET FOR THE PRIORITY AREA IN 2022:**

- To ensure 100% of products durable, recyclable and/or compostable by 2030
  - For fibre-based product threshold for recyclable is **≥80%\*** paper content
  - For plastic based product threshold for recyclable is **≥80%\*** PE or PP mono materials or PO materials (mixed PE and PP)
  - For compostable materials alignment with the EN13423 requirements for packaging recoverable through composting and biodegradation defines the threshold for compostable
  - For steel and construction related materials the primary short term target is to further improve the durability and functionality of the products. Target is to increase also the share of recyclable products, but no specific threshold has yet been set.

\*During 2024, we re-reviewed our product portfolio assessment and adjusted our target to ≥80%, corresponding to the Design for Recycling performance grade B in the EU Packaging and Packaging Waste (PPWR) legislation.

Our approach is shaped by a deep commitment to minimising waste at every stage – from the efficient use of resources in our packaging solutions to the protection of goods that lead to reduced waste downstream. Through innovation, efficiency, and continued improvement, we are actively contributing to a future where waste is no longer a by-product of consumption but a challenge to be systematically addressed and eliminated.

**Performance in 2024**

Currently, 52% of Walki's whole product portfolio is recyclable, 4% is compostable, and 20% durable. Additionally, a plan to achieve recyclability has been formed for 11% of products.

Regarding Walki's packaging portfolio, 66% of the products are recyclable and 3% compostable. Furthermore, a plan to achieve recyclability has been formed for 17% of products.



**Through innovation, efficiency, and continued improvement, we are actively contributing to a future where waste is no longer a by-product of consumption but a challenge to be systematically addressed and eliminated.**

Walki's commercial organisation is working closely with our customers to encourage the transition to recyclable solutions. However, our ability to influence our customers' purchasing choices is ultimately limited, and various factors need to be considered in the decision-making process. Therefore, in addition to tracking the share of sold recyclable products, we also monitor the proportion of our product portfolio for which we have already developed recyclable solutions.

### Actions in 2024 and outlook

The year 2024 saw a continuation of our systematic review of product recyclability, a crucial process for identifying areas for improvement and innovation within our product portfolio. Our focus has been on developing recyclable solutions, particularly mono-material plastic and fibre-based packaging products that target the highest levels of fibre recycling. At our Steinfurt plant, we modified one of our production lines to incorporate dispersion coating technology, enhancing our capability to improve product recyclability. In previous years, Walki has made other significant investments enabling the production of recyclable packaging materials, including the dispersion technology investment in Valkeakoski and MDO-PE technology (producing mono polyethylene solutions) in Murcia.

In 2024, we introduced a heat-sealable version of Walki®Natur, a fibrebased packaging solution coated with natural polymers. Natural polymers are made by nature, unlike traditional coating materials that contain polymers from fossil resources or man-made bio polymers. Natural polymers used in Walki®Natur are biodegradable and derived from plants or food industry side streams. Additionally, Walki®Natur packaging can be recycled in existing fibre waste streams but does degrade naturally if not disposed of properly, making it a superior, more sustainable alternative to traditional non-recyclable packaging. (See case story Natural polymer in chapter Sustainable raw materials)



In 2024, we also established a recyclability assessment lab at our Pietarsaari plant, which will further help our R&D teams to continue developing even more sustainable solutions and cater to the information needs of our customers.

Regarding the zero-waste target, in 2025, our R&D efforts will be focusing on the development of recyclable sealable solutions with low, medium or high barrier properties, recyclable film solutions with medium or high barrier properties, recyclable rigid fibre solutions and sustainable corrugated and solid board solutions.

**Case story: Bioska Tray**

**THE CHALLENGE:** Food trays are popular when it comes to take away food. The go-to material for these trays has traditionally been conventional plastics. Since it may take hundreds of years for these solutions to decompose – leading to plastic pollution – there has been a need to find a more sustainable solution that takes the world closer to a zero-waste future. Fibre has emerged as a sustainable option, but there is still a need for a film to maintain the necessary barrier properties. Disposable food trays are particularly difficult to be made recyclable, as the trays are often contaminated with food residues like grease and sauces.



**THE SOLUTION:** Walki has developed the Bioska 506 lamination film, which is suitable for fibre-based food trays. It fully complies with the European compostability standard EN 13432, ensuring that the materials break down into carbon dioxide, water, and humus without leaving harmful microplastics or toxins in the soil. The Bioska 506 lamination film provides a good protective barrier that improves the tray’s durability and performance, making it ideal for various food service settings such as restaurants, canteens, fast food outlets and food trucks. Laminating with Bioska 506 ensures the tray retains its compostable properties while offering excellent resistance to grease and moisture. It is also suitable for trays that may be heated to a specific degree, offering both versatility and reliability in modern food service applications.

**THE OUTCOME:** Walki can offer a compostable film solution for the takeaway food tray segment that is easy to recycle in the well-established organic waste stream, leading to less plastics waste. By reducing reliance on single-use plastics and promoting compostability, Bioska plays a vital role in advancing the circular economy, helping minimise packaging waste and offering businesses a responsible packaging solution.

**Case story: Intensifying circularity for plastics**

**THE CHALLENGE:** The recycling infrastructure for plastics is not as advanced as that for fibre. A common challenge is that plastic materials often consist of multiple layers of different types of plastic to achieve the necessary barrier properties. This complexity makes recycling more difficult, as the layers must be separated at recycling facilities.

For certain demanding applications, such as packaging for sensitive food products that require high barrier properties, there has been a growing need for innovative films that are easier to recycle within the plastics stream.

**THE SOLUTION:** Walki developed Lamibel®MDO-PE Laminate Barrier, a mono-material film that combines functionality with recyclability in the plastics stream. With over 95% of its structure made from a single polymer—polyethylene (PE) – it can be easily recycled without requiring layer separation.

The laminate plays a crucial role in extending the shelf life of sensitive food products by providing oxygen protection, preserving freshness and quality. It is the first of its kind to receive approval from RecyClass, a non-profit, cross-industry initiative that sets recyclability standards to drive the transition toward a circular plastics economy.

RecyClass assesses the recyclability of packaging materials based on the compatibility of their components and their behaviour in sorting and recycling processes, using a series of standardized testing methods.

**THE OUTCOME:** With Lamibel®MDO-PE Laminate Barrier, Walki offers customers a PE film that provides superior protection against gases, moisture, water vapour, and other elements that can compromise perishable food and sensitive products like nuts, cereals and sweets. Having passed the rigorous RecyClass Recyclability Assessment Protocol for PE films, Lamibel®MDO-PE Laminate Barrier is proven to be recyclable within Europe’s flexible polyethylene (PE) recycling stream. This helps customers comply with regulations and contribute to increased circularity in plastics.



# Employees

Walki ensures the future of its operations and maximises its positive impact on society and the environment by investing in the well-being and safety of employees.

## Context

Walki's success is powered by our dedicated and talented team members. They represent our values and play a crucial role in shaping the company's culture, advancing our sustainability efforts, and fostering innovation. To realise our sustainability vision, we aim to cultivate a work environment where employees feel motivated and engaged. As an employer, our primary responsibility is to ensure the well-being and safety of our team.

Our ways of working and decision-making are guided by Walki's values: integrity, initiative, and commitment. We seek to ensure that our everyday actions reflect our values. We are targeting to continuously develop our employee experience, leadership skills, and processes for onboarding new employees.

## Our approach

Walki is committed to providing equal opportunities and treating all employees with fairness and respect. We prioritise understanding our employees' perspectives and continuously enhancing our performance as an employer. Our goal is to create a work environment where our team members can thrive.

Our principles are outlined in the Walki Code of Conduct, which incorporates respect for human and labour rights. We do not tolerate discrimination, harassment, bullying, or any other form of inappropriate behaviour within our organization. Our employees are actively engaged in

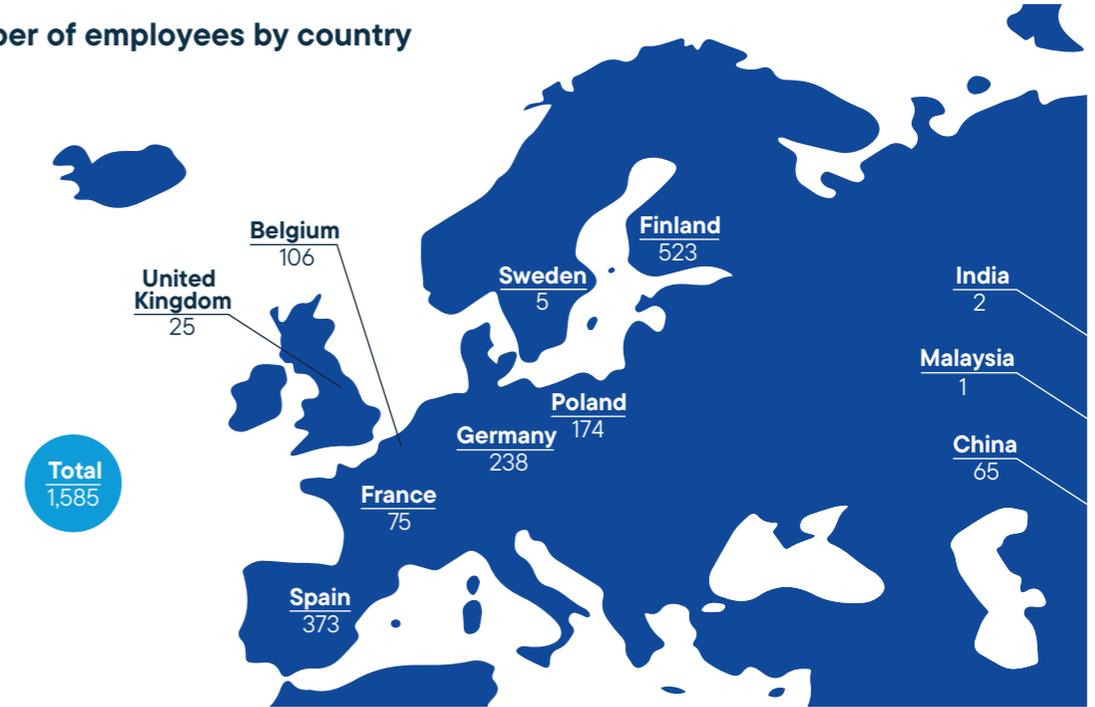
upholding our values.

We gather employees' input and feedback through regular surveys, aiming to provide a clear communication channel for them to express their opinions and views on Walki, our work, the workplace community, and leadership. The insights from these surveys are analysed to identify key areas for improvement at the Walki Group level. Furthermore, each team reviews the findings and develops action plans for implementation.

In addition to our regular employee surveys, we foster ongoing engagement with our employees through various means, including team and individual discussions, safety committees, work council meetings, company-wide intersectional information sessions and online communication platforms like our intranet. Walki's employees have the possibility of raising concerns anonymously through local work councils, or in cases of suspected or detected misconduct, through our Whistleblowing channel (read more in chapter Business ethics and human rights, section Our approach).

Our goal is to build lasting, long-term working relationships where employees feel empowered to contribute to Walki's mission and develop their professional skills and expertise. We conduct annual Personal Development Discussions (PDDs) to assess individual performance, identify development needs and desires, and importantly, boost motivation and

## Number of employees by country



engagement among our employees. The PDD process also serves to ensure equal treatment of employees and provides opportunities for career growth.

## Performance in 2024

In 2024, Walki's workforce comprised 1,585 employees across our sites. The number of employees has remained on roughly the same level with only a 0.8% decrease in employees overall compared to 2023. Note that these employee numbers exclude long-term leave personnel.

Throughout the year, a total of 317 individuals concluded their employment at Walki. The main reasons included the end of a temporary employment contract (48%), own

request (24%), collective redundancy (12%), and dismissal (8%). The total turnover in 2024 including all reasons for termination was 19.2%. The endings of temporary employments constituted almost half of the turnover (48%). Voluntary turnover in 2024 was 4.6%.

In 2024, Walki employed 201 temporary staff members, constituting approximately 12.7% of our workforce. This marks a slight increase compared to the previous year, as production workforce adjustments to major changes in the market situation are made using temporary workforce and in 2024, the need for additional workforce was higher than in 2023. All Walki's employees have the right to freedom of association and collective bargaining. In Belgium, Finland,



Germany, UK, Spain, and France the majority of Walki employees are covered by collective agreements.

In 2024, there were 25 outsourced employees, maintenance employees and project workers supporting the group ERP project.

In relation to our PDD process, there was an increase in the number of employees participating compared to 2023. 53% of white-collar employees and senior management had PDDs in 2024, while roughly 8% of

blue-collar employees took part in the process. We can still identify a challenge in finding time for large teams in production to organise discussions. We continue to put efforts to ensure that all Walki employees would have a chance to have a regular Personal Development Discussion with their supervisor.

**Actions in 2024 and outlook**

In 2024, Walki continued to bring the leadership training program, started in 2023, to a close. It was tailored to each site's specific needs, with a focus on enhancing

leadership and management skills. In 2024, the training target group consisted of new leaders in Walki and selected leaders in international roles.

As part of our continuous efforts to create better leaders and supporting leadership at Walki, we organised workshops aimed at developing the facilitation skills of Walki's HR team. The sessions included facilitation methods, developing work community functionality, and managing one's own work. The focus of the trainings was to increase Walki HR team capabilities to support and train Walki leaders locally both in these topics as well as any upcoming processes or other HR-related themes.

As one of our goals for year 2024, we wanted to start creating an online handbook for people leaders offering best practices and guidelines for daily management. The handbook will be designed to evolve with the changing landscape of leadership, ensuring it remains a relevant and valuable resource. Even though no trainings were published yet in 2024, several were planned and developed during the course of 2024. The first ones will be published in the first half of 2025 while we strive to develop more much needed support material for our people leaders.

Our annual employee survey was conducted late 2024 after missing one year in between. The survey period ended in December and the results were published in the beginning of 2025. We want to make sure that our employees are heard and therefore in 2025 we will be putting more emphasis on the process of handling the results of the employee survey. The development action planning process is implemented in all levels from each individual team to group level activities.

In 2024, we started preparations for the EU pay transparency directive and the work continues in 2025. We want to ensure that our compensation levels are fair



**Our goal is to create a work environment where our team members can thrive.**

**Number of employees by contract type**

	2022	2023*	2024
Number of employees with permanent contract	1,249 (84.2%)	1,432 (89.7%)	1384 (87.3 %)
Number of employees with temporary contract	235 (15.8%)	165 (10.3%)	201 (12.7 %)
Number of full-time employees	1,421 (95.8%)	1,515 (94.9%)	1493 (94.2 %)
Number of part-time employees	63 (4.2%)	82 (5.1%)	92 (5.8 %)
<b>Total</b>	<b>1,484</b>	<b>1,597</b>	<b>1,585</b>

**Number of employees by age and gender**

	2022	2023*	2024	2024	Blue-collar employees	White-collar employees	All
<b>Age</b>				<b>Age</b>			
Under 30	185 (12.5%)	198 (12.40%)	199 (12.56 %)	Under 30	116 (11.2 %)	83 (15.2 %)	199 (12.56 %)
30 to 50	807 (54.4%)	902 (56.48%)	866 (54.64 %)	30 to 50	578 (55.6 %)	288 (52.7 %)	866 (54.64 %)
Over 50	492 (33.2%)	497 (31.12%)	520 (32.81 %)	Over 50	345 (33.2 %)	175 (32.1 %)	520 (32.81 %)
<b>Gender</b>				<b>Gender</b>			
Male	1,172 (78.9%)	1241 (77.71%)	1231 (77.67 %)	Male	904 (87.0 %)	327 (59.9 %)	1231 (77.67 %)
Female	312 (21.0%)	356 (22.29%)	354 (22.33 %)	Female	135 (13.0 %)	219 (40.1 %)	354 (22.33 %)
<b>Total</b>	<b>1,484</b>	<b>1,597</b>	<b>1,585</b>	<b>Total</b>	<b>1,039</b>	<b>546</b>	<b>1,585</b>

\*In 2023, Walki's sales offices have been included in total amount of employees. These were excluded in previous reporting.

**Diversity in the Group Executive Team**

	2023	2024
Male	8 (88.9%)	9 (90.0%)
Female	1 (11.1%)	1 (10.0%)
Under 30	0 (0%)	0 (0%)
30 to 50	3 (33.3%)	1 (10.0%)
Over 50	6 (66.7%)	9 (90.0%)
<b>Total</b>	<b>9</b>	<b>10</b>



**To raise awareness of the environment, promote sustainability and engage employees across Walki plants, the first Walki Environmental Day was organised on the 5th of June 2024, the same day as the World Environment Day organised by the UN Environment Programme.**

and equal to all Walki employees and therefore we do not aim to reach only minimum requirements but also to clarify our compensation policy.

To meet the increased requirements for employee reporting and to ensure better personnel data quality and to also prepare for any future reporting needs, we implemented a comprehensive data structure reformation in our HR information system. The renewed data structure will also enable more interphases to and from the HR system to streamline our activities.

To raise awareness of the environment, promote sustainability and engage employees across Walki plants, the first Walki Environmental Day was organised on the 5th of June 2024, the same day as the World Environment Day organised by the UN Environment Programme. The Walki Environmental Day was an opportunity for our employees to participate in team-building activities focused on fostering community engagement with environmentally related practices. These activities included planting trees, picking up trash around plant locations, joint bike rides, and setting up bird nests. Sustainability is a core element in Walki's strategy, and it should therefore also be a part of our company culture and employee mindset. The event will be organised annually to continue driving positive change and empowering employees.

# Health and safety

Walki ensures and prioritises the health and safety of its employees through strong policies and processes as well as continuous employee engagement and leadership initiatives.

## Context

With over 1,500 employees in our organisation, continuous efforts to build awareness and competence are essential for preventing accidents and improving safety at Walki. Our long-term goal has been to have zero accidents at our sites globally.

## Our approach

At Walki, we are dedicated to ensuring the health and safety of our employees and partners. We encourage every team member to take proactive measures and prioritize safety in everything they do.

## Our Safety Principles

We are strongly committed to the three safety principles that guide our day-to-day operations:

1. Say NO to accidents
2. Safety starts with me
3. Think before doing

## Health and Safety Policy

Walki's Health and Safety Policy provides a framework for creating a safe working environment. We have internal safety standards and guidelines that outline the processes and practices to prevent accidents and work-related injuries or illnesses.

## Employee Engagement

At each production plant, we engage employees towards higher safety performance by participating in monthly safety trainings and meetings. These trainings aim to increase awareness, strengthen safety culture, and highlight risk mitigation strategies. All employees receive online training on our safety rules.

Everyone at Walki plays an important role in developing our health and safety management. We engage with employees regularly on health and safety matters, encouraging them to share best practices and report potential risks or hazards. Employees can use our web-based safety reporting system via a mobile application.

## Open Dialogue and Information Sharing

Encouraging open dialogue regarding safety is key to mitigating risks and ensuring safe working practices. We ensure that safety information is shared regularly across Walki sites. All accidents are reported to all plants with descriptions of root causes and countermeasures to facilitate learning and improvement. Our safety officers frequently meet to share information and discuss safety initiatives.

## Leadership Commitment

Our strong commitment to health and safety starts with Walki's leadership. At each monthly Group Executive Team and management meeting, health and safety performance



is reviewed and development needs are discussed. Local health and safety teams and committees at each plant oversee the implementation of their action plans, including execution. The 'Say NO to accidents' steering committee oversees the implementation of Walki's safety principles across the Group.

## Partner and Supplier Safety

Walki ensures that safety is a priority for our partners as well. All suppliers must commit to our Supplier Code of Conduct, which outlines our expectations regarding health and safety standards. With new acquisitions, health and safety is one of the first areas we focus on.

## Certification and Continuous Improvement

Our commitment to high standards and continuous improvement of health and safety practices is demonstrated by externally verified management systems. Ten of our plants have achieved ISO 45001 certification.

**Learning from accidents**

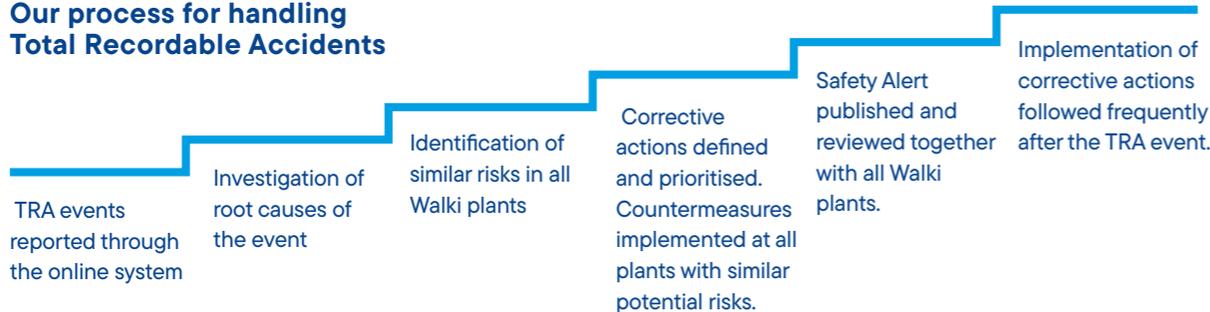
We prioritise safety and strive to minimise accidents in the workplace. When a Total Recordable Accident (TRA) occurs, we follow a comprehensive process to ensure proper handling and prevention of future accidents.

1. **Immediate Response:** As soon as an accident is reported, our first priority is to provide immediate attention to the affected individual(s). We ensure that they receive the necessary care and support. This is done to reduce the impact of the accident.
2. **Incident Reporting:** The accident is promptly documented using our standardised reporting system. This includes detailed information about the incident, such as the time, location, individuals involved, and a description of what happened.
3. **Investigation:** A thorough investigation is conducted to determine the root cause of the accident. This involves gathering evidence, interviewing witnesses, and analysing the circumstances leading up to the incident.
4. **Analysis and Review:** The findings from the investigation are reviewed by all plants. We analyse the

data to identify any patterns or recurring issues that need to be addressed.

5. **Corrective Actions:** Based on the investigation and analysis, we implement corrective actions to prevent similar accidents in the future. This may include changes to procedures, additional training, or modifications to equipment. Corrective actions are done in all plants.
6. **Communication:** We ensure that all employees are informed about the accident and the steps being taken to prevent future occurrences. This helps to raise awareness and reinforce our commitment to safety. This is done by sharing Safety Alerts.
7. **Follow-Up:** We monitor the effectiveness of the corrective actions and make adjustments as necessary. Regular follow-ups ensure that the measures put in place are working as intended.
8. **Continuous Improvement:** Our process for handling TRAs is continuously reviewed and improved. We strive to learn from each incident and enhance our safety protocols to create a safer work environment for everyone.

**Our process for handling Total Recordable Accidents**



**Targets**

**Walki’s main health and safety targets for 2024**

Metric	Target 2024
Number of lost time accidents (LTA)	0
Lost time injury frequency rate (LTIFR)	<3.6
Number of Total recordable incidents (TRI)	<7.6
Absenteeism	<3%

**Safety Initiatives**

Identifying health and safety risks and preventing accidents is critical for creating a safe working environment. We actively work on various initiatives to improve our safety performance:

- Task Force Group: Focuses on reducing accidents related to fingers and walking. All plants participate in this cross-functional task force to find best practices and improvement ideas.
- Major Risk Group: Continues to identify and mitigate major risks in the plants. The first activity was to create more transparency in our risk assessments and highlight major risks.
- Safety Assessments: Conducted 4–6 times a year, with the target to assess each plant every two years.
- Risk Assessments: Regular risk assessments are conducted at all plants to identify hazards and assess risks systematically.
- Safety Walks: Regular safety walks are conducted by the Group Executive Team, managers, and employees to engage employees and encourage good safety practices.

- Safety Observations: All employees make safety observations at Walki’s production plants and offices. Corrective and preventive actions are completed within three months of observation. We aim to receive at least two reports per employee each year. Our Best Safety Observation contest, held four times a year, highlights the importance of quality observations and addresses unidentified risks early on.

Walki has also set targets for various leading indicators to enhance safety performance. These indicators include:

- Number of safety assessments
- Executing corrective countermeasures after a total recordable accident
- Safety observations
- Safety Walks

Additionally, there is a target for all employees to attend safety trainings during the year. The results of these initiatives are closely monitored and discussed among the Group Executive Team and plant management teams.

**Performance in 2024**

Walki's safety performance improved in 2024. The number of lost time accidents decreased, reaching the target for LTIFR. The lost days also decreased, although five accidents caused absences, resulting in employees being unable to work for over 30 days. No life-altering accidents occurred in 2024. The number of total recordable accidents also decreased.

Employees have been very focused on reporting safety observations, and the cumulative number year-to-date was over 30% higher than the previous year.

**Encouraging open dialogue regarding safety is key to mitigating risks and ensuring safe working practices**

**Work-related injuries**

	2022	2023	2024
Number of Lost Time Accidents (LTA)	15	14	9
Number of lost days	904.5	813.69	387.31
Lost Time Injury Frequency Rate (LTIFR)	5.94	5.2	3.2
Absences due to illness (%)	4.24	4.15	4.3
Absences due to accidents at work (%)	0.25	0.21	0.09
Number of fatalities	0	0	0

**Safety observations**

	2022	2023	2024
Number of near misses and safety observations	2,996	3,429	4,563
Number of safety reports per 100 persons	197	210	292



**Actions in 2024 and outlook**

The main actions for 2024 included several key initiatives aimed at enhancing safety performance and culture at Walki. Safety observations and Safety Walks continued throughout the year, ensuring ongoing vigilance and engagement in safety practices. Two awareness campaigns were arranged to further educate employees on critical safety issues.

The Task Force Group created more guidelines and defined processes to standardise safety measures across all plants. Meanwhile, the Major Risk Group continued to assess major risks, developing effective countermeasures and safety investments.

Additionally, onboarding training for key managers was initiated, ensuring that new leaders are well-equipped with the knowledge and skills to uphold and promote Walki's safety standards.

Walki will continue to actively improve safety performance. Safety priorities have been set for 2025, and safety action plans have been developed for group activities and all plants.

#### Strengthening Safety Culture

Continuing our ongoing work to strengthen our safety culture, we will carry out an awareness campaign in 2025. Focused on protecting fingers and preventing walking-related accidents, the campaign aims to raise awareness among employees and minimise risks by sharing best practices.

#### Task Force and Major Risk Groups

Task Force Group: Will continue to develop guidelines for actions to be implemented and followed up at all our plants.

Major Risk Group: Will continue to identify major risks in the plants and create effective countermeasures and safety investments.

#### Leadership and Training

We will also improve leadership, further develop health and safety standards and policies, and run effective trainings. Onboarding training for new key managers will be arranged at the group level, and a training program for line managers will be designed and implemented. All Safety Walk leaders will be trained during the year. Engaging our employees and improving communication are key for raising awareness and mitigating risks.

#### Plant-Based Priorities

Priorities are set for each plant based on the safety assessments conducted. As a result, carefully defined and specific action plans will be prepared and executed during the year.



# Business ethics and human rights

Walki takes responsibility for the people it impacts across its global value chain by maintaining strong processes and policies that increase transparency, ensure compliance, and ultimately promote health, safety, and well-being.

## Context

Walki operates globally with production plants and offices in 11 countries, supported by an extensive network of customers, suppliers, and partners. As we navigate the complexities of an ever-evolving business landscape, our unwavering commitment to socially responsible and ethical practices remains paramount. We respect human and labour rights throughout our value chain, ensuring that our values steer our business conduct and influence our daily operations.

Our Code of Conduct and Supplier Code of Conduct outline our expectations regarding business ethics and human rights, and we expect all our employees and business partners to uphold our commitment. The laws and regulations in each country where we operate serve as the foundation for all our practices.

As Walki's global operations continue to expand, we face heightened exposure to compliance risks. To address this, we are actively enhancing our policies and processes to ensure responsible practices throughout the organization. Additionally, we are making extra efforts to prepare for increasingly stringent regulations.

## Our approach

Walki's Code of Conduct defines our ethical principles and guides interaction with stakeholders, society, and surrounding communities. Human rights and ethical business practices are a fundamental part of the Code of Conduct and associated trainings. Comprehensive guidance and regulations addressing bribery, anti-corruption, human rights, and labour rights are outlined.

Our objective is to ensure that all employees undergo the mandatory Code of Conduct training. An e-learning training module is completed through Walki Academy, a digital learning environment. In our supply chain, we seek to outline our approach to these topics through our Supplier Code of Conduct (read more in the next chapter Responsible value chain, section Our approach).

In addition to the Code of Conduct, we steer our decision-making and employees' actions by providing clear guidelines through our Anti-Corruption and Bribery Policy, Sanction Compliance Policy, and Business Partners Selection Guidelines. The trainings related to our Sanction Compliance Policy and Business Partners Selection Guidelines are mandatory for Walki personnel who have direct contact with external partners, such as our sales and procurement teams.



In addition to Anti-corruption and Bribery, we have also developed a comprehensive e-learning module on Competition Law. This training is part of our developed processes to raise awareness and adherence to ethical principles and codes of conduct within the organisation.

## Identifying risks related to human rights and business ethics

Internal audits play an important role in Walki's efforts to address human rights and business ethics issues across our operations. Our target is to conduct internal audits at five plants annually with reports from each, along with proposals for actions, reviewed and approved by the Group Executive Team. A plant visit is organised as

part of the full-scale audits to ensure that local laws and regulations are followed, and compulsory trainings related to Walki's policies are completed. Some of the audits are focused on Walki's processes and cover several Walki companies related to them.

Walki maintains close collaboration with local labour unions and work councils. Our aim is to ensure working environments where all employees are treated fairly and engaged in decision-making. In each country that we operate in, we strive to foster an open dialogue with employees. For more information on policies and processes related to employees see section Employees.

Performance 2024

Compliance trainings, incidents and internal audits

	2022	2023	2024
Number of internal audits completed at Walki sites	2	2	5
Code of Conduct Training (%)	81.9	87.9	86.5
Anti-corruption and bribery training* (%)	65.8	62.5	67.2
Business partner guidelines & sanctions policy training* (%)	73.5	74.4	67.6
Number of anti-corruption and bribery incidents	0	1	0
Number of reports made to the Whistleblowing channel	0	5	3

\*only white-collar employees

Reporting and investigating suspected misconduct

Walki is committed to thoroughly investigating all complaints and reports of misconduct or unethical behaviour. We encourage all employees to report any suspected or observed grievances or violations. This can be done anonymously through our Whistleblowing channel, accessible via our website or intranet, where instructions and policy descriptions are provided. To ensure anonymity the channel is managed by an external partner. All reports are handled by the Corporate Responsibility Committee.

In 2024, three reports were made through Walki’s external Whistleblowing channel. Two of the reports were HR-related, regarding the same matter and likely made by the same person. The subject of the third report was related to internal processes and compliance with internal policies in relation to them. No material misconduct was found as a result of the investigations in either case.

Walki has a clear process also for investigating and handling any grievances related to suppliers, subcontractors, or customers. Following a reported grievance, the continuation of the business relationship is assessed after an internal investigation and the final decision is made by the Corporate Responsibility Committee, Executive Vice President in charge and the CEO (Read more about policies related to the supply chain in chapter Responsible value chain). When initiating new business relationships, potential partners are always assessed as defined in the Business Partner selection guidelines. Partners are assessed for example against the applicable sanctions lists defined in the sanctions compliance policy.

Targets

Our target is to complete a thorough training of all employees in our Code of Conduct. This training is critical in ensuring that our team members understand and can implement the guidelines that dictate ethical practices across our operations.



Actions in 2024 and outlook

The new Group Compliance Officer recruited late in 2023 started reviewing and renewing the compliance processes and documentation in 2024 while also integrating policies and guidelines of Walki’s new owner, the OJI Group into Walki Group. The year also saw the completion of five internal audits. The audits were performed as in-person visits and Teams meetings. Minor areas for improvement were identified, particularly in relation to internal communication. A need for refresher training of Walki policies and guidelines was also identified.

Looking ahead to 2025, concerted efforts will continue to be directed towards reinforcing the role of local compliance teams at each of Walki’s plants. The aim is to empower local teams to manage compliance issues more effectively, ensuring that our high standards for ethical behaviour are upheld consistently across the company.

# Responsible value chain

Walki ensures a responsible supply chain and advances the transition to a circular, low-carbon future by strengthening communication and building shared capabilities.

## Context

Walki has established a robust supplier network that allows us to meet our customers' needs while adhering to our social and environmental sustainability requirements. We strive to foster positive change throughout our supply chain by collaborating closely with our suppliers to achieve even higher sustainability standards.

In 2024, Walki's sourcing has been significantly influenced by the prevailing geopolitical tensions. These tensions have not only impacted global sourcing strategies, but have necessitated longer freight journeys, thereby introducing additional complexities to our logistics and supply chain management. Recognising these challenges, Walki has continued to dedicate extra efforts to prepare for uncertainties, ensuring that our supply chain remains resilient.

GHG emissions reductions and the sourcing of sustainable materials continues to be in the focus of supply chain management (see chapters Sustainable raw materials and GHG emission reductions ). In addition, we are committed to ensuring that our standards for health and safety, human rights and business ethics are upheld (read more in chapter Business ethics and human rights).

## Our approach

Walki's supplier network is managed by our centralised strategic sourcing organisation. The team is responsible for supplier selection, the evaluation of their responsibility practices and the development of sustainability requirements related to sourcing.

We seek to improve our understanding of the potential environmental and social impacts within our global supply chain. Even though it is challenging, improving transparency further along the value chain is critical for the mitigation of risks. Walki has made significant efforts to gain more insight into suppliers' sustainability performance and increasing transparency to respond to stakeholders' growing demands related to supply chain responsibility.

Walki's procurement process is also affected by tightening regulation in the EU and we are actively adapting to the changing requirements. We engage with suppliers that maintain established systems for environmental care, quality assurance, and occupational health and safety management. Requiring certificates, such as ISO 14001 and ISO 9001, is important for maintaining and improving performance. On occasions where certified quality management systems are not available, we utilise alternative quality assurance measures.

## Engaging with our suppliers

Our aim is that all suppliers commit to Walki's Supplier Code of Conduct, which lays out the minimum standards that we expect from them. It encompasses compliance with laws and regulations, bribery and anti-corruption, business ethics, labour and human rights, discrimination, health and safety, and the environment. If suppliers adhere to their own code of conduct, we investigate and confirm whether it is aligned with Walki's standards.

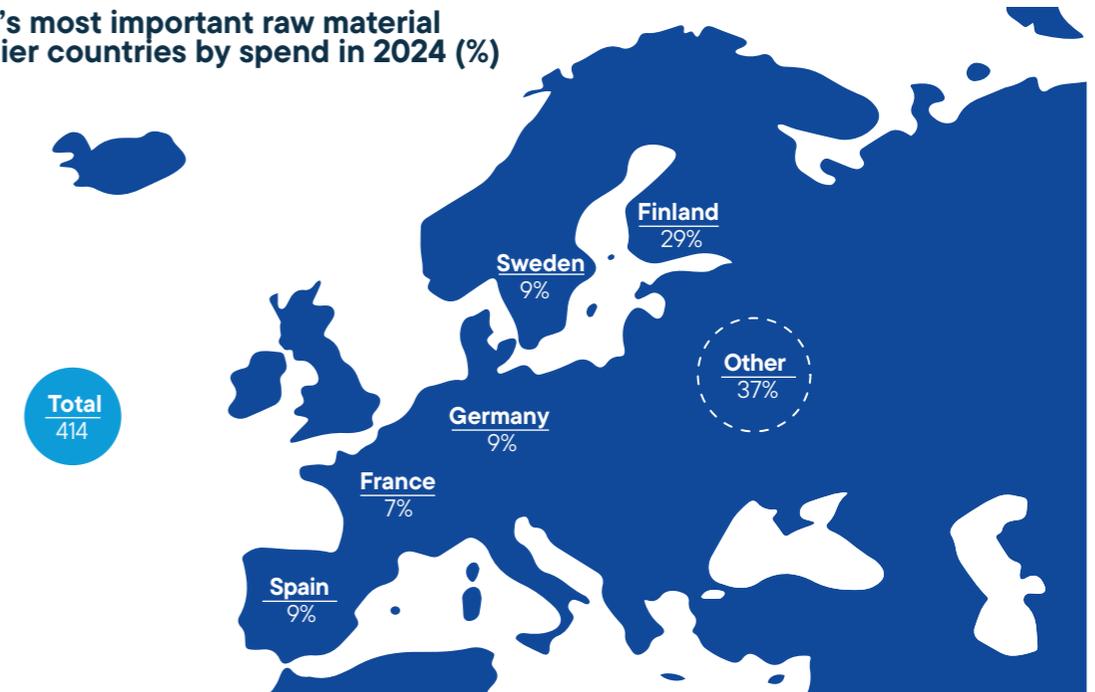
Our suppliers are also guided by the Supplier Handbook, which sets the compliance requirements they need to

fulfil. In the handbook, we outline the certificates that are required from suppliers, which vary depending on the type of raw material or other goods supplied to Walki.

## Assessing sustainability risks in our supply chain

We have clear policies and processes to ensure that Walki's sustainability standards are upheld by our suppliers. New suppliers undergo a comprehensive ESG evaluation process, including risk evaluation and an ESG audit conducted by an external partner. We particularly focus on auditing suppliers operating outside of the EU.

Walki's most important raw material supplier countries by spend in 2024 (%)



Should a supplier be deemed risk-prone, further assessment by the external partner is undertaken. Our goal remains that all new suppliers undergo screening and sign Walki's Supplier Code of Conduct.

Self-evaluation questionnaires, a self-evaluation tool and site audits for partners are also included in our approach for assessing the suppliers. Evaluations include various aspects related to suppliers' performance, including ESG topics.

### Actions in 2024 and outlook

During 2024, we have further developed the Supplier Handbook to align minimum environmental requirements with the sustainability targets we set in 2022 (see chapter Sustainability focus areas). We have added measures to collect standardised cradle-to-gate CO<sub>2</sub> footprint results for direct raw materials from our suppliers by adding it as mandatory requirement in our Supplier Handbook. Additionally, Walki Supplier Handbook requires all raw material suppliers to set targets with a related roadmap to reduce GHG emissions, preferably validated by the SBTi.

## Performance in 2024

### Walki's suppliers

	2022	2023	2024
Number of suppliers	375	348	414
Number of main suppliers (purchase more than 1 MEUR)	81	61	66
Share of suppliers in risk prone countries (%)	14	14	16
Share of new suppliers that have signed or been reviewed to be consistent with supplier code of conduct (%)	92	90	86
Share of all suppliers that have signed or been reviewed to be consistent with supplier code of conduct (%)	65	66	65
Number of raw material suppliers that do not have a certified quality management system in place	31	27	28
Number of suppliers evaluated	10	23	34
Suppliers' average score*	70	76	70
Number of suppliers audited	3	8	45**
Share of supplier contracting (%)	7	9	4

\*Scale 1-100

\*\*Both the "full audits" (audits done on-site) and "limited audits" (questionnaire and possible follow ups) are included in this figure.

This requirement will take effect during the year 2025 and 2026. Sustainability targets have an important impact on our selection criteria for suppliers.

We have continued to focus on shifting from local to centralised purchasing practices across Walki Group, and as part of this, established a new Transportation & Logistics Category within the Walki Group sourcing organisation. The path to reducing GHG emissions from our logistics operations is twofold: improving data analysis and optimising freight operations. One part of the journey has been to implement a digital solution for managing the transport order booking process. This enables us to gain a deeper understanding of our logistics network, identifying opportunities for streamlining routes and reducing unnecessary transport stages. This approach will help us to optimise freight operations, leading to a decrease in both GHG emissions and logistics-related costs. We aim to continue streamlining our sourcing processes, bringing a more cohesive and efficient approach to procurement across the Group.

In 2024, 34 suppliers were evaluated using our internal tool and the average score was 70 (on a scale of 1-100), and 45 Walki suppliers were audited. We have continued our close collaboration with our suppliers. We are aiming for collaborative efforts and to gain deeper insights into our suppliers' sustainability agendas, targets and roadmaps.

During 2025, one of the focus areas in supplier engagement will be GHG emission reduction. We are currently analysing the GHG emission data provided by our raw material suppliers, working together with our suppliers to increase the coverage and quality of product level data and developing our supplier selection and assessment criteria related to GHG emission levels and data availability. As part of this, during 2025, Walki is putting effort to formulate its category specific

responsible raw material sourcing roadmap for the timeline of 2026-2030.

Another focus point for Walki during 2025 will be to continue reinforcing of our supplier self-assessment process. Our goal is to engage with all major suppliers through this process, gathering insights that will influence our procurement strategies and supply chain decisions. By doing so, we aim to ensure that our suppliers align with our sustainability standards and commitments.

## Case story: Implementing a Digital Transportation Management System

### THE CHALLENGE:

Managing outbound transportation efficiently is a significant challenge for companies striving to optimise logistics. Traditional transportation booking processes often involve manual coordination, leading to inefficiencies, delays, and a lack of real-time visibility. Additionally, tracking and optimizing CO<sub>2</sub> emissions remains complex without an integrated solution, making sustainability goals harder to achieve. The challenge is to transition from fragmented, manual processes to a digital, data-driven transportation management system.

### THE SOLUTION:

To address these challenges, Walki has implemented the Transporeon Digital Transportation Management System, a cloud-based platform that streamlines transportation booking, enhances visibility, and enables real-time tracking of shipments. With automated workflows, carriers and logistics teams can collaborate seamlessly, reducing administrative effort and ensuring timely dispatch. A key feature of Transporeon is its CO<sub>2</sub> tracking and optimisation module, which provides insights into emissions, helping companies make data-driven decisions to reduce their carbon footprint.

### THE OUTCOME:

By adopting Transporeon, Walki has significantly improved its transportation efficiency, reducing manual booking errors and optimising carrier selection. The enhanced real-time visibility enables proactive issue resolution, minimising delays and disruptions. Additionally, with detailed CO<sub>2</sub> tracking and reporting, the company can now monitor and reduce its environmental impact more effectively, supporting sustainability initiatives. The seamless integration of Transporeon into existing logistics processes ensures a smooth digital transition, setting the foundation for more efficient and sustainable outbound transportation operations.



# Product responsibility

Functionality, quality, circularity, durability, and safety are the cornerstones of Walki's production and product development, through which we maximise our positive impact for customers, consumers, and end-users as well as the environment.

## Our approach

Walki is committed to maintaining high standards in product quality, safety, health, and environmental performance throughout their entire life cycle. We strictly adhere to these principles in all our operations, ensuring compliance with legal requirements and stringent food safety and construction standards.

Beyond mandatory compliance, our commitment to product responsibility is driven by our sustainability focus areas (see chapter Sustainability focus areas for more details). Our ultimate goal is to provide customers with thoughtful and comprehensive solutions, which involves enhancing product durability, recyclability, or compostability depending on end-use requirements, prioritizing renewable and recycled materials, and striving for a low carbon footprint. Product development is a key focus in our business as we aim to improve circularity and extend product life cycles. We aim to maximise our positive impact by offering sustainable packaging that safeguards goods and construction materials that promote energy efficiency, good air quality, and fire safety.

We follow three quality guidelines in our operations:

1. Right first time
2. Quality secures our future
3. I can make a difference

## Understanding the customers' needs

To recognise and address the root causes of any issues, we systematically review all customer feedback and work closely with our customers to gain deeper insights. We also perform similar analyses for any internal quality deviations and ensure that our internal processes are robust and designed for quality. Collaboration with our customers and raw material suppliers is crucial to better meet customer demands.



## Performance in 2024

### Customer Satisfaction

Customer satisfaction is a fundamental aspect of our strategy and sustainability agenda. To ensure we meet expectations of our customers, we continuously monitor feedback and engage in close collaboration with our customers. This ongoing dialogue enables us to identify areas for improvement and implement changes that enhance their experience. By prioritizing customer satisfaction, we foster lasting relationships and contribute to a sustainable future.

In addition to ensuring product and delivery quality, the seamless provision of documentation and other necessary information to customers is becoming increasingly vital for customer satisfaction and excellent service. This includes, for instance, the availability of sustainability-related data concerning the products. During 2024, we focused especially on developing our capabilities and related processes to evaluate and communicate about the recyclability and climate impact of our products. We also developed a new process and database for answering and storing customer questionnaires. The first Walki plants have taken the new process into use during 2024. At the same time, the processing time has been shortened.

**Customer complaint level**

Walki's target is to reduce the amount of customer complaints both in numbers and in value. In 2024, we managed to reduce the net costs of claims in relation to the Group turnover from 0.29% (2023) to 0.22%, which is still above our target level of 0.15%. We received a total of 649 customer claims (686 in 2023) and 615 remarks (600 in 2023).

**Number of claims (pcs)**

	2022	2023	2024
Number of claims	582	686	649
Number of remarks	308	600	615
Total	890	1,289	1,264

**Delivery performance**

We are committed to providing our customers with reliable and timely deliveries. To continuously enhance our performance and efficiency, we monitor both our On Time, In Full performance and our order confirmation time.

Our delivery performance is tracked through several different systems, but our aim is to consolidate data and standardise measurement across the Walki Group. The unified tracking methods will provide us with more comparable and meaningful numbers that will better enable us to improve our processes.



**During 2024, we focused especially on developing our capabilities and related processes to evaluate and communicate about the recyclability and climate impact of our products**

**Actions in 2024 and outlook**

**Developing the quality process**

Walki uses a systematic problem-solving method to find out and eliminate the root causes of quality issues. To enhance communication and improve implementation of corrective actions, persons from various functions are involved in this process and the results of the analysis of main claims are shared within the group.

Starting from 2023, Walki has been implementing a new ERP (Enterprise Resourcing Planning) system. This system will gradually be taken into use in the extrusion coating plants. As part of this project, the quality control and reporting will be improved. We also investigated how delivery performance can be improved and how to measure the progress in the future. The development project has brought us better tools for production planning, improved processes, and a modern reporting system. The implementation will continue in 2025.

# Data collection methodologies

This section outlines the data collection procedures and calculation methodologies used to generate the sustainability figures in this report. We continuously refine our methodologies to enhance data quality and detail.

## Data collected from Walki plants

The figures presented in the following chapters are based on the data provided by Walki plants:

- Sustainable raw materials
- Health and safety
- GHG emission reductions (Scope 1 and 2 and some categories in Scope 3)

All Walki's plants gather their environmental and social data to our Corporate Sustainability Management (CSM) platform. This data includes for example their yearly recycled and certified raw material use, waste amounts and treatment, energy use, water use and employee and safety performance figures. The data gathered in CSM is also utilised in the organisational GHG emissions calculations. The total purchased raw materials has previously been reported to CSM, but in the end of 2024 we collected the data directly from our IT systems. In this way we are making sure that all purchased raw materials will be included in our total volumes, eliminating the risk of making human mistakes when volumes are reported manually.

## Data collected from group level functions

The figures presented in the following chapters are based on the data provided by the group level functions:

- Governance and economic performance (provided by the finance function)
- GHG emission reductions (provided by the sustainability function)
- Zero-waste future (provided by the sustainability function)
- Employees (provided by the HR function)
- Business ethics and human rights (provided by the HR and compliance functions)
- Responsible value chain (provided by the sourcing function)
- Product responsibility (provided by the supply chain function)

## Data sources

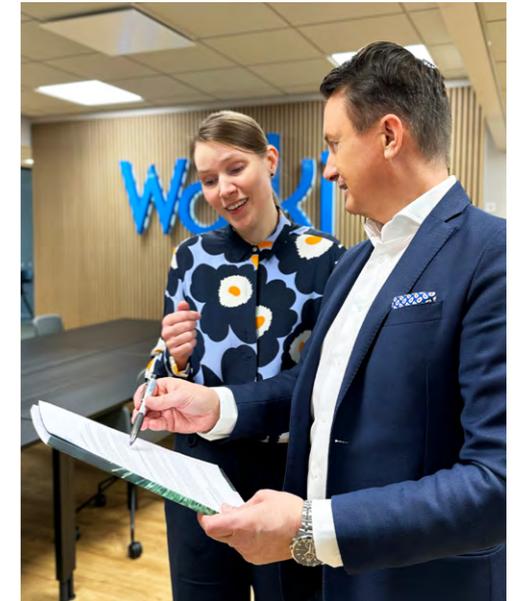
Both plant level and group level data are mostly based on actual measurements, billing information, HR documentation and similar primary data sources. All plants' energy consumption is data from 2024. When counting the energy related emissions, an emission factor for 2023 has been used for two plants, as the 2024 emission factor was not yet available before the

publication of this report. Scope 3 was calculated for the first time in 2021. The emission calculations for 2024 are still based on some assumptions and estimations even though we are improving the level of accuracy each year. The following emission categories are counted based on estimations: Employee commuting, Company vehicles, Capital goods, Processing of sold goods, End of life treatment, Investments and partly also Transportations.

When improving this year's Scope 3 emission calculations, we continued to focus on calculating purchased raw material and transportation related emissions more accurately, since these two categories have the biggest impact on our total emissions. To note, we are only collecting data on purchased raw materials in 2024, as we do not track the actual usage of the raw materials. 27% of the customer delivery transportation emissions are based on primary data given by transportation companies. 10% of emissions from supplier transportations to Walki plants are covered by primary data provided by the suppliers.

The purchased raw materials data was gathered in a more accurate way than previous years. We mapped systematically all purchased raw materials into group-level categories, connecting an emission factor for each category. In this way we are also making sure no purchased raw material is excluded from the emission calculation. Primary data on raw material specific emission factors have been used in the group level emission calculation if this data is available and if it meets the criteria of covering the scope cradle-to-gate and calculated based on standardised methodologies. The emissions of around 65% raw materials have been counted using primary data emission factors.

For GHG emission calculations we use emission factors (e.g., kgCO<sub>2</sub>e/ton of raw material or kg CO<sub>2</sub>e/MWh of energy from natural gas) provided by raw material suppliers, transportation companies and energy suppliers



if available and of adequate quality, and if not, we have selected the most accurate emissions factors from LCA databases and other reliable secondary data sources (Ecoinvent v3.11 and Defra 2024 being the mostly used data sources). An external sustainability consultant has validated that our 2023 GHG emission calculations are done according to the requirements of the GHG Protocol and SBTi guidelines. The 2024 GHG emissions have similarly been calculated following the GHG Protocol and SBTi guidelines.

**Certifications**

Site	Quality ISO 9001:2015	Environment ISO 14001:2015	Occupational Health and Safety ISO 45001:2018	Food safety ISO 22000: 2018, ISO/TS 22002- 4:2013	Food safety BRC-GS	Food safety EN 15593	Forest FSC CoC, FSC CW**	Forest PEFC CoC*	Energy ISO 50001:2018	Sustainable materials ISCC Plus
Finland, Valkeakoski	○	○	○	○			○	○	○	○
Finland, Pietarsaari	○	○	○	○			○	○	○	○
Finland, Ylöjärvi	○	○	○	○			○			
Finland, Vaasa					○					○
Finland, Säskylä					○					○
Germany, Steinfurt	○	○	○			○	○	○	○	○
Germany, Wendorf	○	○			○		○			
Poland, Jatne	○	○	○		○		○	○		
Poland, Wrocław	○	○	○	○			○	○		○
Belgium, Duffel	○	○	○				○			
The United Kingdom, Garstang	○	○	○				○	○		
Spain, Murcia	○	○	○	○	○					
France, Saulcy-sur-Meurthe ja Chatenois		○					○			
China, Changshu	○	○	○		○		○			

\* Overview at the end of 2024

\*\* FSC Chain of Custody, FSC Controlled Wood and PEFC Chain of Custody are certifications that verify that wood fiber comes from sustainably managed forests.

# GRI Content Index

Walki's sustainability reporting is prepared in accordance with the GRI Standards covering all General Disclosures and Topic-specific Standards deemed material.

Standard or disclosure	Report section	Comment or reason for omission
<b>GRI 2: General Disclosures 2021</b>		
2-1 Organizational details	Contents (Report details)	
2-2 Entities included in the organization's sustainability reporting	Contents (Report details)	
2-3 Reporting period, frequency and contact point	Contents (Report details)	
2-4 Restatements of information	GHG emissions reductions (Performance in 2024 [Carbon footprint])	The 2023 emissions have been updated to follow the SBTi guidance and to correct minor discrepancies identified.
2-5 External assurance	GRI Index	This report has not been externally assured.
2-6 Activities, value chain and other business relationships	Walki's business and strategy (Transforming materials towards a circular future), Responsible value chain	
2-7 Employees	Employees (Our approach, Performance in 2024)	The year-end headcount of Walki was 1,585. The personnel figures do not include people on a long-term leave. Information on non-guaranteed hours employees is included in this report. The number of so called 0-hours contract employees was 6/1585.
2-8 Workers who are not employees	Employees (Performance in 2024)	The outsourced employees were all agency workers. Ther were no significant fluctuations in the number of outsourced workers during the reporting period but Walki did sign a direct employment contract with a number of the outsourced employees with a longer history with Walki as agency worker, especially with employees working in the group ERP&MES project. During 2023 there were 60 outsourced employees.
2-9 Governance structure and composition	Governance and economic impact, GRI Index	<p>The organisation of Walki Group is led by the Board of Directors and the CEO. The Group Executive Team (GET) assists the CEO, acts as a committee and assists and supports the CEO in executing the corporate strategy. The organisation has been based on the following hierarchy: 1) Shareholder (Oji Holdings Corporation) / General Meeting, 2) Board of Directors, 3) CEO and 4) Business Areas. The members of the GET are appointed by the Board of Directors.</p> <p>Walki's sustainability work is overseen by the Group Executive Team (GET) and coordinated by the Group Sustainability Team.</p> <p>As in previous years, the Walki GET oversees the integration of sustainability into the strategy and consequently the day-to-day operations. In addition, the GET is responsible for securing resources for sustainability work. Sustainability themes, commitments, policies, and targets as well as the Walki Code of Conduct and Corporate Sustainability Report are reviewed and approved by the GET. Sustainability continues to be a key topic at monthly meetings and the outcomes of Walki's sustainability efforts are systematically assessed by the GET.</p>

Standard or disclosure	Report section	Comment or reason for omission
2-10 Nomination and selection of the highest governance body	GRI Index	The members of the Board of Directors have all been executives of the organization. The tenure of members on the governance bodies has been one year at a time. In terms of representation all members of the Board of Directors have been male. There has been no stakeholder representation in the Board of Directors.
2-11 Chair of the highest governance body	GRI Index	Independence and competencies relevant to the impacts of the organization have been considered by the Annual General Meeting when nominating the highest governance body members. The aim of the organization is to optimize the level of independence and relevant competencies of the body members to establish a well-functioning body that can perform its tasks in accordance with high standards. Diversity policy of the organization is under development.
2-12 Role of the highest governance body in overseeing the management of impacts	Governance and economic impact (Sustainability governance)	
2-13 Delegation of responsibility for managing impacts	Governance and economic impact (Sustainability governance)	
2-14 Role of the highest governance body in sustainability reporting	Governance and economic impact (Sustainability governance)	
2-15 Conflicts of interest	GRI Index	In the Board of Directors, attention is paid to potential conflict of interest issues of the members of the Board. The members will be recused from all discussion and decision-making in the event of conflict of interest.
		The management of the organization with the assistance of the compliance function have also been tasked with the responsibility of preventing and mitigating potential conflicts of interest in the governance structure and for proper disclosure of possible conflicts to shareholders.
2-16 Communication of critical concerns	Governance and economic impact (Sustainability governance), Business ethics and human rights (Reporting and investigating suspected misconduct)	

Standard or disclosure	Report section	Comment or reason for omission
2-17 Collective knowledge of the highest governance body	GRI Index	Within the GET, Executive Vice President of Innovation and Sustainability is responsible for leading the sustainability agenda, and she develops the collective knowledge and skills of the GET team by including relevant sustainability topics on the agenda at monthly GET meetings.
2-18 Evaluation of the performance of the highest governance body	GRI Index	The processes for evaluating the performance of GET in overseeing the management of the organization's impacts on the economy, environment, and people are under development.
2-19 Remuneration policies	GRI Index	Remuneration policies for members of the highest governance body and senior executives are under development.
2-20 Process to determine remuneration	GRI Index	Remuneration policies and the related processes are under development.
2-21 Annual total compensation ratio	GRI Index	Remuneration ratios not available. Development to improve the reporting is ongoing.
2-22 Statement on sustainable development strategy	The year in brief by Walki CEO	
2-23 Policy commitments	Business ethics and human rights, Responsible value chain	
2-24 Embedding policy commitments	Business ethics and human rights, Responsible value chain	
2-25 Processes to remediate negative impacts	Business ethics and human rights	All reported grievances are investigated and possible actions decided are followed through, but there is no separate tracking system for effectiveness.
2-26 Mechanisms for seeking advice and raising concerns	Business ethics and human rights	
2-27 Compliance with laws and regulations	GRI Index	There were no cases of non-compliance with laws and regulation in 2024.
2-28 Membership associations	GRI Index	Main memberships: PU Europe (Polyurethane organization), The Finnish-British Trade association, Suomen pakkausyhdistys ry (Packaging association of Finland), Flexible Packaging Europe, 4evergreen and Fefco (European Federation of Corrugated Board Manufacturers)
2-29 Approach to stakeholder engagement	Stakeholder engagement and assessing material impacts, risks, and opportunities	
2-30 Collective bargaining agreements	Employees	

Standard or disclosure	Report section	Comment or reason for omission
<b>GRI 3: Material Topics 2021</b>		
3-1 Process to determine material topics	Stakeholder engagement and assessing material impacts, risks, and opportunities	
3-2 List of material topics	Stakeholder engagement and assessing material impacts, risks, and opportunities	
3-3 Management of material topics	Governance and economic impact, Stakeholder engagement and assessing material impacts, risks, and opportunities, GRI Index.	The management of each material topic is described in the following sections: Sustainable raw materials: Biodiversity and ecosystems, Circular economy; GHG emissions reductions: Climate change; Employees & Health and safety: Own workforce; Responsible value chain: Workers in the value chain; Product responsibility: Consumers and end-users; Business ethics and human rights: Business conduct.
<b>GRI 201: Economic Performance 2016</b>		
201-1 Direct economic value generated and distributed	Governance and economic impact (Economic performance and impact)	
201-2 Financial implications and other risks and opportunities due to climate change	Stakeholder engagement and assessing material impacts, risks, and opportunities	At the time of publishing this report, Walki is in the process of updating our materiality assessment according to the double materiality principle. This process also includes the more detailed assessment of risks and opportunities due to climate change and the results will be reported next year.
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	Business ethics and human rights	<p>The assessment of corruption related risk factors is included in overall risk assessments and everyday work of the compliance department. There have been no separate assessments for individual risks. No specific, significant corruption related risks have been identified, but attention is paid to such risk categories that are typical in similar companies and groups of companies, e.g. financial, operational, infrastructural and reputational risks.</p> <p>Oji Holdings Corporation's internal audit department also audits Walki with regular intervals in relation to compliance with J-SOX requirements that include among others corruption related risk assessments.</p>
205-2 Communication and training about anti-corruption policies and procedures	Business ethics and human rights (Our approach)	
205-3 Confirmed incidents of corruption and actions taken	Business ethics and human rights (Performance in 2024)	
<b>206: Anti-competitive Behavior 2016</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Index	There are no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Standard or disclosure	Report section	Comment or reason for omission
<b>GRI 301: Materials 2016</b>		
301-1 Materials used by weight or volume	Sustainable raw materials (Performance in 2024 [Material use])	
301-2 Recycled input materials used	Sustainable raw materials (Performance in 2024 [Material use])	
<b>GRI 302: Energy 2016</b>		
302-1 Energy consumption within the organization	GHG emissions reductions (Performance in 2024 [Energy use])	
302-2 Energy consumption outside of the organization	GRI Index	Energy consumption outside of Walki's organisation is material in particular from the viewpoint of GHG emissions generated in the production of energy. Energy consumption along the value chain is considered in Scope 3 emission calculations and emissions reported in chapter GHG emission reductions but the amount of energy consumed outside of Walki's organisation is not specified.
302-3 Energy intensity	GHG emissions reductions (Performance in 2024 [Energy use])	
302-4 Reduction of energy consumption	GHG emissions reductions (Performance in 2024 [Energy use])	
<b>GRI 304: Biodiversity 2016</b>		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI Index	Walki has no operations close to land areas of high biodiversity value.
304-2 Significant impacts of activities, products and services on biodiversity	Sustainable raw materials, GRI Index	Biodiversity was identified as a material topic in Walki's double materiality assessment conducted in 2024. Potential material impacts on biodiversity are connected especially to harvesting of wood for Walki's fiber-based raw materials. Further assessment of the impacts and development of management measures is ongoing.

Standard or disclosure	Report section	Comment or reason for omission
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	GHG emissions reductions (Performance in 2024 [Carbon footprint])	
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions reductions (Performance in 2024 [Carbon footprint])	
305-3 Other indirect (Scope 3) GHG emissions	GHG emissions reductions (Performance in 2024 [Carbon footprint])	
305-4 GHG emissions intensity	GHG emissions reductions (Performance in 2024 [Carbon footprint])	
305-5 Reduction of GHG emissions	GHG emissions reductions (Actions in 2024 and outlook)	
305-6 Emissions of ozone-depleting substances (ODS)	GRI Index	All operations are free of ozone-depleting emissions.
<b>GRI 306: Effluents and Waste 2016</b>		
306-3 Significant spills	Sustainable raw materials (Performance in 2024 [Waste])	No significant spills occurred at Walki's production plants.
<b>GRI 306: Waste 2020</b>		
306-1 Waste generation and significant waste-related impacts	Sustainable raw materials (Performance in 2024 [Waste])	
306-2 Management of significant waste-related impacts	Sustainable raw materials (Performance in 2024 [Waste])	
306-3 Waste generated	Sustainable raw materials (Performance in 2024 [Waste])	
306-4 Waste diverted from disposal	Sustainable raw materials (Performance in 2024 [Waste])	
306-5 Waste directed to disposal	Sustainable raw materials (Performance in 2024 [Waste])	

Standard or disclosure	Report section	Comment or reason for omission
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1 New suppliers that were screened using environmental criteria	Responsible value chain	
308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable raw materials, GHG emission reductions, Responsible value chain	The most important negative impacts in the supply chain are linked to resource use and GHG emissions.
<b>GRI 401: Employment 2016</b>		
401-1 New employee hires and employee turnover	Employees, GRI Index	New employee hires a) by age group: below 30: 169; between 30-50: 104; over 50: 35, b) by gender: female: 74; male: 234, and c) by country: Belgium: 4; China: 3; Finland: 151; France: 7; Germany: 36; Poland: 35; Spain: 69; UK: 3. Voluntary turnover a) by age group: below 30: 10.2 %; between 30-50: 5.3 %; over 50: 0.8 %, b) by gender: female: 4.6 %; male: 4.5 %, and c) by country: Belgium: 1%; China: 1.6%; Finland: 2.0%; France: 3.9%; Germany: 3.7%; Malaysia: 57.1%, Poland: 11.1%; Spain: 7.5%; Sweden: 20%.
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1 Minimum notice periods regarding operational changes	GRI Index	Walki complies with the local legislation and collective agreements in regard to the notice periods.
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1 Occupational health and safety management system	Health and safety (Our approach), Certifications	
403-2 Hazard identification, risk assessment, and incident investigation	Health and safety (Our approach)	The reporting is limited to Walki's own employees. Information on gender and region is considered as proprietary information, however the data is internally available.
403-3 Occupational health services	GRI Index	Occupational health services must operate by each country's legislation which affects the extent of co-operation with the health care operator. Occupational health services carry out workplace surveys at Walki premises to investigate and identify health risks at work and carry out necessary measurements. In some cases, they may use employee questionnaires. These workplace surveys aim to identify for example physical and psychosocial workloads. The information gathered in these surveys can be used to improve working conditions and need for health examinations for employees in jobs that pose special health risks.
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety (Our approach, Actions in 2024 and outlook)	Walki acts according to national and international laws and regulations in the countries where we operate. In Finland health and safety topics are covered by collective bargaining agreements. In other Walki operating countries we have health and safety programs in place.
403-5 Worker training on occupational health and safety	Health and safety (Our approach)	
403-6 Promotion of worker health	GRI Index	Type of non-occupational medical and healthcare services provided to employees varies between Walki's plants. Development of data collection related to these services is ongoing.

Standard or disclosure	Report section	Comment or reason for omission
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety (Our approach)	
403-8 Workers covered by an occupational health and safety management system	Health and safety (Our approach), Certifications	80% of employees are covered by a certified occupational health and safety management system.
403-9 Work-related injuries	Health and safety (Performance in 2024)	
<b>GRI 404: Training and Education 2016</b>		
404-1 Average hours of training per year per employee	GRI Index	Comprehensive data on training hours is not available due to several data management systems related to trainings. Development to improve the reporting is ongoing.
404-2 Programs for upgrading employee skills and transition assistance programs	Employees, Business ethics and human rights	Walki has a skills evaluation program in place, personal development plans are made based on the evaluation. The indicator is not further reported upon due to the proprietary nature of the information.
404-3 Percentage of employees receiving regular performance and career development reviews	Employees (Performance in 2024)	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Employees (Performance in 2024)	Information about employees is not divided per employee category due to proprietary nature of information.
405-2 Ratio of basic salary and remuneration of women to men	GRI Index	Ratios not available. Development to improve the reporting is ongoing.
<b>GRI 406: Non-discrimination 2016</b>		
406-1 Incidents of discrimination and corrective actions taken	GRI Index	No incidents of discrimination were detected in 2024.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees, GRI Index	All Walki's employees have the right to freedom of association and collective bargaining. More systematic assessment of the situation concerning Walki's suppliers is under development.
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1 New suppliers that were screened using social criteria	Responsible value chain	
414-2 Negative social impacts in the supply chain and actions taken	Responsible value chain	

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