

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 green leaves, with a large, semi-transparent white circular graphic overlaid on the right side.

walki

Walki Corporate Sustainability Report

2023

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REPORT DETAILS

This sustainability report contains information regarding Walki Group (later referred to as Walki) reflecting year 2023. Walki is a privately owned company with operations in 11 countries (Finland, Germany, Belgium, France, Spain, Poland, UK, Sweden, China, India and Malaysia). The headquarters is located in Espoo, Finland.

Walki Group has published a sustainability report annually since 2012. For 2023, a financial report has been published separately.

This report focuses on Walki’s global operations. The data presented covers all 17 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.

Changes have occurred in the reporting of GHG emissions as the scope of value chain emissions (Scope 3) have been broadened. GHG emission figures from 2022 have also been reviewed and updated, and therefore, changes have occurred from figures included in the 2022 sustainability report (more details can be found in chapter GHG emission reductions).

During 2023, Walki Group divested its Russian subsidiary Walki LLC to OOO Bumazhnaya Upakovka (Paper Packaging LLC). Walki LLC employed 31 employees at the production plant in Svetogorsk, Russia.

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

Key sustainability figures 2023



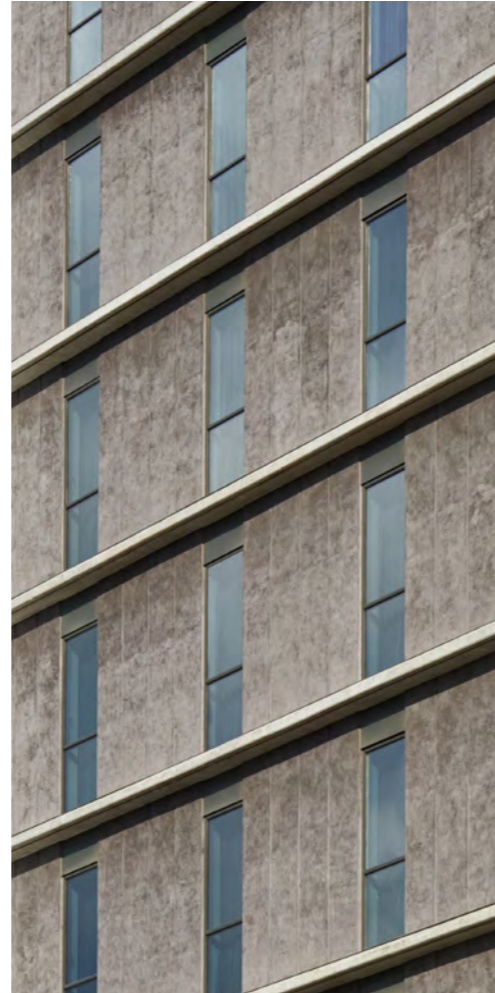
82% OF PACKAGING PORTFOLIO RECYCLABLE, COMPOSTABLE OR WITH A DESIGN FOR RECYCLING READY
(83% in 2022)

62% OF SOLD PACKAGING PRODUCTS RECYCLABLE OR COMPOSTABLE
(60% in 2022)

20% OF PRODUCTS DURABLE

17% OF RECYCLED RAW MATERIALS
(18% in 2022)

66% OF RAW MATERIALS BIO-BASED OR RECYCLED
(75% in 2022)



69% OF FIBRE-BASED RAW MATERIALS FSC OR PEFC CERTIFIED
(58% in 2022)

73% OF PRODUCTION WASTE RECYCLED OR REUSED
(75% in 2022)

0.8 LITRES OF WATER CONSUMED / NET REVENUE €
(0.9 L/€ in 2022)

90% RENEWABLE AND OTHER NON-FOSSIL ENERGY OF TOTAL ELECTRICITY USE
(84% in 2022)



10 SITES WITHOUT ANY LOST TIME ACCIDENTS*

5.2 LOST TIME ACCIDENTS PER MILLION WORKING HOURS
(5.94 in 2022)

4.15% ABSENCES DUE TO ILLNESS
(4.24% in 2022)

0.21% ABSENCES DUE TO ACCIDENTS
(0.25% in 2022)

*Walki divested its Russian subsidiary Walki LLC in 2023 and the Svetogorsk production plant has been excluded from the total figure.

THE YEAR IN BRIEF BY WALKI CEO

Recognition for our sustainability commitments

The world has remained a turbulent place in 2023 with geopolitical upheaval and macro-economic uncertainty. Despite the turmoil, our focus is steadfast on helping our customers in their transition towards sustainable materials.

“Even in challenging times marred by turbulence and uncertainty, we must keep our commitment to turning the world’s trajectory on a sustainable course.”

After a record year in 2022, during which Walki reached its all-time high revenue with excellent profitability, we witnessed a lower revenue of 627 million euros in 2023. This was mainly due to a decrease in the shipment volumes. Yet, we succeeded in maintaining a healthy profit margin of 9%. These figures must be seen as a great achievement in a continuously turbulent environment characterised by geopolitical instability with the war in Ukraine being in its second year and a renewed conflict in the Middle East. Macroeconomic uncertainty remains, lowering consumers’ purchasing power in our key markets.

Our wide product portfolio catering to different customer segments has proven valuable from a risk management point of view. While the situation has been somewhat challenging on the market for cardboard, usually quite sensitive to fluctuations in consumers’ purchasing power, the demand for certain food packaging solutions has been growing. While the construction industry is

undergoing a period of slumping demand, the situation varies from country to country. As we are well-diversified across geographical areas, our insulation facings segment has not been severely hit by less demand in construction.

During 2023, Europe witnessed the largest wildfire ever recorded and there was widespread flooding in different parts of the world, serving as a reminder that the global challenges in climate change and biodiversity degradation have not magically disappeared. Even in challenging times marred by turbulence and uncertainty, we must keep our commitment to turning the world’s trajectory on a sustainable course. Our role is to help our customers make the transition towards a circular, resource-efficient, and low-carbon future. Our solutions are present in the everyday lives of millions of people: in packaging protecting goods and in the insulation materials keeping our homes warm, and hence Walki, as an industry leader, has both the mandate and the responsibility to drive change.

Everything starts with sustainability

Sustainability is the starting point in everything we do. Guided by our long-term ambition of leading the shift towards new circular models and supporting the



transformation to a resource-efficient and low-carbon society, we solve the most demanding challenges in the packaging industry and the built environment to ensure a circular future. As we work across the whole value chain, from secondary converters to retailers and brand owners, we are well-positioned to enable change.

With a long heritage of innovation and strong focus on R&D, we are well-equipped to take on the role of a pioneer as we introduce new material solutions that take us towards a circular and low-carbon future. Our next-generation investment in our Valkeakoski plant, inaugurated in June 2023, has given us a pilot facility for testing cutting-edge materials. Oji's acquisition of Walki, finalised in spring 2024, is a testimonial to our strong commitment to a circular future. Our resources for innovation and R&D will be even further strengthened as part of Oji.

In 2023 we continued to expand our sustainability agenda set in 2022. Resting on three pillars in GHG emission reductions, a zero-waste future and sustainable raw materials, we have created roadmaps outlining the next steps within each business area and function to support our agenda. One of the key steps is getting Science Based Targets initiative (SBTi) validation for our ambitious climate target. We have also focused on embedding sustainability in company-wide decision-making and enhancing sustainability expertise throughout our organisation. To increase collaboration between our internal teams at Walki, we have instilled a cooperation committee with Walki team members from different functions.

We introduced Earthster, a Life cycle Assessment (LCA) tool for calculating our product carbon footprints, enabling us to further support the development of low-carbon solutions and respond to our customers' growing need for product-specific emissions data.

As the challenges we face in climate change and biodiversity loss are systemic and global, we must collaborate on a wide scale to ensure that we minimise negative impacts and maximise positive ones. Working closely with our customers and suppliers in our value chain has always been in our DNA. In 2023, we intensified our collaboration with our suppliers by organising sustainability workshops to help us align our efforts and support each other in coordinating relevant change measures.

We strive to continuously find new partners to collaborate with. In June 2023 we announced that we are part of the HICCUPS project that aims to demonstrate how CO₂ emissions from wastewater treatment plants can be used to make bio-based polymers for the packaging industry.

In line with Walki's sustainability agenda and newly developed roadmap, we continued our efforts to reduce GHG emissions both in our own operations (Scope 1 & 2) and in our value chain (Scope 3). In our own operations, we continued to invest in additional energy efficiency improvements and in switching from fossil to non-fossil energy sources. Regarding Scope 3 emissions, the development of our product specifications and portfolio as well as collaboration with our raw material suppliers are the most important measures.

Safety remains a top priority for us, and I am very happy to report that we can discern a clear downward trend in work-related accidents. To continue this trend, we organise annual Safety Awareness weeks throughout the company and do regular safety walks in all our facilities.

Towards a fibre-based future

We believe that the future is fibre-based and see clear signs from both our customers and end users that the demand for fibre-based packaging is growing steadily. Polymer-based solutions are still required in certain



applications that need enhanced barrier properties. Compromising barrier properties would lead to more food waste, further adding to global GHG emissions. To minimise the environmental footprint for our polymer-based products, we strive to use recycled plastics or plastics from renewable sources whenever possible. Our fibre-based raw materials are sourced from sustainably managed forests.

We have made several product launches that take the world closer to a circular and low-carbon future.

The integration of the three companies we acquired in 2022 is well under way and manifested in innovative product launches. Westpak and Flexipack, two Finnish companies that form an integrated value chain providing high quality flexible packaging solutions, have developed a monomaterial high barrier thermoformable laminate for the food industry. Germany-based Folian is complementing our extensive portfolio by offering high-quality lower CO₂ converted flexibles.

For the construction industry, we have developed Walki®WICO₂, a facing that substantially lowers the carbon footprint of insulation materials. It will be available in 2024.

Currently, 62% of Walki's packaging product portfolio is already recyclable with 20% having a clear pathway to achieve full recyclability. Around 20% of the portfolio comprises of durable products. The short-term focus in the Engineered Materials area is to enhance product durability and functionality. As these products typically have a lifetime spanning over several decades, the biggest environmental impact comes from energy efficiency. A shift towards designing for recycling and the advancement of separation technologies and collection infrastructure end-components is the long-term goal.

I want to take the opportunity to thank our employees, customers and partners for their commitment and hard work to take us towards a circular future. I am convinced that as part of Oji, we are well-posed to advance our sustainability agenda to aim even higher and look forward to charting a future pathway together.

Leif Frilund

President & CEO, Walki Group

WALKI'S BUSINESS AND STRATEGY

Walki overview



CONSUMER PACKAGING

Main product categories:

barrier board, 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



INDUSTRIAL PACKAGING

Main product categories:

reel packaging, ream wrapping and industrial liners

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



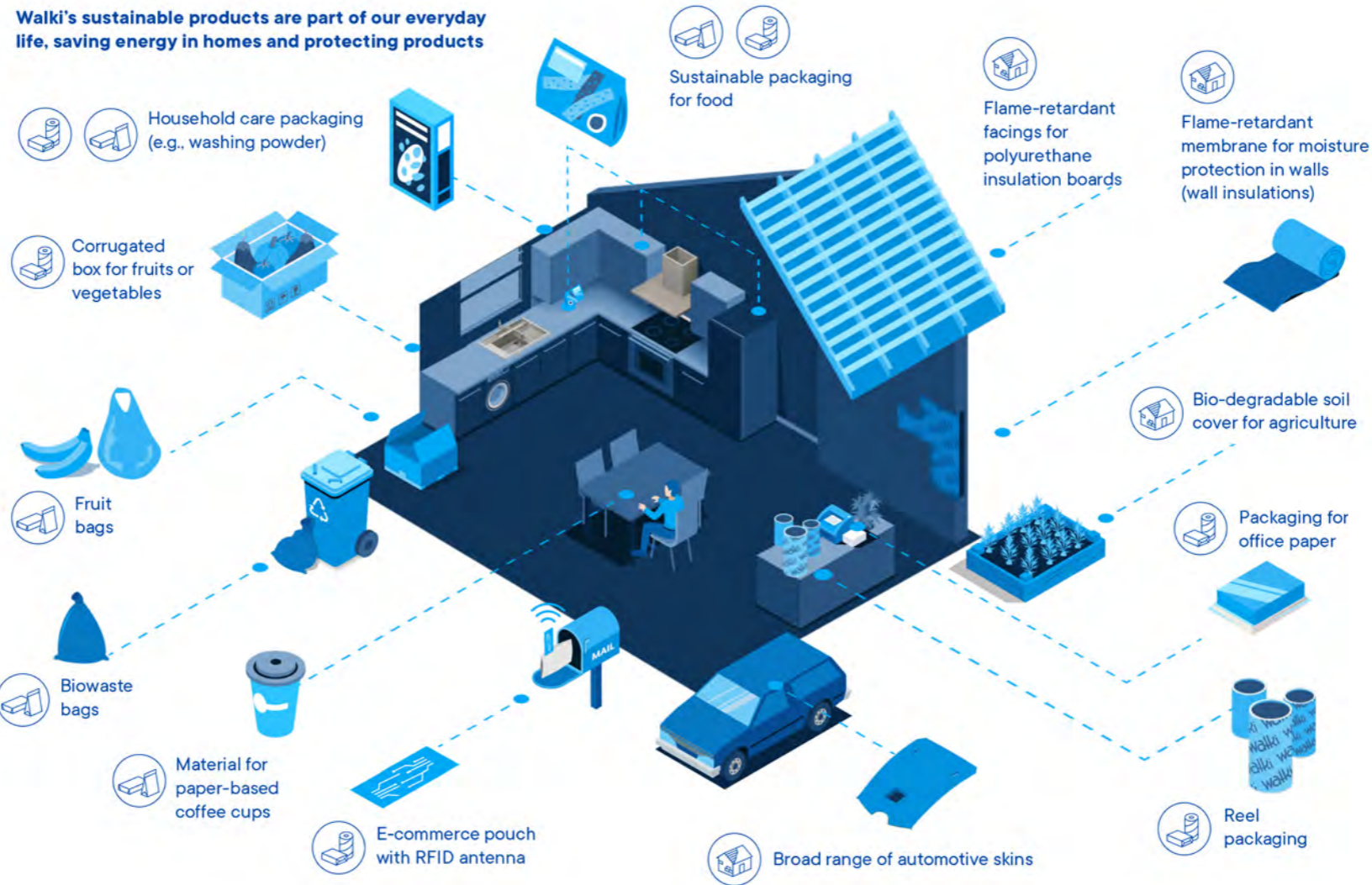
ENGINEERED MATERIALS

Main product categories:

insulation facings, membranes, technical products

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

Walki's sustainable products are part of our everyday life, saving energy in homes and protecting products



17* PRODUCTION PLANTS
IN **8** COUNTRIES

1,597 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

NET SALES OF PRODUCTS SOLD IN 2023:
627 M€

*Walki divested its Russian subsidiary Walki LLC in 2023 and the Svetogorsk production plant has been excluded from the total figure.

WALKI'S BUSINESS AND STRATEGY

Transforming materials towards a circular future

At Walki, we want to live in a world where old patterns of resource usage are transformed. Our long-term ambition is to lead the shift towards new circular models and support the transformation to a resource-efficient and low-carbon society.

We deliver transformative, sustainable solutions to solve the most demanding challenges in packaging and the built environment. Walki's products have a key role in everyday life, saving energy as well as protecting food and other goods. We cater to a wide range of markets, from materials for packaging applications to energy saving performance materials. Split into three business areas - Consumer Packaging, Industrial Packaging, and Engineered Materials - we serve customers from secondary converters to retailers and fast-moving consumer goods (FMCG) companies as well as construction material companies.

Walki's vision is to be the recognised advanced materials conversion specialist and leader in sustainable packaging and engineered material solutions. We aim to play a crucial role in shaping a circular future by constantly creating more sustainable alternatives and finding ways to keep materials in use for as long as possible. We are dedicated to supporting our customers in their sustainability journeys and are proud of our track record in developing and delivering innovative solutions.

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 deeply embedded in everything we do at Walki. However, achieving our vision requires us to continue developing our operations, transforming our portfolio, and further enhancing the cooperation with our customers and throughout the value chain. We have already made significant progress by making sustainable decisions about how we design our products and what materials we use.

Our focus is on:

- Increasing circularity
- 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 certified fibres
- Designing durable products
- Reducing GHG emissions by product design and efficient, low carbon operations

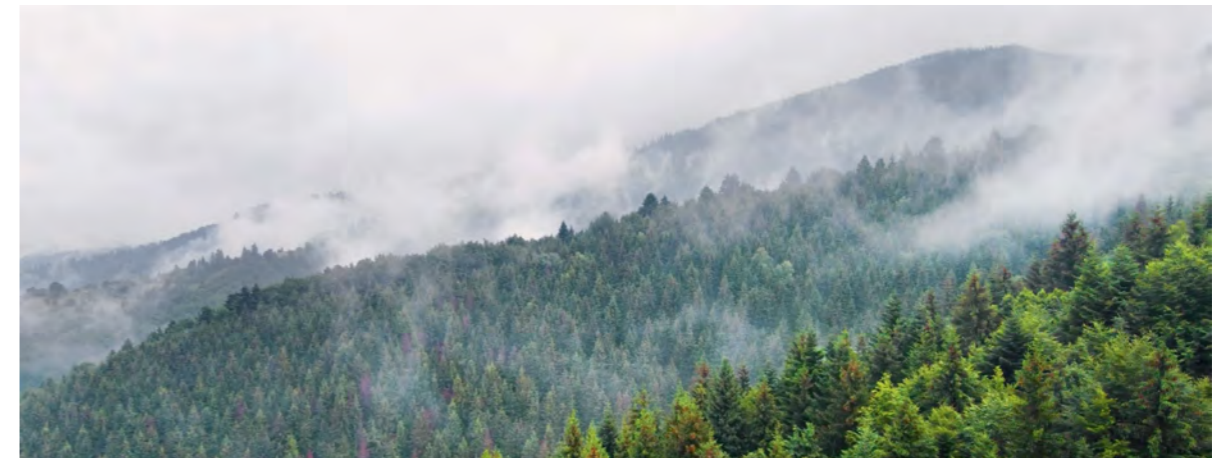
Walki's efforts in 2023 have focused on developing a sustainability roadmap, integrating sustainability into our decision-making, and enhancing sustainability know-how within our organisation (read more about our sustainability agenda and roadmap in chapter Sustainability focus areas

WALKI'S VALUES

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

and process to define them and sustainability governance in chapter Governance and economic impact).

Innovation, investments in new technologies, and material expertise are the cornerstones of Walki's business. We drive new market solutions for sustainable raw materials, renewable energy, and low carbon technologies through innovation and co-creation within our business ecosystem. Our focus extends beyond just environmental responsibility; the safety and the wellbeing of our employees are at the top of Walki's priorities. Our sustainability approach is rooted in shared values, guiding our daily actions and decision-making. We strive to be a lean, agile, and resilient organisation.



Stakeholder engagement

Active dialogue with Walki's stakeholders is essential to understand their needs and concerns, identify key trends and shifts in the market, and meet their expectations. Our goal is to maintain continuous and transparent communication with stakeholders across our entire value chain. They play an important role in determining our material sustainability topics, and their needs and expectations have been carefully integrated into our Sustainability Agenda. (See more in chapter Sustainability focus areas and process to define them.)

Walki's strategy has been developed to respond to the challenges and opportunities raised by our stakeholders. We actively share information regarding the implementation of our initiatives and the value created. For further insights into Walki's key stakeholder groups and ways of engagement, refer to the table below.

In 2023, we have continued our close collaboration with both customers and suppliers to advance Walki's sustainability goals. Active engagement and ongoing discussions through workshops and meetings help us align our sustainability efforts, share information and best practices, and enhance our approach.

WALKI'S KEY STAKEHOLDERS WAYS OF ENGAGEMENT

Clients	<ul style="list-style-type: none"> Walki has continued workshops and active discussions with customers to better understand their needs in the short and long term, as well as to further enhance and develop products together. We continuously communicate Walki's sustainability approach and targets, and seek to find common ground for development projects. We work closely with our clients, retailers, and brand owners on joint initiatives, particularly related to product development. The three acquisitions of Westpak, Flexipack and Folian in 2022 have helped Walki to further develop and strengthen collaboration with brand owners, and to support their needs more efficiently. Walki's business development function, sales, customer service, technical team and product development function are the main points of contact. Walki's clients' sustainability targets and views on sustainability impacts will also be considered in the materiality assessment update to be conducted during 2024.
Employees	<ul style="list-style-type: none"> We engage with Walki's employees through regular employee surveys, employee communications (e.g., Intranet), company-wide informational sessions (e.g., CEO updates), team meetings, individual discussions and personal development discussions. In 2023, we enhanced our regular company-wide meetings (CEO updates) to include information on Walki's sustainability agenda and the recent progress made and milestones reached.

WALKI'S KEY STAKEHOLDERS WAYS OF ENGAGEMENT

Suppliers	<ul style="list-style-type: none"> We engage with Walki's suppliers through assessment questionnaires, site audits, workshops and evaluation discussions. Walki's Supplier Code of Conduct and Supplier Handbook are essential for communicating our expectations regarding sustainability. In 2023, workshops were held with all key suppliers to share information and align on Walki's sustainability work and roadmap.
Owners and investors	<ul style="list-style-type: none"> Walki has ongoing dialogue with our owner and information is shared through quarterly reporting, regular meetings and voluntary disclosures related to our sustainability position and actions, as well as responding to the increasing need for more detailed disclosures. Communication processes with Walki's new owner, Oji Holdings, will be defined in 2024.
Local communities	<ul style="list-style-type: none"> Walki engages in continuous dialogue with local communities. Community engagement is managed on a site-basis. Walki seeks to collaborate with local educational institutions to share information on employment opportunities. We seek to maintain strong relationships with the local councils and municipalities that we operate in. Walki also maintains close contact with local authorities to prepare for future changes and to ensure that our performance meets and exceeds the requirements of the legislation.
Regulators, industry associations, and non-governmental organisations	<ul style="list-style-type: none"> Walki takes actively part in industry discussions and follows closely the regulative environment. Walki is an active member of relevant industry associations. We take part in industry events and share Walki's insights on different topics. We discuss and provide Walki's views on policies and regulations with officials.
Product end-users	<ul style="list-style-type: none"> With a focus on B2B, Walki has a limited direct influence on the end-users of products, but we seek to encourage our customers to inform consumers and make sustainable choices. Walki's portfolio includes a handful of consumer products, such as the compostable Bioska® biowaste bags. Consumers are engaged with via several touchpoints including social media, customer service channels, and advertising campaigns. Walki conducts reviews on consumer behaviour.
Interest groups and professional communities	<ul style="list-style-type: none"> Walki has ongoing engagement with e.g., local chambers of commerce.
Local labour unions and trade unions	<ul style="list-style-type: none"> Walki has ongoing dialogue with local labour unions and trade unions.
Research institutions and academia	<ul style="list-style-type: none"> We actively collaborate with universities and institutes on research and development projects. For example, Walki is part of the HICCUPS consortium, which seeks to capture CO₂ emissions from wastewater treatment plants and turn them into bio-based plastics (read more in chapter GHG emissions reductions).

Governance and economic impact

To ensure focus and continued progress, Walki has a strong model in place for managing sustainability across our entire organisation. Sustainability is essential for future-proofing and growing our business.

Sustainability governance

Walki's sustainability work is overseen by the Group Executive Team (GET) and coordinated by the Group Sustainability Team. To ensure continuous improvement, smooth execution, good communication and clear responsibilities, we have a groupwide sustainability governance model in place.

In 2023, Walki's sustainability governance model was reviewed and further developed. Sustainability is an integral, cross-cutting topic. To ensure its integration into all areas and levels of the organisation, we clarified responsibilities within our teams and established a new sustainability network. The needed matrix organisation is key for strengthening collaboration across functions.

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.

Walki's three core business areas (Engineered Materials, Consumer Packaging, and Industrial Packaging) have a critical role in bringing development ideas related to sustainability to the GET's attention.

Within the GET, the Executive Vice President of Innovation, Business Development and Sustainability is in charge of leading the sustainability agenda and the sustainability roadmap implementation as well as reporting the progress to the rest of the GET. The Group Sustainability Team was established in 2022 under the leadership of the EVP of Innovation, Business Development and Sustainability. The team has had a key role in strengthening the integration of sustainability into all operations. A key action in 2023 was creating Walki's sustainability roadmap that outlines the steps and timeline to achieve the set sustainability targets connected to Walki's sustainability focus areas (read more in chapter Sustainability focus areas and process to define them).

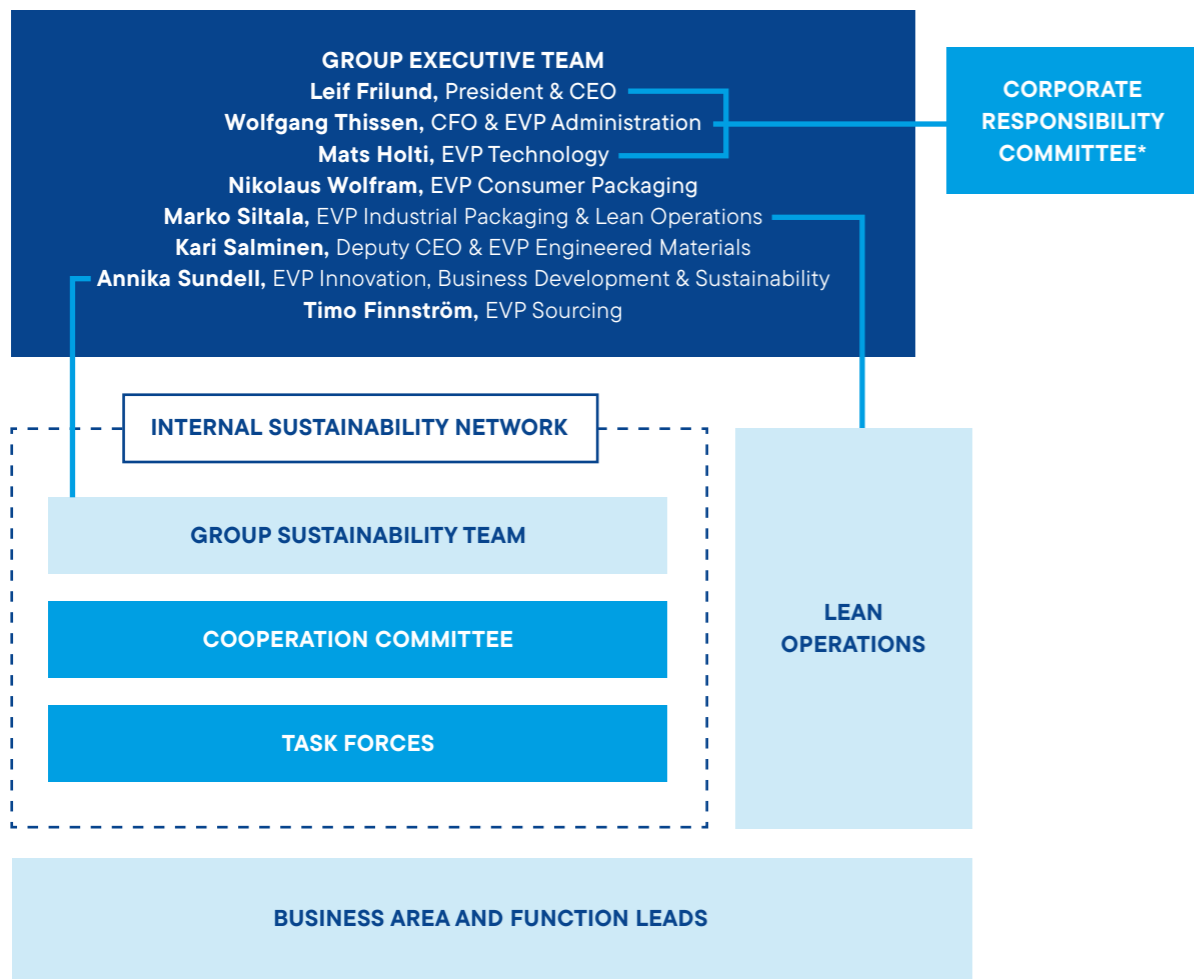


As part of the newly established internal sustainability network, the Group Sustainability Team coordinates the planning and implementation of actions affecting sustainability. The network also consists of the Cooperation Committee, including representatives from each business area, group functions and production to ensure cooperation within and business alignment of actions, as well as dedicated, fixed-term task forces to carry out development actions with concrete outcomes. Additionally, a plant-level environmental network will be established to facilitate the sharing of best sustainability-related practices across Walki's production plants.

GET members (Business Area and Function leads) are responsible for integrating needed sustainability topics into relevant daily business decision-making practices and processes in their own area of responsibility.

The role of the Lean Operations organisation in sustainability-related topics is versatile. It runs and coordinates the occupational health and safety actions at the group level. Additionally, it coordinates operational excellence activities within our production plants and functions to continuously improve the utilisation of resources. Furthermore, it encompasses the group supply chain organisation, one of whose tasks is to ensure the optimal usage of the production network.

Governance structure



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

Walki's stakeholders are actively listened to and engaged on sustainability topics (read more in chapter Stakeholder engagement). The responsibility of stakeholder engagement is decentralised within the organisation, but the GET ensures that material topics are considered and integrated into the strategy. The core business areas and the Sourcing business function have strong relationships with customers and suppliers and are therefore the main point 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 as climate and biodiversity related

risks increase, and political and regulatory risks continue to have an effect on businesses.

Economic performance and impact

During 2023, the industry faced numerous challenges due to unpredictable market conditions and geopolitical tensions affecting global trade and supply chains. At Walki, after solid performance in 2022, we faced a decreased demand in our customer industries and destocking in the whole supply chain.

Despite the challenging operating environment, Walki succeeded in advancing its sustainability targets in 2023. We have continued to develop and launch new products that support our customers on their sustainability journeys. Through innovation, we help solve the most demanding challenges in packaging and the built environment and create significant value for our customers. Finding new ways to employ sustainable raw materials and embrace resource efficiency is also key strengthening our resilience.

Economic performance

	2021		2022		2023	
	EUR million	% of net revenues	EUR million	% of net revenues	EUR million	% of net revenues
Generation of value added:						
Net revenues	487.59	100%	705.26	100%	627.31	100%
Operating costs	-391.60	-80%	-581.09	-82%	-521.58	-83%
Distribution of value added:						
Community investments		0%		0%		0%
Employee wages and benefits	-72.39	-15%	-86.98	-12%	-92.71	-15%
Payments to governments (taxes and royalties)	-4.40	-1%	-6.45	-1%	-2.43	0%
Payments to providers of capital	-8.42	-2%	-13.57	-2%	-24.01	-4%
Economic value retained	10.782	2%	17.169	2%	-13.423	-2%

Sustainability focus areas and process to define them

Having clarified and set concrete targets for Walki’s three sustainability focus areas in 2022, we continued to develop our sustainability agenda in 2023. A roadmap was created, defining the key actions to reach set targets for each focus area by 2030.

Our pathway towards a circular future

Our sustainability agenda is grounded in identifying areas where Walki can have the most significant impact and play a central role in driving positive change. By listening to and collaborating with our stakeholders, leveraging our capabilities, and fostering innovation, we create value for our customers and support the shift towards a circular future.

We have identified three relevant and critical sustainability areas that are the cornerstones of our sustainability agenda. Walki’s sustainable growth is ensured through concrete targets for each of these areas. Our sustainability agenda is integrated into our day-to-day operations and decision-making.

Our sustainability focus areas reflect Walki’s business and mission of transforming materials for a circular future and towards a sustainable society. Packaging is one of the main users of virgin materials and packaging waste is an increasing challenge both globally and, in the EU. New regulation is addressing both the recyclability and material content of packaging, with a general trend towards recyclability and avoiding single-use plastics.

Walki’s customers are also demanding recyclable and reusable packaging, in addition to setting GHG emission reduction targets across their value chains. In the construction sector, Walki’s clients continue to focus on improving buildings’ energy efficiency and reducing GHG emissions throughout the life cycle of the building. ESG is an increasing priority among the investor and lender community due to shifts in regulation, financing conditions that are more favourable to sustainable companies, risk profiling, and overall competitiveness of their portfolio companies.

In 2023, we further defined our sustainability agenda by identifying actions and creating a roadmap for 2030. The roadmap is structured around Walki’s three focus areas, with important steps for the integration and promotion of sustainability within our operations included. It was developed together with a broad range of Walki’s employees to ensure that insight was gathered from across the organisation. As sustainability is a critical, cross-cutting topic, we held workshops with team members from all of Walki’s business areas and business lines, including representatives from a range of functions. We focused on identifying concrete actions that resonate with the needs of each business line, considering specific end-user segments and customers. The workshops

Walki’s Sustainability Agenda

SUSTAINABILITY FOCUS AREAS

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 emissions by 50% from our 2021 baseline.

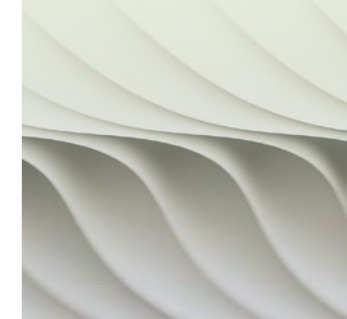
We invest significantly to energy-efficiency and green energy-sourcing in our plants. Emissions cutdowns will be reached also through tight collaboration within our value chain. We are actively seeking and promoting alternative low carbon raw materials.



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. Paper and board products.



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

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



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

also helped to increase awareness and engagement among team members, and to enhance our sustainability competences.

In 2024, Walki will focus on strengthening the integration of sustainability into its business processes and decision-making, as well as developing key performance indicators. In addition, we will organise systematic reviews of our sustainability roadmap twice a year to ensure that we are progressing as planned.

Walki will also review the specific targets related to our sustainability focus areas, considering the requirements of the new EU Packaging and Packaging Waste Regulation that will come into effect in late 2024 as well as the SBTi target setting.

Additionally, we have made changes to our sustainability governance model to further support the integration of sustainability into Walki's operations. The new governance structure fosters communication between different functions, ensuring that sustainability is not siloed but rather integrated throughout our operations (read more in the chapter Governance and economic impact).

An overview of our sustainability roadmap can be found at the end of this chapter. Comprehensive sections on each priority 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

The wellbeing and safety of our people, partners, and the communities around us is a top priority at Walki. Besides the three sustainability pillars mentioned, we consider the following topics to be foundational, governing our everyday practices: the wellbeing of employees, health

and safety, human rights and ethical business practices, environmental and social responsibility in the supply chain, product responsibility and transparent governance processes and structures. We have long focused on continuous improvement in these areas both at group and at plant level, with most of the plants having externally certified management systems in the areas of health and safety management (ISO 45001), quality management (ISO 90001) and environmental management (ISO 14001). See chapter Certifications for a list of Walki's plants' certified management systems.

This report contains chapters covering each aspect of our foundation, including how they are managed and how Walki performed during 2023 (chapter Employees and onwards).

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. At the end of 2023, a new Operational Excellence team was set up to strengthen and drive continuous improvement in operations and customer satisfaction at Walki. During the year, the focus was on running continuous improvement projects at our production plants and further implementing lean tools, such as root cause analysis. Tasks related to continuous improvement were also identified for all areas and will be systematically taken forward in 2024.

Assessing material impacts, risks, and opportunities

Walki's approach to identifying material sustainability topics has been based on conducting materiality assessments, complemented by inquiries into key stakeholders' perceptions throughout the year. Our previous materiality assessment was conducted in 2021 and further complemented in 2022 with insight on the expectations of our key stakeholder groups.










The results formed the basis of our sustainability agenda with the above-mentioned three focus areas selected. More information on the previous assessment can be found in Walki's 2022 sustainability report (you can access the 2022 report [here](#)).

We have identified the need to further develop our processes and practices for defining Walki's material topics in accordance with the new EU Corporate Sustainability Reporting Directive (CSRD). In 2024, we are carrying out a double materiality assessment, which will assess both Walki's impacts on the environment and society as well as financial risks and opportunities related to the material topics in line with the requirements of the directive.

To gain a holistic view and deepen our understanding of impacts, risks and opportunities across our value chain, a broad group of Walki's employees will participate in the process. Importantly, clients and other stakeholders are also interviewed to gain further insight.



Walki's Sustainability Roadmap

Current situation 2023	Development area	Key actions 2023	Key actions 2024-2025	Key actions 2026-2030	Target 2030
<p>Zero-waste future</p>  <p>70%</p> <p>Recyclable, compostable and/or durable products sold</p>	<p>Forming tight collaborations with our customers, partners and suppliers</p> 	<ul style="list-style-type: none"> Sustainability workshops with key customers and raw material suppliers – alignment and data collection 	<ul style="list-style-type: none"> Scaling up sustainable solutions with customers Focusing on joint development projects to lower product carbon footprint and introduce renewable and recycled plastics Working closely with our value chain to elevate the use of high-quality renewable and recycled plastics Integrating stricter sustainability criteria in raw material supplier selection and assessment 	<ul style="list-style-type: none"> Scaling up the use of renewable and recycled plastics More focus also on development projects including next generation materials 	<p>Zero-waste future</p>  <p>100%</p> <p>Recyclable, compostable and/or durable products sold</p>
<p>GHG emissions</p> <p>571 ktCO₂ total emissions in 2023 (Scope 1-3)</p>	<p>Portfolio development with fresh solutions and innovations combined with strategic acquisition</p> 	<ul style="list-style-type: none"> Product launches of recyclable packaging solutions Product launches with fiber-based materials replacing fossil-based, virgin polymers Dispersion line investment at the Valkeakoski plant 	<ul style="list-style-type: none"> Further development of recyclable solutions to replace remaining non-recyclable products influenced by PPWR, for example aluminium laminates Systematic CO₂ reduction of the portfolio Increasing the use of recycled plastic Increasing the use of renewable plastics Dispersion/glue lamination line investment at the Steinfurt plant 	<ul style="list-style-type: none"> Next generation materials Scaling up the use of renewable and recycled plastics 	<p>GHG emissions</p> <p>Scope 1 & 2: -50% absolute reduction</p> <p>Scope 3: -50% intensity reduction</p>
<p>Sustainable raw materials</p>  <p>68%</p> <p>Products with renewable or recycled materials as the main component</p>	<p>GHG emission reduction with energy efficiency, investments and portfolio development</p> 	<ul style="list-style-type: none"> Commitment to an SBTi target Creating a GHG emission reduction action plan for scope 1 and 2 	<ul style="list-style-type: none"> Building a GHG emission reduction action plan for scope 3, first concentrating on raw material production and transportation emissions Further energy efficiency improvements 	<ul style="list-style-type: none"> Implementing and modifying the GHG emission reduction action plans For scope 3, more focus also on product end-of-life emissions Production waste upcycling projects 	<p>Sustainable raw materials</p>  <p>100%</p> <p>Products with renewable or recycled materials as the main component</p>
	<p>Data management development to enhance fact-based decision-making and communication</p> 	<ul style="list-style-type: none"> Launching the use of an LCA tool Development of GHG emission calculation 	<ul style="list-style-type: none"> Further development of calculation tools and related data management Systematizing transparency and integration of sustainability attributes in customer communication Preparing for CSRD compliance 	<ul style="list-style-type: none"> Continuous improvement of data management and communication Establishing LCA as an integral part of product development and customer communication 	
	<p>Internal process development and communication</p> 	<ul style="list-style-type: none"> Creating a pathway to more systematic integration of sustainability into business processes 	<ul style="list-style-type: none"> Consolidating the work of the Internal Sustainability Network Launch of Walki Thought Leadership program and Annual Walki Environmental Day Internal online training on sustainability for all Walki employees Establishing sustainability as an integral part of key decision-making processes 	<ul style="list-style-type: none"> Continuous improvement of sustainability governance, decision-making processes and communication 	

FOCUS AREA

Sustainable raw materials

Walki contributes to the circularity of packaging solutions and engineered materials and seeks to significantly reduce greenhouse gas emissions by prioritising the use of recycled and renewable materials.



Context

For Walki, transforming old patterns of resource usage is key for minimising impacts on the environment. The use of raw materials forms a significant part of our environmental footprint with the impacts stemming mostly from forestry, harvesting and the processing of wood and fibres, the extraction of oil and production of plastics, as well as the production of aluminium.

Walki's products consist of fibre-based materials, such as liners, boards, and packaging papers, as well as plastics and aluminium foils. Our aim is to increase the use of recycled and renewable materials in both our fibre-based and plastic-based products. Currently, 22% of fibre-based raw materials is from recycled sources and 78% from renewable virgin fibres, while the polymers are primarily fossil-based resins and films. In addition, a small amount of glass fibre and plastic-based scrims and nonwovens are used.

Walki transforms these raw materials into consumer and industrial packaging as well as engineered materials mainly through four different manufacturing processes: extrusion coating and lamination, blown film production, dispersion coating, and printing. In addition to greenhouse gas (GHG) emissions, Walki's manufacturing processes have impacts on the environment through production and other waste, water use and discharges, and emissions to air. Manufacturing takes place at Walki's 17 plants in 8 countries across Europe with one plant located in China.

Walki's impact on the climate is covered in detail in the chapter GHG emission reductions. Our supply chain and operations naturally also have social impacts. These are covered in the chapters Business ethics and human rights, and Responsible value chain.



IN 2023, 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 recycled and renewable 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 emissions reductions).

To reach Walki's goal, we are focusing R&D efforts on bio-based and recycled material innovations. In addition, we are working closely with our suppliers to elevate the use of high-quality bio-based and recycled polymers as well as to substitute plastics with fibre-based content

where applicable. In the future, materials based on carbon capture and utilisation (CCU) will also enhance our offering.

Ensuring that renewable 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.

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.

WALKI'S TARGETS

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

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 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***

* The baseline for the target is the 2021 share of revenue. In 2021, 74% of Walki's products, measured as revenue, met the target, 9% had a clear pathway to reach the target, with 17% of the portfolio not yet meeting the target or not having been assessed yet.

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

*** An externally certified environmental management system means that an independent third-party regularly verifies that our environmental management systems meet specific standards, such as ISO 14001, and follow the principles of continuous improvement. See chapter Certifications for a list of our plants' certified management systems.

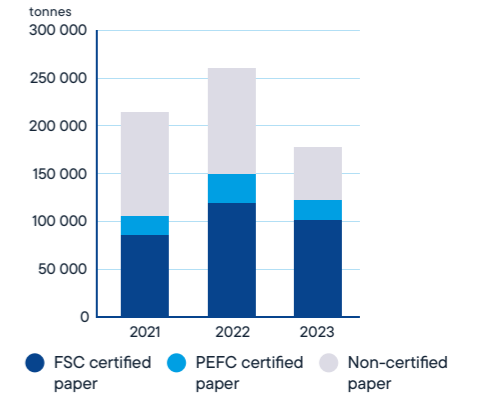
Performance in 2023

Material use

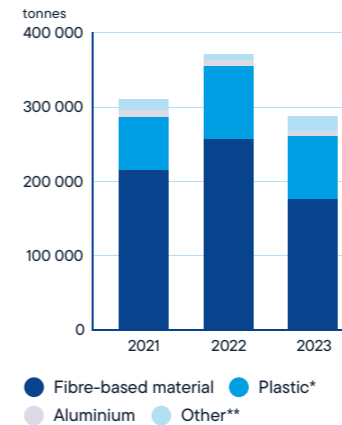
In 2023, Walki's total material use decreased by 23%, mainly due to a drop in production volumes. Approximately 288,000 tonnes of materials were used in total, with fibre-based materials accounting for 61%, plastics 29%, aluminium 2%, and other materials, such as adhesives, chemicals and nonwovens, 7%.

In line with Walki's sustainability agenda and focus on circularity, our ambition is to increase the share of recycled raw materials. In 2023, we used a total of 49,610 tonnes of recycled paper, plastics, and chemicals. Overall, the share of recycled content decreased slightly from 18% in 2022 to 17% in 2023.

Use of certified paper



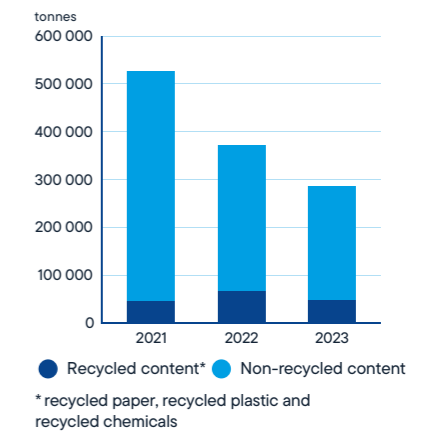
Total material use



* includes bio-based plastic, which accounts for 1.3% of plastics used.

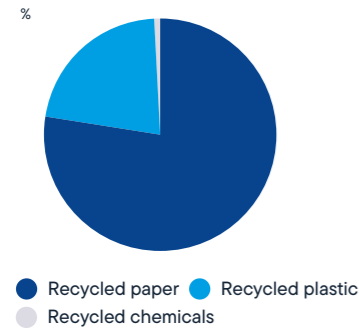
** includes chemicals, inks and lacquers, minerals and non-fibre web-based materials, such as fabrics, nonwovens and glass fibre scrim.

Recycled content of total material use



* recycled paper, recycled plastic and recycled chemicals

Share of recycled content



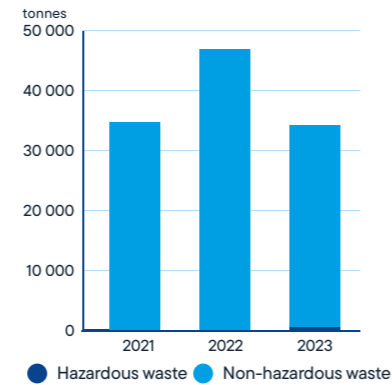
Walki has also focused on increasing the share of certified paper to ensure that virgin fibre materials are sourced from sustainably managed forests. 69% of all paper used during 2023 was FSC or PEFC certified*, meaning that we are another step closer to reaching our set target for 2030. The increase from 58% in 2022 demonstrates our commitment to ensuring high standards in the sustainability of raw materials.

Overall, 68% of Walki's products, measured by revenue, met the set targets within our sustainable raw materials focus area in 2023. An additional 4% of products has a clear pathway for reaching the target. Due to new acquisitions, the share of our portfolio that does not yet meet the targets or has not yet been assessed has grown slightly from 2022.

Waste

In 2023, Walki generated approximately 34,200 tonnes of waste. The total amount decreased by 27% mainly due to the lower production volume in 2023. The generated waste consisted mostly of non-hazardous waste (98%) such as plastic films, paper and PE laminates, edge trims, extrusion polymer waste and cardboard. 672 tonnes (2%)

Waste generated

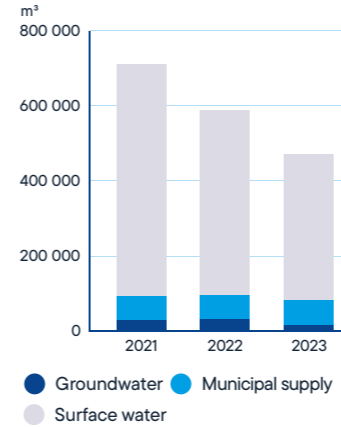


Waste recovered, recycled and disposed



of hazardous waste were also generated. This included solvents waste, hazardous chemicals, oils, solvent-based ink cleaning waste and inks.

Water withdrawal*



* Most water is used at Walki's Valkeakoski plant, which is not an area of material water risk or high water stress.

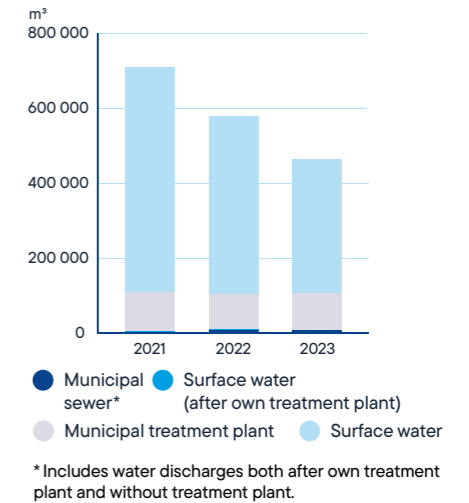
The share of waste reused or recycled decreased slightly from approximately 75% in 2022 to 73% in 2023. This was due lower recycling rates at Walki's newly acquired production plants (Vaasa, Säskylä and Wendorf) that produce a larger share of non-recyclable polymer mix waste. 89% of plastic film waste is regranulated and reused in our Murcia plant. Of the total waste, 34% was incinerated and recovered as energy. The remaining small share of waste was sent to landfill (0.4%) and hazardous waste treatment plant (0.7%).

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 2023, no significant spills occurred at Walki's production plants, and no radioactive waste was generated.

Water

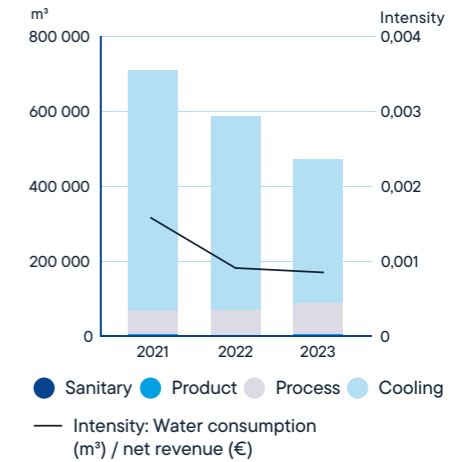
In Walki's operations water is used for production processes, moisturizing of products, and sanitary and

Water discharges



* Includes water discharges both after own treatment plant and without treatment plant.

Water consumption



*Walki's target also includes FSC Controlled Wood.

cooling purposes. In 2023, water consumption amounted to approximately 472,000 m³. Compared to 2022, the amount decreased by 20% mostly due to a decreased use of water for cooling at our Valkeakoski plant.

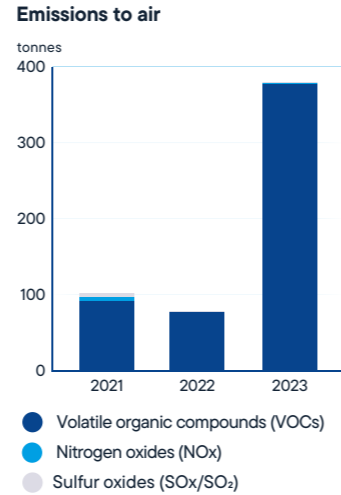
In line with water consumption, the total water withdrawal decreased by 20% from 587,560 m³ in 2022 to 471,000 m³ in 2023. Most of the water withdrawn is surface water from a lake, which is used as cooling water at the Valkeakoski plant. This is recycled and released back into the lake. Walki's other production plants utilise municipal water supplies, whereas one of the two plants at Ylöjärvi also utilises groundwater.

Related to Walki's water discharges, a slight change occurred from 2022 in the amount of water discharged to municipal sewers (+14%) compared to discharges to surface water (-25%). This change stemmed mostly from differing practices at Walki's new plant in Wendorf and more accurate data received from the plant in Kwidzyn.

Emissions to air

Walki's emissions to air stem mainly from the use of solvent-based inks and lacquers in printing processes. While a significant share of the inks we use is water-based, our emissions in the form of volatile organic compounds (VOC) increased significantly in 2023 due to the use of solvent-based inks at our new Säkylä and Wendorf plants.

Meanwhile, the emissions of inorganic pollutants such as nitrogen oxides (NOx) and sulphur oxides (SOx/SO2) resulting primarily from heating the dryers in the printing machines at Walki Jatne plant decreased from 2.0 tonnes to 1.5 tonnes mainly due to decreased production volume. The quantities of these emissions from Walki's operations continue to be minor.



“In collaboration with our customers, we have further developed our offering to answer to the rising demand for fibre-based packaging.”



Actions in 2023 and outlook

The development of a sustainability roadmap for Walki's sustainability focus areas was a key action in 2023. In terms of sustainable raw materials, emphasis was placed on securing the supply of recycled and renewable plastics. This included organising sustainability workshops with our suppliers to enhance collaboration.

In 2023, we have also continued efforts to substitute plastic with fibre-based content – one of our prioritised

actions. In collaboration with customers, we have further developed our offering to answer to the rising demand for fibre-based packaging. Walki's fibre-based solutions with thin barrier liners ensures recyclability, while protecting against moisture, grease, and damage. Developing these highly functional alternatives to plastic packaging is key for reducing waste and climate emissions (read more in our case stories later on this chapter).

We have also expanded our capacity to produce barrier boards at our plant in Wrocław, Poland. Our new sheeting facility is key for increasing access to barrier board products that help reduce the amount of packaging used.

Within engineered materials, our main objective remains to ensure functionality and durability of products whilst reducing their carbon footprint through low-carbon materials. In addition to increasing the share of fibre-based materials, we are seeking to reduce the amount of aluminium used.

As well as substituting plastics with fibre-based materials, Walki will further enhance the utilisation of renewable and compostable plastics in the future. At our Ylöjärvi and Murcia plants, investments into extrusion equipment for bio-based materials are planned. These will enable us to further increase the current production of bags made from bio-based and recycled plastics. In addition, we will increase our efforts to utilise bio-based plastics through

“Walki will further enhance the utilisation of renewable and compostable plastics in the future.”

cooperation with suppliers as well as R&D.

Across Walki’s business areas, the interest in certified materials has continued to grow in 2023. We have proceeded to develop our product portfolio by increasing the share of certified materials, such as FSC and PEFC certified fibre. A concrete example is the launch of our new type of construction membrane for the French company NUUK. The product’s non-woven layer, typically made from fossil-based polymers, has been replaced with FSC-certified paper. This significantly reduces the carbon footprint of the membrane as well as ensures that the materials originate from sustainably managed forests.

To advance our goal of increasing the use of certified materials, we are also aiming to obtain ISSC certification for our plant in Duffel, Belgium in 2024.

**Case story:
Sustainable fibre-based packaging for washing pods**

THE CHALLENGE: Washing tablets have typically been packaged in plastic pouches or rigid plastic containers. With more consumers demanding sustainable alternatives, the challenge emerged for producers to shift away from plastic packaging to more sustainable options. However, finding alternatives that could still protect the washing tablets from moisture and water damage posed a challenge.



THE SOLUTION: Walki has addressed this challenge by developing extrusion-coated PE-liner paper solutions, allowing producers to shift from plastic pouches to fibre-based boxes for washing tablets. This solution offers a protective barrier against moisture and water, crucial for keeping the washing tablets safe during storage, transport, and use. Walki’s barrier-coated liner allows for packaging with over 95% fibre-retention, meeting EU recycling regulations and consumer demands for sustainable alternatives. This barrier also improves child safety by preventing leaks if a tablet breaks inside the box.

THE OUTCOME: Manufacturers can now offer fibre-based packaging that is both recyclable and functionally effective. By switching from plastic to paper-based packaging, the industry can significantly reduce its share of plastic waste. Further, the availability of these sustainable alternatives aligns with consumer preferences, driving market demand for non-plastic options. Walki’s solutions, like Walki®Line Aqua, Walki®Line Solid, Hydraplex™, and Reelplex™, not only address the challenge of moisture protection but also pave the way for a more sustainable future in packaging.

Case story: A sustainable box for tulips

THE CHALLENGE: Every spring, the global flower industry sees a rise in the transportation of tulips from producing countries to retailers worldwide. Traditionally, these delicate flowers are stored in plastic buckets. Recognising the need for a more sustainable option, Kesko, a listed Finnish trading sector company, aimed to find a sustainable alternative for storing tulips in their stores. Figuring out how to keep the flowers hydrated without leaking presented a difficulty.

THE SOLUTION: To address this challenge, Kesko and their tulip supplier partnered with StoraEnso as foldable corrugated box producer. Together, they worked on creating a recyclable foldable corrugated board design specifically for tulips. The key was finding a sustainable barrier to prevent water leaks. Walki was tasked with creating this barrier, developing a thin plastic film liner integrated into the inner layer of the corrugated board structure. This barrier prevents water from seeping through while maintaining the box's recyclability in standard fibre recycling mills.

THE OUTCOME: The resulting product was named the 'EcoFlower-Box'. By replacing plastic buckets with fibre-based boxes, Kesko stands to eliminate up to 27 tonnes of plastic annually. The EcoFlower-Box earned international recognition, winning the prestigious World-Star award at the annual Interpack fair in Dusseldorf, Germany. The successful implementation of this sustainable packaging solution demonstrates the potential for sustainability-driven innovation in packaging design.



Case story: Waste bags made from post-consumer recycled materials

THE CHALLENGE: Single-use plastic bags have a significant negative impact on the environment and our health. While different measures to reduce plastic waste are applied through regulation, businesses need to do their part in offering new and innovative solutions that help minimise the negative impacts.

THE SOLUTION: Seeking to minimise the use of virgin, fossil-based materials, Walki has been working on solutions that utilise innovative technologies to enable the reduced use of plastic in waste bags. As well as decreasing the thickness of the plastic film, increasing the share of recycled content has been at the focus of product development.

THE OUTCOME: Walki now offers a new range of waste bags that are made using post-consumer recycled materials. A 30% reduction in the product's plastic film thickness helps to reduce the use of raw materials. Moreover, product use is enhanced through a variety of scents that have been designed to neutralise unpleasant odours in the waste bags. The waste bags, launched in 2023, have been certified by Blue Angel, ensuring that they contain over 80% recycled content and meet rigorous standards for quality, safety, recyclability, and environmental responsibility.



FOCUS AREA

GHG emission reductions

Walki is taking action to combat and adapt to climate change by driving the transition to circular, low-carbon materials, setting ambitious targets to reduce greenhouse gas emissions, and offering innovative solutions that help prolong the lifecycle of products or improve energy efficiency.



COMPARED TO 2022, WALKI'S SCOPE 1 AND 2 EMISSION INTENSITY DECREASED BY 30%

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 is needed to achieve 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.

Context

Across the globe, we are witnessing the effects of climate change and its increasing economic, environmental, and social impacts. Swift measures are required from different actors, from policy makers and corporations to consumers to reduce global greenhouse gas (GHG) emissions. Walki is committed to enabling customers to reduce their climate impact by offering high-quality, recyclable or durable products using renewable or recycled materials whenever possible. At the same time, it is essential that we cut down GHG emissions from our own operations and value chain.

Walki's most significant sources of GHG emissions are the raw materials used in products, the end-of-life treatment of products as well as transportation and distribution. We source fibre-based materials, but also different types of fossil-based, bio-based, and recycled polymers and aluminium foils (for more details, see chapter Sustainable raw materials). In addition to the value chain emissions, our activities result in both indirect and direct greenhouse gas (GHG) emissions as we purchase electricity, steam, district heat, heavy and light fuel oil, LPG and natural gas to run our manufacturing operations, and fuels for forklifts.

We help our customers reduce their emissions through pioneering material solutions, but the durability and functionality of our products is also key. Walki's products aimed for the construction sector are made to last and improve energy efficiency, thus reducing GHG emissions. Our packaging materials are also indispensable in protecting goods and thus reducing waste.

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.

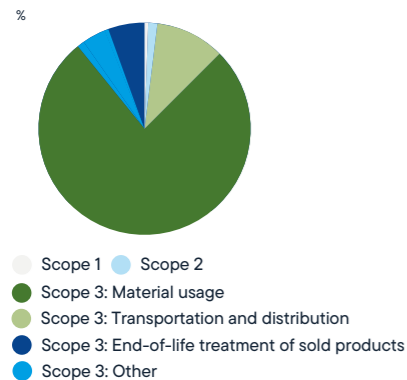
Performance in 2023

Carbon footprint

In line with Walki's sustainability agenda and newly developed 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 addition, we further developed our calculation of Scope 3 emissions by adding fuel- and energy-related activities (Scope 3 Category 3), processing of sold products (Scope 3 Category 10), and end-of-life treatment of our products (Scope 3 Category 12) to our calculation. We have also fully integrated our new plants (Säkylä, Vaasa, and Wendorf) into the data collection process and aligned calculation methodologies.

In 2023, Walki's total carbon footprint was 571,090 tCO₂e with 0.8% resulting from direct emissions (Scope 1), 1.2% from indirect emissions related to purchased electricity, steam and heat (Scope 2), and the remaining 98% from value chain emissions (Scope 3). Within Scope 3, material usage (76.7%) and transportation and distribution (10.6%) accounted for the majority of emissions. Our efforts to

Walki's GHG emissions in 2023



WALKI'S TARGETS

WE REDUCE GREENHOUSE GAS EMISSIONS BY 50% BY 2030 FROM THE 2021 BASELINE EMISSIONS.

- For Scope 1 and 2 emissions the target is a **50%** absolute reduction from the 2021 baseline
- For Scope 3 emissions the target is a **50%** reduction in greenhouse gas intensity per revenue

reduce emissions are focused particularly on these emission categories.

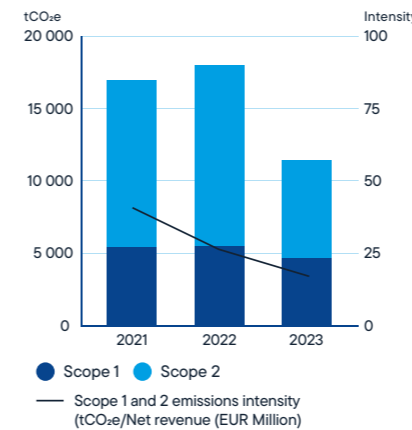
Walki's Scope 1 and 2 emissions amounted to 11,416 tCO₂e in 2023. Despite the growth in the number of plants (three acquisitions were made in late 2022), a 37% decrease from 2022 emissions was achieved. This significant reduction was mainly thanks to switching to non-fossil electricity at two additional plants, Wrocław in Poland and Changshu in China, as well as reduced energy use stemming from lower production volumes.

Scope 3 emissions increased by 8% from 516,387 tCO₂e in 2022 to 559,674 tCO₂e in 2023. Scope 3 emission intensity (emissions per net revenue) increased by 19% from 747 tCO₂e /MEUR in 2022 to 893 tCO₂e /MEUR in 2023. The increase in emissions stemmed from the broadened scope (new acquisitions) and the new emission categories added to our 2023 GHG calculation. The additions included further data on purchased services, water withdrawal from municipal supply and the new categories mentioned above.

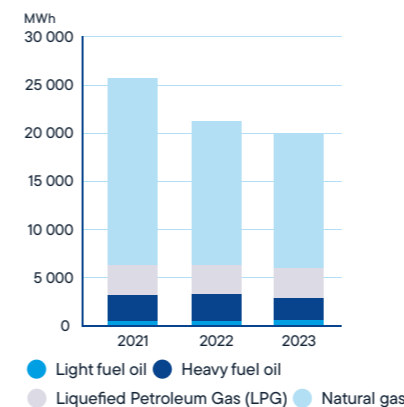
Energy use

In 2023, Walki's total direct energy consumption amounted to 19,922 MWh, signifying a decrease of 6% from 2022. The reduction was mainly due to lower production volumes compared to 2022.

Walki's Scope 1 and 2 GHG emissions

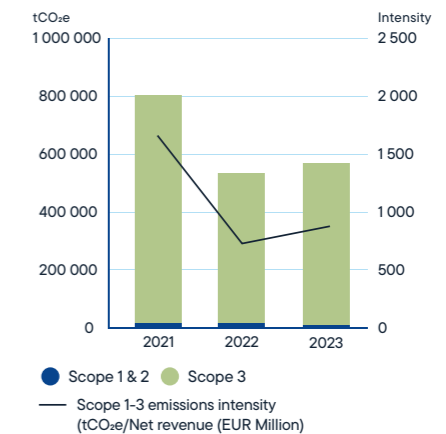


Direct energy consumption



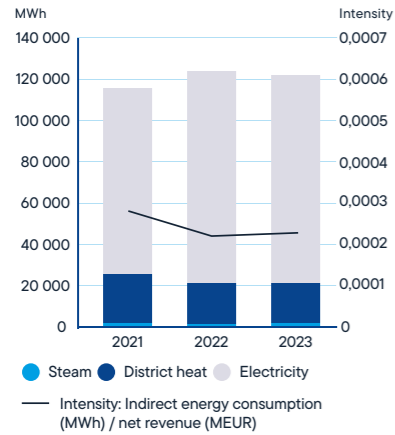
Walki's indirect energy consumption, including electricity (82%), heat (16%), and steam (1.8%), amounted to 122,145 MWh in 2023. No significant changes in the total consumption occurred compared to 2022. However, the share of renewable or non-fossil electricity increased from 84% in 2022 to 90% in 2023 as two additional plants purchased green electricity certificates.

Walki's Scope 1 & 2 and 3 GHG emissions*



*To further improve transparency and the accuracy of our GHG emissions calculations, we reviewed our calculation from 2022 and identified significant discrepancies in the data presented in our 2022 report and areas for improvements. The graphs in this section include adjusted figures for 2022 and the report text compares adjusted 2022 figures to the 2023 figures.

Indirect energy consumption



In 2023, the share of renewable or non-fossil steam was 39%, district heat 62% and electricity 90%.

Actions in 2023 and outlook

During 2023 and in the beginning of 2024, Walki took crucial steps forward in terms of reducing GHG emissions. With the baseline calculated and emission reduction target set in the previous year, we were able to focus our efforts on identifying key actions and developing a plan for tackling Scope 1 and 2 emissions. In 2024, we will continue the work by integrating Scope 3 into our action plan. Importantly, Walki has also committed to submit emission reduction targets to the Science Based Targets initiative (SBTi) in 2024.

With the sourcing of materials (Scope 3 Category 1, purchased goods and services) accounting for 77% of Walki’s total emissions, collaboration with suppliers is critical for minimising Walki’s climate footprint. In 2023, we organised workshops with our strategic raw material suppliers to help define and reduce our Scope 3 emissions going forward. The main objective of the workshops was to map out and align sustainability

roadmaps, including actions and targets for reducing GHG emissions.

Another key action was to gather emissions data from our key suppliers as well as logistics partners. This is important for improving the quality of both Walki’s organisational GHG emissions calculations as well as our products’ carbon footprint calculations.

In 2023, Earthster, a Life Cycle Assessment (LCA) tool, was introduced for Walki product carbon footprint calculations, i.e. the calculations of total greenhouse gas emissions caused by a product during its life cycle. LCA model templates were created with the tool and an independent third party LCA expert was asked to validate that the methodology and data sources of the templates adhere to ISO LCA and carbon footprint standards and relevant product category rules. 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. Data gathering and management, including internal and external sources like raw material suppliers, will be continuously refined to enhance data quality. Our focus is currently on product carbon footprint calculations, but we have developed the Earthster LCA models in a way that enables us to measure other environmental impacts throughout the product’ life cycle in the future. The development of LCA models and associated internal processes will continue in 2024.

In the future, we will continue to work closely with our suppliers as well as set stricter requirements for providing data and reducing GHG emissions. We have started to assess our suppliers based on the availability of emissions data provided and this will be a key criterion going forward. In relation to outbound logistics, we will develop our management system to enable better optimisation of routes and fill rate in 2024.

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. Our plant in Wroclaw, Poland has also been equipped with solar panels on the rooftops by the landlord, contributing significantly to the overall emission reductions of the plant.

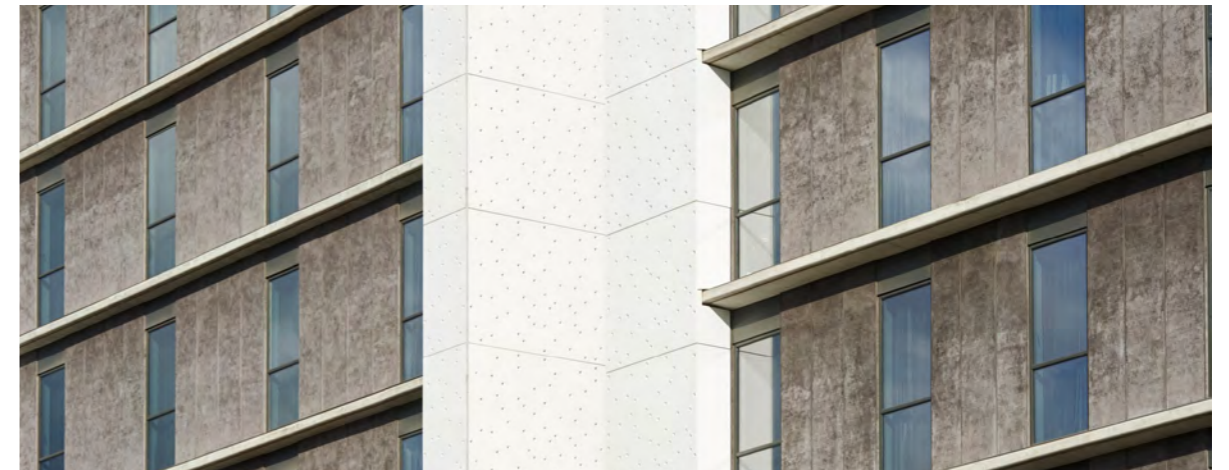
In January 2023, a new heat pump and cooling water compressor were taken into use at Walki’s plant in Pietarsaari. This modernisation of the heating system allows us recover heat from our cooling system to reduce the consumption of district heat and thus reduce our emissions.

At Valkeakoski, we focused on modernising the ventilation units, building air ducts for recycled air, heat recovery, upgrading the building automation and software, and replacing lighting with LED lights.

At our plant in Duffel, work will begin in 2024 to map out the possibility of installing solar panels and more accurate monitoring of energy consumption.

Continuous improvement has always been integral to Walki. In 2023, we further enhanced our approach to monitoring and analysing energy consumption at all our plants. In addition, we have set cost-saving targets and created a systematic approach for each plant, which also supports our efforts to minimise waste and energy consumption.

Walki has set ambitious targets for cutting down our GHG emissions but enabling our customers to minimise their climate footprint is another key objective. By increasing the share of fibre-based, renewable, and recycled materials we are reducing our Scope 3 emissions and shifting towards a low carbon product portfolio. An important milestone will be the launch of our new Walki®WICO₂ brand for insulation facings in 2024 with significant reduction in embodied carbon compared to market average.



Case story:
An action plan to reduce Scope 1 & 2 emissions

THE CHALLENGE:
Walki faced a crucial need to align actions with its sustainability goals, one of them concerning greenhouse gas (GHG) emissions. The target is to reduce Scope 1 and 2 GHG emissions by 50% by 2030, measured against the 2021 baseline. Substantial investments in energy efficiency had been made and a significant portion of electricity was already sourced from non-fossil sources, but Walki wanted to aim higher to reach the ambitious target.



THE SOLUTION:
To tackle this challenge, Walki has implemented a solution centred on data-driven insights and proactive planning. A data gathering process has been initiated across Walki's plants, focusing on yearly energy consumption forecasts spanning from 2024 to 2030. This analysis allows Walki to model various emission reduction scenarios, resulting in the development of a cost-efficient Walki-level action plan. The first version of this plan is to be reviewed and refined in 2024, outlining specific actions and estimated costs associated with reducing emissions, providing guidelines for targeted interventions.

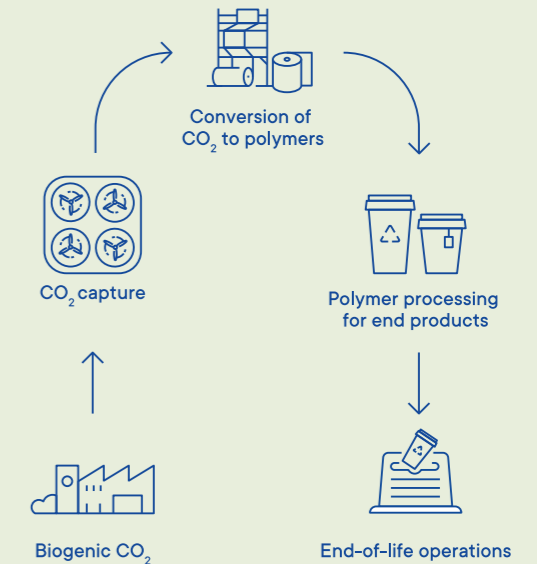
THE OUTCOME:
As a result, Walki is on track to achieve its Scope 1 and 2 GHG emission reduction target. Across all plants, Walki has increased efforts towards energy efficiency, employing systematic monitoring and optimisation of energy use to drive continuous improvement. Further, Walki has preselected technology development initiatives to be further investigated related to technical and economical feasibility, including integrating additional heat recovery systems, solar installations, and the electrification of machinery to further mitigate emissions. Concurrently, Walki is purchasing green electricity certificates, reinforcing its transition towards cleaner energy sources.

Case story:
Exploring the possibilities of Carbon Capture and Utilisation technologies

THE CHALLENGE:
Up to 9% of global greenhouse gas emissions are caused by food waste. Packaging has an essential role to play in protecting perishable food and extending shelf life, but there are strict requirements for packaging to ensure hygiene and food safety. Often, fossil-based plastic such as polyethylene is used in food packaging as a barrier layer in fibre-based packaging. The barrier is key for protecting the food against gases and moisture to maintain freshness and from contaminants that may compromise hygiene. In addition to the higher carbon footprint, the use of plastics affects the recyclability of the packaging.

THE SOLUTION:
Walki is part of the HICCUPS consortium, which seeks to develop a resource-efficient way of capturing CO₂ emissions from wastewater treatment plants and turn them into highly functional bio-based plastics for packaging. The innovative new technologies developed for the capture, conversion to monomers, and polymerisation of CO₂ enable the production of renewable, recyclable, and biodegradable plastics that have excellent water and gas barrier properties. The international four-year project involves a range of actors from industry, research, and non-profit organisations.

THE OUTCOME:
As part of the project Walki will develop new unparalleled fibre-based packaging where the bio-based plastic, PLGA, is applied as a thin barrier through dispersion and extrusion coating. The resulting recyclable and biodegradable packaging helps reduce plastic waste as well as avoid and actively reduce carbon emissions through the decreased need for fossil-based plastic and usage of carbon capture and utilisation technologies.



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 conventional polymer coatings, occasionally incorporating aluminium for suitable barrier properties. In general, these materials show a high level of recyclability, however, products with aluminium included pose a challenge. Additionally, consumer packaging products include fully plastic-based products. In all product categories, we are increasingly looking for possibilities to increase the use of bio-based or recycled plastics to replace virgin, fossil-based plastics.

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 and glass fibre and polymer-based nonwovens. Since our products are often integral components of larger end-products (such as an insulation panel or automotive part), their recyclability is contingent upon the recyclability and recycling rates of the end-products themselves.



62% 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 ongoing efforts, a lot has already been accomplished and a major share of Walki's products is recyclable. However, more needs to be done to transform products that are currently non-recyclable.

For most of the products in the engineered materials segment Walki's focus is in the short term on enhancing product durability and functionality. These products typically have a long lifetime (several decades) with main environmental impacts occurring during the use phase, such as energy efficiency in buildings. In the longer-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. 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.

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.

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 **≥90%*** paper content
 - For plastic based product threshold for recyclable is **≥90%*** 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.
- The baseline for the target is 2021 share of revenue of the end-products. In 2021, 54% of Walki's portfolio measured as revenue, met the target, with 46% not yet meeting the target or not having been assessed yet.

*During 2023, we re-reviewed our product portfolio assessment and adjusted our target from ≥95% to ≥90% as we consider recycling infrastructure in Europe to be mature to handle materials with ≥90% of the main material. This target is more ambitions than what is predicted to be the threshold in the upcoming EU Packaging and Packaging Waste (PPWR) legislation. We will review our target setting and thresholds during 2024 after the PPWR has been formally set to force.

Performance in 2023

Considering Walki's whole product portfolio, 70% of products sold in 2023 already met our target for zero-waste future: 46% of products sold are recyclable, 4% compostable, and 20% durable. Changes have occurred compared to 2022 as the new acquisitions have been included in the assessment. In addition, the previous assessment was revised to separate compostable and durable products from the overall figure.

“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.”



Walki's commercial organisation is collaborating closely with our customers to promote the transition to recyclable solutions. However, our possibilities to influence the purchasing choices of our customers are ultimately limited as various aspects need to be considered in their decision-making. This is why in addition to monitoring the share of recyclable products sold, we also monitor the share of our product portfolio for which we have already developed a recyclable solution. Considering the whole product portfolio in 2023, for an additional 12% of our products a concrete plan to achieve recyclability has been formed, increasing the share of products recyclable, compostable, durable or designed for recyclability to 82%.

Considering Walki's packaging products, 62% of products sold in 2023 were recyclable or compostable, and for an additional 20% of the products a pathway to recyclability has been developed.

Actions in 2023 and outlook

The year 2023 saw a continuation of our systematic review of product recyclability. This process is key in identifying areas for improvement and innovation within our product portfolio. Our focus has been on the development of recyclable solutions, with particular emphasis on mono-material plastic and fibre-based packaging products targeting the highest levels of fibre-recycling. One key action has been the installation of dispersion technology at the Valkeakoski plant, fully operational in 2023. This has increased our capability to improve the recyclability of our products. In response to the growing market demand for sustainable packaging, Walki has further broadened its range of mono polyethylene solutions. Our advancements in MDO-PE technology have allowed us to produce high-performance films, suitable for a variety of applications.

Systematic product development has continued related to recyclable fibre-based solutions. As an example, we have developed recyclable fibre-based packaging for cheese.

Throughout the year, Walki has paid close attention to the evolving EU packaging directives, ensuring that our products comply with and exceed the regulatory requirements. We have continued to concentrate on the development of packaging solutions targeting the highest levels of recyclability performance and ways to reduce the weight of packaging without compromising on quality or performance.

In 2024 the focus will be on addressing the remaining part of the product portfolio for which finding a pathway to recyclability still needs development efforts and collaboration with our customers. One of the key development areas will be to further refine our MDO-PE technology, enhancing its capabilities and applications. We intend to expand our product portfolio, offering diverse solutions to meet the evolving needs of our customers. As an example, we are aiming to launch a new high-barrier product portfolio in 2024. Walki will also be implementing dispersion coating and lamination technology at the Steinfurt plant to further increase capability to improve the recyclability of our products.

“Our focus has been on the development of recyclable solutions, with particular emphasis on mono-material plastic and fibre-based packaging products.”



In addition to focusing on our product portfolio, Walki is proud to have sponsored the Circular Classroom, an educational resource centred around the circular economy, that has been further enhanced early 2024. The toolkit, tailored primarily for upper secondary students, guides students through three key modules – Sustainability, Systems, and Design and Creativity – providing an understanding of circular principles. The

content is produced by one of the world's leading forces in the movement towards a sustainable and circular future, Leyla Acaroglu. Walki's sponsorship has enabled the creation of engaging videos and downloadable workbooks, fostering interactive classroom activities and collaborative learning experiences.

Case story: Helping brand owners make the switch from plastic-based confectionery pouches to paper packaging

THE CHALLENGE:
In confectionery packaging, plastic pouches have long been the go-to choice. Despite the preference for paper packaging due to the more established recycling streams for fibre-based materials, the industry has faced a significant hurdle: the inability of paper pouches to support the weight of the products without tearing at the euro-hole punching.

THE SOLUTION:
To tackle this challenge, Walki Group teamed up with a major packaging machine supplier to engineer a solution: a reinforced euro-hole pouch made entirely from fibre-based materials. The key innovation lies in the addition of an invisible double-layered strip above the euro hole, providing crucial reinforcement without compromising the appearance or functionality of the pouch.

THE OUTCOME:
Walki is now able to offer brand owners an alternative to plastic pouches, with the enhanced durability of fibre-based packaging enabling widespread adoption. This solution enables the reduced use of fossil-based plastics as well as increased recyclability of packaging. Production speed also remains unaffected, as the adaptable machinery used ensures efficiency in the manufacturing process. Moreover, the reinforced pouch isn't limited to confectionery, it's versatile for use in non-food sectors like hardware materials and toys.



Case story: Turning to natural polymers to protect food on the go

THE CHALLENGE:
The demand for food on the go has increased, generating large amounts of single-use food packaging. However, much of this packaging ends up as litter, worsening pollution issues. Adding to the problem is the low recycling rate for on-the-go food packaging, especially for items contaminated with grease and oils, which are common in fast food. The challenge is to find sustainable alternatives that balance convenience with environmental responsibility.

THE SOLUTION:
Walki has developed packaging using natural polymers that can help solve the challenge. By using polymers from sources such as starch and cellulose, we've created a barrier coating that protects food without causing additional plastic waste. This coating, applied to fibre-based materials, offers a solid alternative to traditional single-use plastics. The natural polymers provide protection for on-the-go food items typically consumed within a short timeframe, ensuring food safety. Moreover, using natural polymers avoids regulatory restrictions like the EU's Single Use Plastics Directive, making adoption and compliance easier.



THE OUTCOME:
Adopting packaging with natural polymers, which break down in nature and water, cuts the risk of littering and pollution. Further, using natural polymers derived from food industry by-products reduces waste and promotes circularity. By making it easy for existing production lines to accommodate these materials, converters can transition towards more sustainable packaging solutions.

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

Dedicated and talented people are the driving force of Walki's success. They embody our values and are essential in shaping the company's culture, leading our sustainability journey, and driving innovation. To enable us to achieve our sustainability vision, we seek to create a working environment where employees feel motivated and engaged. As an employer, our main 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. As our organisation has continued to grow, we have focused on further developing our employee experience, leadership skills, and processes for onboarding new employees.

Our approach

Walki is dedicated to ensuring equal opportunities and the fair and respectful treatment of all employees. We strive to understand our employees' views and continuously improve our performance as an employer. Our aim is to provide a working environment where our people can succeed.

Our approach is defined in the Walki Code of Conduct in which respect of human and labour rights are embedded. Discrimination, harassment, bullying, or any other form of inappropriate behaviour is not tolerated within our

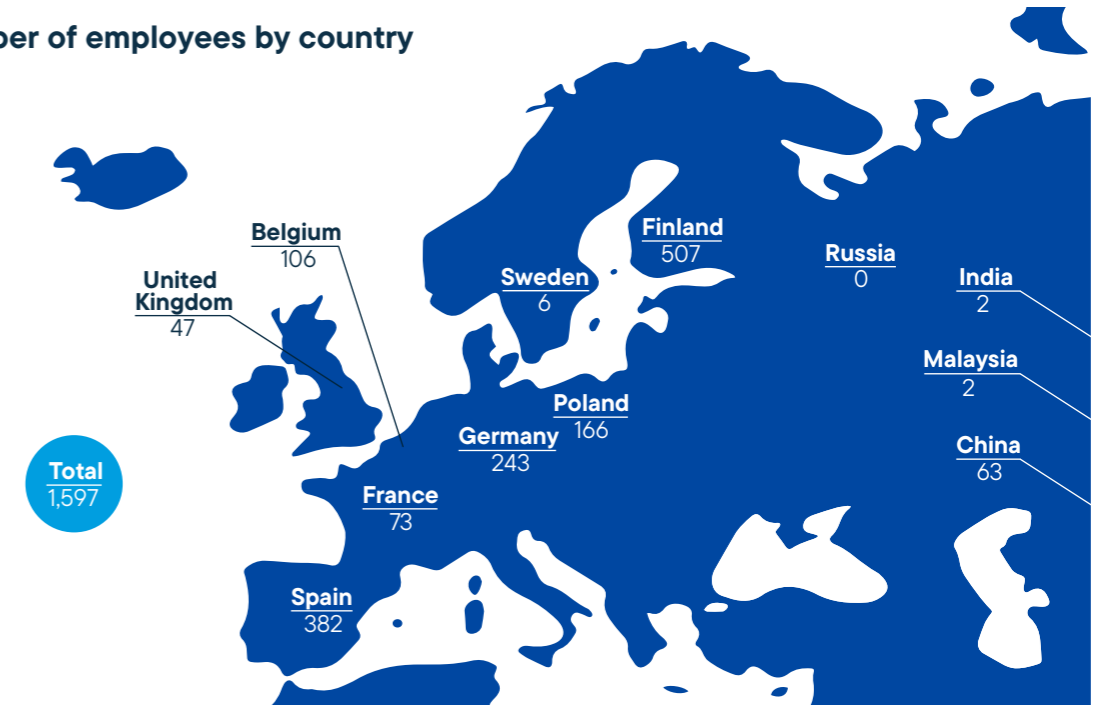
organisation. Our employees are actively engaged in upholding our values.

We collect employees' input and feedback through regular employee surveys. Our aim is to offer a clear communication channel for our employees to voice their opinions and views on Walki, the work we do, our work community and leadership. The insights gathered from these surveys are analysed, and key areas for improvement are identified at the Walki Group level. Additionally, each team discusses 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 internal 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).

Our aim is to establish permanent, long-term working relationships where employees feel empowered to contribute to Walki's mission and enhance their professional skills and expertise. We organise annual Personal Development Discussions (PDDs) to monitor individual performance, identify development desires and

Number of employees by country



needs, and importantly, foster motivation and engagement among our employees. The PDD process also serves to ensure equal treatment of employees and opportunities for career development.

Performance in 2023

In 2023, Walki's workforce comprised 1,597 employees across our plants (including the new acquisitions made in 2022). This marks an 8% increase in employees overall compared to 2022, mainly due to new acquisitions (3 new plants) and our global sales team being included in the reporting. The divestment of Walki's operations in Russia, however, also impacted the figures. Note that these employee numbers exclude long-term leave personnel.

Throughout the year, a total of 403 individuals concluded their employment at Walki. The main reasons included the end of a temporary employment contract (50%), own request (21%), divestment (8%), and dismissal (7%). The total turnover in 2023 including all reasons for termination was 24%, with the main reason being "ending of temporary employment". The endings of temporary employments constituted half of the turnover. Voluntary turnover in 2023 was 5%.

In 2023, Walki hired in total 317 new employees, of which the majority was temporary summer substitutes. In total, temporary staff members (165 persons) constituted approximately 10% of our workforce.



This marks a slight decrease compared to the previous year, as production workforce adjustments to major changes in market situation are made using temporary workforce and in 2023, the need for additional workforce was lower than in 2022.

We support employees' rights 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 2023, there were 60 outsourced employees, primarily technicians and operators performing logistical maintenance and project workers supporting organisation during investment projects.

In relation to our PDD process, a slight decrease occurred in the number of employees participating compared to 2022. This was mainly due to the integration of new acquisitions that was ongoing during the 2023 PDD process. 51% of white-collar employees and senior

management had PDDs in 2023, while less than 5% of blue-collar employees took part in the process. The challenges continue with finding time for large teams in production to organise discussions.

Actions in 2023 and outlook

In 2023, Walki has taken proactive steps to foster a supportive and inclusive work environment for all employees. One of the key actions was the organisation of an extensive leadership training program targeting all people leaders throughout Walki, with a focus on enhancing leadership and management skills. In addition, virtual learning modules on safety and sustainability were organised, ensuring team leaders are equipped to drive positive change in their work. Another important action in 2023 was the reform of our personal development discussion (PDD) process. As part of the new process, the results of the employee survey are reviewed within each team to better understand and identify development needs and create concrete targets. While our regular employee survey was not conducted in 2023 due to the transition in ownership, we will conduct the survey again in 2024.

Walki has also taken significant steps to enhance our onboarding process and recruitment policy. A company-wide, uniform onboarding process was developed to ensure high quality and fair experience for new employees. More support is now provided to team leaders of new employees as well as guidance for a general introduction and the creation of a personal onboarding plan for each new team member. During the revision of the recruitment policy, emphasis was placed on clarifying responsibilities and ensuring ethical practices and good communication within the recruitment process. Furthermore, we have implemented an anonymous survey as part of the onboarding process, enabling us to collect valuable feedback and continuously refine our onboarding practices.

“In 2023, Walki has taken proactive steps to foster a supportive and inclusive work environment for all employees.”

Number of employees by contract type

	2021	2022	2023*
Number of employees with permanent contract	1,165 (81,6%)	1,249 (84,2%)	1,432 (89,7%)
Number of employees with temporary contract	263 (18,4%)	235 (15,8%)	165 (10,3%)
Number of full-time employees	1,361 (95,3%)	1,421 (95,8%)	1,515 (94,9%)
Number of part-time employees	67 (4,7%)	63 (4,2%)	82 (5,1%)
Total	1,428	1,484	1,597

Number of employees by age and gender

	2021	2022	2023*	2023	Blue-collar employees	White-collar employees	All
Age				Age			
Under 30	171 (11,9%)	185 (12,5%)	198 (12,40%)	Under 30	118 (11,1%)	80 (15,0%)	198 (12,4%)
30 to 50	802 (56,2%)	807 (54,4%)	902 (56,48%)	30 to 50	611 (57,5%)	291 (54,5%)	902 (56,5%)
Over 50	455 (31,9%)	492 (33,2%)	497 (31,12%)	Over 50	334 (31,42%)	163 (30,5%)	497 (31,1%)
Gender				Gender			
Male	1,131 (79,2%)	1,172 (78,9%)	1,241 (77,71%)	Male	924 (86,9%)	317 (59,4%)	1,241 (77,7%)
Female	297 (20,8%)	312 (21,0%)	356 (22,29%)	Female	139 (13,1%)	217 (40,6%)	356 (22,3%)
Total	1,428	1,484	1,597	Total	1,063	534	1,597

*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
Male	8 (88,9%)
Female	1 (11,1%)
Under 30	0 (0%)
30 to 50	3 (33,3%)
Over 50	6 (66,7%)
Total	9

Diversity, equity, and inclusion (DEI) issues are at the centre of Walki's practices. Efforts in 2023 included continued efforts to utilise gender-neutral nomenclature and to integrate DEI principles into our recruitment policy, reflecting our dedication to promoting a diverse and inclusive workplace. We introduced a dedicated section on DEI, underaged labour, and GDPR compliance in our recruitment policy. In 2024, we will start preparing for the EU Pay-Transparency Directive.

Walki is committed to continuing its investments into the development and well-being of our employees in the future. One of our primary goals for 2024 is to launch our performance management guidelines and the online tools related to them.

Through our online HR system, we aim to make performance management an easy and accessible process for all employees. Our main aim is to strengthen performance at work by giving line managers better guidelines and practical tools to follow employees' performance and provide support as needed. Our performance management guidelines introduce the basic elements and responsibilities of line managers for how to ensure their team has the competencies, resources and support they need to perform well in their work. In addition, guidance is provided on how to manage challenges occurring despite having the prerequisites in place.

In 2024, Walki will also continue the leadership training programme with a focus on specialist roles, recognising the unique challenges and opportunities that are linked to these roles. In addition, Walki aims to develop an internal leadership community to further strengthen the needed skills.

We understand the important role that HR plays in supporting both the professional and personal needs



of our employees. Thus, in 2024 we plan to organise workshops aimed at developing Walki's HR team's facilitation skills, particularly in the area of employee wellbeing. The initial sessions will focus on wellbeing at work and how the HR team can support local managers.

Lastly, one of our goals for the upcoming year is to start creating an online handbook for people leaders. Envisioned as a dynamic learning tool, this handbook will provide team leaders with instant access to best practices, guidelines, and actionable insights that can be applied in their day-to-day management roles. The handbook will be designed to evolve with the changing landscape of leadership, ensuring it remains a relevant and valuable resource.

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 prioritise safety in everything they do.

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

Walki's Health and Safety Policy provides a framework for creating a safe working environment. In addition, we have Safety Standards that outlines the processes and practices to prevent accidents and work-related injuries or illnesses. All our employees receive an online training on our safety rules. At each production plant, we also organise frequently safety lessons and safety trainings sessions. Through trainings, we aim to increase awareness and strengthen safety culture as well as highlight how to mitigate risk situations.

Encouraging open dialogue regarding safety is a key action for mitigating risks and ensuring safe working practices. We seek to ensure that safety information is shared regularly across Walki sites. Our safety officers also meet frequently to share information and discuss safety initiatives.

Everyone at Walki has an important role in the development of our health and safety management. We engage with our employees regularly on health and safety matters and encourage them to share best practices and report any potential risks or hazards. Employees can utilise our web-based safety reporting system to share information through a mobile application.

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 possible development needs are discussed. Local health and safety committees at each site are responsible for overseeing the implementation of local safety action plans. The committees plan and execute improvement projects at Walki's production plants. The implementation of Walki's safety principles across the Group are overseen by the 'Say NO to accidents' steering committee.

Walki ensures that safety is a priority for our partners as well. All our suppliers need to commit to our Supplier

Code of Conduct that maps out our expectations regarding health and safety standards. With new acquisitions, health and safety is one of the first things we focus on.

Our commitment to high standards and the continuous improvement of health and safety practices is also demonstrated by externally verified management systems. 10 of our plants have achieved the ISO 45001 certification.

Identifying health and safety risks and preventing accidents is a critical step for creating a safe working environment. We organise regular internal audits to prevent health and safety incidents at Walki's production plants. We assess the safety of our working environments through four key actions:

“Everyone at Walki has an important role in the development of our health and safety management.”

Safety assessments: We are conducting safety assessments frequently at all plants to understand and improve the safety performance.

Risk assessments: An essential part of our approach to improving health and safety are regular risk assessments.

Safety walks: The Group Executive Team, managers, and employees across Walki's production plants participate in regular safety walks. The aim is to engage employees and encourage good safety practices and dialogue about safety topics.

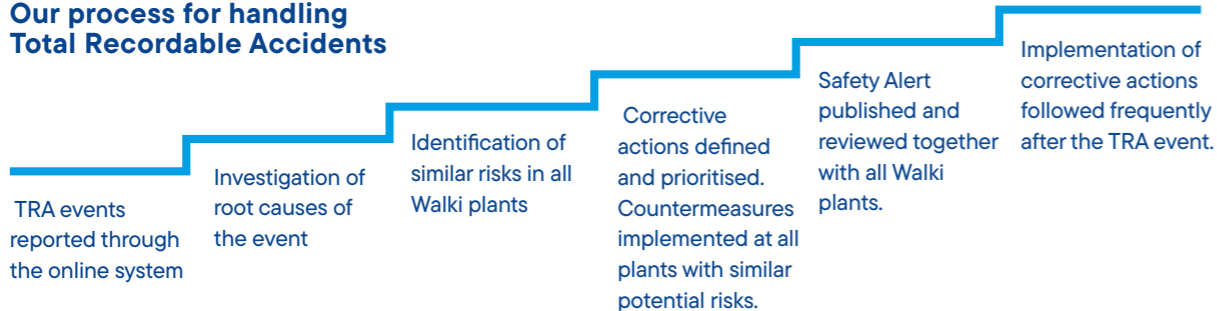
Safety observations: Safety observations are made by all employees (managers and operators) at Walki's production plants and offices. Corrective and preventive actions are completed within up to three months after a safety observation is made.



The number of safety observations and near misses reported by employees are followed closely. Our target is to receive two reports per employee from Walki production plants each year. Through our Best Safety

Observation contest held 4 times a year, we highlight the importance of the quality of observations and point out new identified risks to help address them early on.

Our process for handling Total Recordable Accidents



Targets

Walki's main health and safety targets for 2023

Metric	Target 2023
Number of lost time accidents (LTA)	0
Lost time injury frequency rate (LTIFR)	<4.0
Number of Total recordable incidents (TRI)	<8.0
Absenteeism	<3%

In addition, Walki has set targets for the number of audits, safety action plans, trainings, improvement projects, Safety Walks, and Safety Observations each year. The results are followed closely and discussed among the Group Executive Team and plant management teams.

Actions in 2023 and outlook

The implementation of Walki's health and safety policies and processes is a priority when integrating new acquisitions. In 2022, Walki acquired three companies with plants in Säskylä, Vaasa and Wendorf. During 2023, one of our main focuses was the integration of Walki health and safety standards and management systems to the new plants.

Priorities are set for each plant based on the baseline Safety Audit conducted. As a result, carefully defined and specific action plans were prepared and executed during the year. Five other safety assessments were conducted at other Walki plants to ensure previously created action plans were successfully implemented. On average the plants that were assessed improved their safety performance by 1.5 points on a scale of 0 to 50.

Performance in 2023

Overall, Walki's safety performance improved in 2023 with both the number of lost time accidents (LTA) and lost days decreasing. The 14% increase in the number of near misses and safety observations is also important to note.

During 2023, one high-consequence accident was reported at Walki's plant in Steinfurt. In this incident one employee lost their balance while performing a regular labelling task in a packing area of the plant, resulting in an inadvertent collision with a stationary object, and this unfortunately led to severe injuries. We take all incidents extremely seriously and all possible actions are taken to prevent similar incidents in the future. Following this, the area in question was assessed and improved, and additional safety training was organised at all Walki plants.

Continuing our ongoing work to strengthen our safety culture, we will proceed to carry out two campaigns in 2024. Focused on protecting fingers and preventing walking related accidents, the campaigns aim to raise awareness among employees and minimise risks by sharing best practices. In 2023, two task force groups were created to develop guidelines for actions to be implemented and followed up at all our plants. Due to the efforts made so far, finger-related accidents have been successfully reduced (Total Recordable Accidents) by 50% year-to-year. In 2023, Walki also began work on focusing on Major risks. This will be one of our priorities in 2024.

We will continue to improve Walki’s safety performance by highlighting the most common types of accidents through the campaigns and our three task forces focused on finger protection, safe walking and major risks. Importantly, we will also improve leadership, further develop health and safety standards and policies as well as run effective trainings. Engaging our employees and improving communication are key for raising awareness and mitigating risks.

Work-related injuries

	2021	2022	2023
Number of Lost Time Accidents (LTA)	16	15	14
Number of lost days	747.75	904.5*	813.69
Lost Time Injury Frequency Rate (LTIFR)	7.54	5.94	5.2
Absences due to illness (%)	3.77	4.24	4.15
Absences due to accidents at work (%)	0.16	0.25	0.21
Number of fatalities	0	0	0

Safety observations

	2021	2022	2023
Number of near misses and safety observations	2,865	2,996	3,429
Number of safety reports per 100 persons	232	197	210

*An error occurred in the 2022 reporting of the number of lost days and the figure has been corrected here. The previously reported figure was 1,139.



“Engaging our employees and improving communication are key for raising awareness and mitigating risks.”

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 located in 11 countries and a widespread network of customers, suppliers, and partners. A strong commitment to socially responsible and ethical business practices is essential as we navigate a complex and constantly changing business environment. We respect human and labour rights across our value chain and our values guide our business conduct and shape day-to-day practices.

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.

Our expanding global operations, signifies an increasing exposure to compliance risks. Walki is taking measures to strengthen our policies and processes to ensure responsible practices across the organisation. Additional efforts are also needed to prepare for tightening regulation.

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 chapter Responsible value chain).

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. In 2023, to reinforce our stance against corruption and bribery, we introduced a new e-learning training module on our Anti-Corruption and Bribery policy. This mandatory module, created



for all employees, serves to educate, and ensure the implementation of our zero-tolerance policy against corrupt practices. The trainings related to our Sanction Compliance Policy and Business Partners Selection Guidelines are mandatory for Walki personnel with 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.

In 2023, we also expanded our educational resources to include a cybersecurity e-learning module. As the digital landscape evolves, so too does the importance of safeguarding our information and systems.

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 three 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 audit to ensure that local laws and regulations are followed, and obligatory trainings related to Walki's policies are completed.

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 chapter Employees.

Performance 2023

Compliance trainings, incidents and internal audits

	2021	2022	2023
Number of internal audits completed at Walki sites	3	2	2
Code of Conduct Training (%)	69.9	81.9	87.9
Anti-corruption and bribery training* (%)	69.5	65.8	62.5
Business partner guidelines & sanctions policy training* (%)	69.5	73.5	74.4
Number of anti-corruption and bribery incidents	0	0	1
Number of reports made to the Whistleblowing channel	0	0	5

*only white-collar employees

Reporting and investigating suspected misconduct

Walki takes seriously and investigates all complaints and reports of misconduct or unethical behaviour. All employees are encouraged to report any suspected or detected grievances or violations. This can be done anonymously through our Whistleblowing channel, which can be accessed through our website or intranet with instructions on use and policy description included. To ensure anonymity the channel is managed by an external partner. All reports are handled by the Corporate Responsibility Committee.

To ensure transparency and accountability, we have refined our whistleblowing process in 2023, enhancing the way we handle and investigate suspected misconduct. Under the revised process, responsibilities have been clarified and every report received through the Whistleblowing channel is addressed with severity and confidentiality.

In 2023, 5 reports were made through Walki's external Whistleblowing channel. All reports were HR-related incidents linked to one of Walki's plants. The plant was visited, incidents were investigated, and the individuals involved were interviewed, resulting in no misconduct found.

There was one anti-corruption related incident in 2023, which was investigated comprehensively and appropriate actions were taken against the liable party and to prevent occurrence of similar incidents in the future.

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 2023 and outlook

In addition to updates to the above-mentioned trainings, Walki enhanced its compliance framework. A significant

investment was made with the recruitment of a new Group Compliance Officer, increasing the resources and capabilities of the compliance team. The year also saw the completion of two internal audits at Walki's plants. Minor areas for improvement were identified, particularly in relation to internal communications.

Looking ahead to 2024, the focus will shift towards the integration of business conduct policies and processes with Walki's new owner, the Oji Holdings. Additionally, with the strengthened support of the Group's compliance team, concerted efforts will 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 built a strong supplier network that enables us to serve our customers' needs while fulfilling our requirements for socially and environmentally sustainable practices. By working closely with our suppliers to meet even higher sustainability standards, we aim to drive positive change in our supply chain.

In 2023, 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 dedicated 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 a focus within 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. While 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 improving transparency. On occasions where certified quality management systems are not available, we utilise alternative quality assurance measures.

Engaging with our suppliers

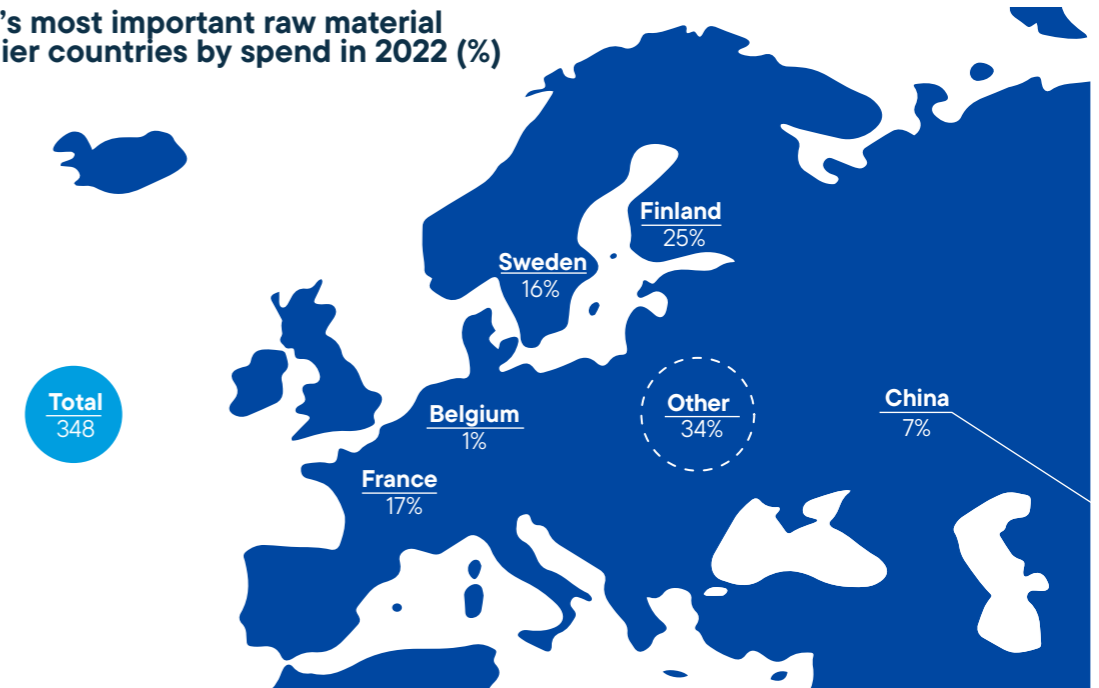
Our aim is that all suppliers commit to Walki's Supplier Code of Conduct, which lays out the sustainability standards that we expect from them. It encompasses compliance with laws and regulations, bribery and anti-corruption, business ethics, labour and human rights,

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 minimum ESG and data requirements that 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.

During 2023, we have further developed the Supplier Handbook to align minimum environmental requirements with the sustainability targets that we have set in 2022 (see chapter Sustainability focus areas and process to define them). The updated handbook requires all key raw material suppliers to set targets and related roadmap to reduce GHG emissions, preferably validated by the SBTi. This requirement will take effect during the year 2024 and 2025. Furthermore, we will specify the requirements for

Walki's most important raw material supplier countries by spend in 2022 (%)



these targets by 2025, ensuring that our key suppliers are not only aligned with but are also active contributors to our sustainability journey. Sustainability targets have an important impact on our selection criteria for suppliers.

Assessing sustainability risks in our supply chain

To ensure that Walki’s sustainability standards are upheld by our suppliers, we have clear policies and processes in place. 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. 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. In 2023, 23 suppliers were evaluated using our internal tool and the average score was 76 (on a scale of 1–100), and 8 Walki suppliers were audited.

Performance in 2023

Walki’s suppliers

	2021	2022	2023
Number of suppliers	409	375	348
Number of main suppliers (purchase more than 1 MEUR)	75	81	61
Share of suppliers in risk prone countries (%)	14	14	14
Share of new suppliers that have signed or been reviewed to be consistent with supplier code of conduct (%)	93	92	90
Share of all suppliers that have signed or been reviewed to be consistent with supplier code of conduct (%)	63	65	66
Number of raw material suppliers that do not have a certified quality management system in place	26	31	27
Number of suppliers evaluated	61	10	23
Suppliers’ average score*	61	70	76
Number of suppliers audited	1	3	8
Share of supplier contracting (%)	7	7	9

*Scale 1–100

Actions in 2023 and outlook

In 2023, Walki has taken significant steps to enhance our sourcing strategies, ensuring that our operations and partnerships align with our sustainability goals. Our latest acquisitions, Folian, Westpak, and Flexipack, were successfully integrated into our centralised sourcing organisation. During the past year, we have also focused on shifting from local to centralised purchasing practices Group-wide. This strategic move has streamlined our sourcing processes, bringing about a more cohesive and efficient approach to procurement across the Group.

A key emphasis within sourcing in 2023 was the execution of workshops with our strategic raw material suppliers. These workshops helped in strengthening our collaborative efforts and gaining deeper insights into our suppliers’ sustainability agendas, targets, and roadmaps.

During 2024, Walki will continue engaging with key raw material suppliers to align sustainability efforts. 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. More detailed selection and assessment criteria will be established by 2025.

In 2024, Walki will also focus on the development of our outbound (customer) logistics management. The path to reducing GHG emissions from our logistics operations is twofold: improving data analysis and optimising freight operations. We aim 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.



Another focus point for Walki during 2024 will be the reinforcement of our supplier self-assessment process. Our goal is to engage with all major suppliers through this process, gathering insights that will inform our procurement strategies and supply chain decisions. By doing so, we aim to ensure that our suppliers align with our sustainability standards and commitments.

“In 2023, Walki has taken significant steps to enhance our sourcing strategies, ensuring that our operations and partnerships align with our sustainability goals.”

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 upholding high standards in the quality, safety, health, and environmental performance of products throughout their life cycle. We adhere rigorously to these product responsibility principles in all our operations. Our principles are also aligned with legal requirements and strict food safety and construction standards.

Beyond mandatory compliance, our approach to product responsibility is guided by our sustainability priority areas (read more in chapter Sustainability focus areas and process to define them). Our ultimate aim is to offer customers mindful and coherent solutions, which means developing product durability, recyclability or compostability depending on the end-use requirements, prioritising renewable and recycled materials and aiming for a low carbon footprint. Product development has a significant emphasis in our business as we seek to enhance circularity and lengthen products' life cycles. We seek to maximise our positive impact by offering sustainable packaging that protects goods and construction materials that ensure 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 identify and eliminate the root causes of any issues, we carefully analyse all customer claims or remarks and collaborate with our customers to deepen our understanding. We also conduct similar analyses for any internal quality deviations and ensure robust internal processes designed for quality. Cooperation with our customers and raw material suppliers is essential to better meet the customer demands.



Performance in 2023

Customer Satisfaction

In 2023, Walki conducted a customer satisfaction survey using the Net Promoter Score methodology. The NPS score achieved was +28%. This number corresponds to the percentage of customers that gave us a score of 9 or 10 deducted by the percentage of customers which gave us the score between 0-6 in the scale of 0-10. The result was an improvement of 16% from the previous survey that was conducted in 2021.

“Walki is committed to upholding high standards in the quality, safety, health, and environmental performance of products throughout their life cycle.”

In addition to product and delivery quality, the smooth delivery of documentation and other information needed by the customer is becoming an even more important part of customer satisfaction and good customer service. This includes, for example, availability of sustainability related data regarding the products. During 2023, we placed even more emphasis on recognising the most important data needs and establishing efficient data collection and document creation processes to ensure that the required information will be readily available.

Customer complaint level

Walki’s target is to reduce the amount of customer complaints both in numbers and in value. Unfortunately, in 2023, the net costs of claims in relation to the Group turnover increased from 0.14% (2022) to 0.29%, which was above our target level of 0.16%. We received a total of 686 customer claims and 600 remarks. Excluding the three acquisitions made in 2022, the monthly number of claims per plant decreased from 2022 but the number of remarks increased.

Number of claims (pcs)

	2021	2022	2023
Number of claims	453	582	686
Number of remarks	326	308	600
Total	779	890	1,289

Delivery performance

We are committed to offering our customers reliable and timely delivery. To continuously improve our performance and enhance 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 Walki Group. The unified tracking methods will provide us with more comparable and meaningful numbers that will better enable us to improve our processes.

Actions in 2023 and outlook

Developing the quality process

In 2023, we continued to use a systematic problem-solving method to find out the root causes to quality issues. To enhance communication and improve implementation of corrective actions, persons from various

functions were involved in this process and the results of the analysis of main claims were shared within the group.

A second focus point for Walki during 2023 was to map quality parameters that predict the processability of our products in our customers’ processes in some specific end uses.

In relation to delivery performance, our focus in 2023 has been on implementing a new ERP (Enterprise Resource Planning) system. As part of this project, we delved into how to improve the delivery performance and how to measure the progress in the future. The development project will bring us better tools for production planning, improved processes, and a modern reporting system.



Data collection methodologies

This section describes the data collection procedures and calculation methodologies used to produce the sustainability related figures presented in this report. Data collection methodologies are continuously developed to improve data quality and level of detail.

Data collected from Walki plants

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

- Sustainable raw materials
- Health and safety

All Walki plants also provide information about their direct and indirect energy use, energy sources and direct emissions. This information is used in the Scope 1 and Scope 2 GHG emission calculations.

All Walki's plants gather their environmental and social data to our Corporate Sustainability Management (CSM) platform. This data includes for example their yearly material use, waste amounts and treatment, energy use, water use and employee and safety performance figures. It is also utilised in the organisational GHG emissions calculations.

Data collected from group level functions

The figures presented in the following sections 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. Energy consumption at Walki plants is 2023 data. When counting the electricity related emissions, an emission factor for 2022 has been used for three plants, as the 2023 emission factor was not yet available before the publication of this report. Also, the district heat emission factor for one plant is from 2022, rest is from 2023. Material use is based on primary data on material deliveries to Walki plants, as the actual material usage is not monitored with the same level of detail. Scope 3 was calculated for the first time in 2021. The emission calculations for 2023 are still based on some assumptions and estimations even though we have improved the level of accuracy compared to previous years. The following emission categories are counted based on estimations: Business Travel, Employee Commuting, Company vehicles, processing of sold goods, end of life treatment, investments and partly also transportations.

When improving this year's Scope 3 emission calculations, we focused on calculating material usage and transportation related emissions more accurately, since these two categories had the biggest impact on our total emissions in 2022. 51% of the customer delivery transportation emissions are based on primary data given by transportation companies. 9% of emissions from supplier transportations to Walki plants are covered by primary data provided by the suppliers. The raw material categories were developed to be more detailed than before, improving the accuracy of counting the emissions for each specific raw material. To improve the calculation further, we have used raw material emission factors given by the suppliers to count the raw material emissions for the volumes in question in cases where raw material suppliers were able to provide us carbon footprint results covering the emissions from cradle-to-gate

and calculated using standardised methodologies. 30% of the raw material emissions are counted by using primary emission data.

We also included some categories that were not part of the 2022 total emissions: water withdrawal at Walki's plants, fuel- and energy related emissions that are not part of scope 1 or 2, processing of sold goods, end of life treatment and investments.

For GHG emission calculations we use emission factors (e.g., kgCO_{2e}/ton of raw material or kg CO_{2e}/MWh of electricity) 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 v3.10 and Defra 2023 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.



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, Säkyä					○					○
Germany, Steinfurt		○	○			○	○	○	○	○
Germany, Wendorf	○				○		○			
Poland, Jatne	○	○	○		○		○	○		
Poland, Kwidzyn	○						○	○		
Poland, Wroclaw	○	○	○	○			○	○		○
Belgium, Duffel	○	○	○				○			
The United Kingdom, Garstang	○	○	○				○	○		
Spain, Murcia	○	○	○		○					
France, Saulcy-sur-Meurthe ja Chatenois		○					○			
China, Changshu	○	○	○		○		○			

* Overview at the end of 2023

** 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
GRI 2: General Disclosures 2021		
2-1 Organizational details	About the report (Report details)	
2-2 Entities included in the organization’s sustainability reporting	About the report (Report details)	
2-3 Reporting period, frequency and contact point	About the report (Report details)	
2-4 Restatements of information	About the report (Report details)	
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 2023)	The year-end headcount of Walki was 1,597. The personnel figures do not include people on long-term leave. Information on non-guaranteed hours employees is not included in this report.
2-8 Workers who are not employees	Employees (Performance in 2023)	The outsourced employees were all agency workers. There were no significant fluctuations in the number of outsourced workers during the reporting period. During 2022 there were 17 outsourced employees.
2-9 Governance structure and composition	Governance and economic impact, GRI Index	<p>The organisation of Walki Group has been led by the Supervisory Board, the Board of Directors and the CEO. The Group Executive Team (GET) assists the CEO and acts as a committee. The organisation has been based on the following hierarchy: 1) Shareholder / General Meeting, 2) Supervisory Board, 3) Board of Directors, 4) CEO, and 5) Business Areas. Walki Group has implemented a 2 tier Board structure; the Supervisory Board and the Management Board, both elected by the Annual General Meeting. The Supervisory Board has approved the Rules of Procedure, where the responsibilities, composition, tasks, and practices of the Management Board are described in more detail. According to the said Rules of Procedure, the Supervisory Board is responsible for overseeing and monitoring the governance and operations of Walki. Furthermore, it is giving consent for strategic and financially important decisions and for other decisions of principal importance. The GET assists and supports the CEO in executing the corporate strategy. The members of the GET are appointed by the Supervisory Board on a proposal made by the CEO.</p> <p>Oji Holdings Corporation completed the acquisition of Walki Group in April 2024, and the governance structure will be changed under the new owner.</p> <p>Walki’s sustainability work is overseen by the Group Executive Team (GET) and coordinated by the Group Sustainability Team.</p>

Standard or disclosure	Report section	Comment or reason for omission
		<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> <p>The members of the Supervisory Board have been independent from the organisation. The members of the Board of Directors on the other hand have all been executives of the organisation. The tenure of members on the governance bodies has been one year at a time. In terms of representation all members of the Supervisory Board and Board of Directors have been male. There has been no stakeholder representation in the Supervisory Board or Board of Directors.</p>
2-10 Nomination and selection of the highest governance body	GRI Index	<p>Independence and competencies relevant to the impacts of the organisation have been considered by the Annual General Meeting when nominating the highest governance body members. The aim of the organisation is to optimise 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 organisation is under development.</p>
2-11 Chair of the highest governance body	GRI Index	<p>Chairman of the Supervisory Board is independent from the company’s executive management.</p> <p>The chairman of the Board of Directors has been the CEO of the organisation. The CEO is a corporate body in charge of the day-to-day management of the company in accordance with the instructions and orders issued by the Board of Directors. The Supervisory Board has consisted of members independent of the organisation. This arrangement has aimed to prevent and mitigate conflicts of interest in Walki Group Oy. In addition, attention is paid to potential conflict of interest issues in the work of the Board of Directors of Walki Group Oy and the CEO will be recused from all discussion and decision-making in the event of conflict of interest.</p>
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	<p>As all members of the Supervisory Board have been independent from company’s executive management and have not had any direct personal interest in the company, the risk of conflict of interest has been low. Regardless of the low risk level, attention had been paid to potential conflict of interest situations and necessary actions are taken, including recusal from any discussion or decision-making.</p> <p>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.</p> <p>The management of the organisation 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.</p>

Standard or disclosure	Report section	Comment or reason for omission
2-16 Communication of critical concerns	Governance and economic impact (Sustainability governance), Business ethics and human rights (Reporting and investigating suspected misconduct)	
2-17 Collective knowledge of the highest governance body	GRI Index	Within the GET, Executive Vice President of Innovation, Business Development 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 every monthly GET meeting.
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 organisation'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	CEO statement/ 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 (Embedding Walki's ethical principles), 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 2023.
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	Sustainability focus areas and process to define them, Stakeholder engagement	
2-30 Collective bargaining agreements	Employees	

Standard or disclosure	Report section	Comment or reason for omission
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Sustainability focus areas and process to define them (Assessing material impacts, risks, and opportunities)	
3-2 List of material topics	Sustainability focus areas and process to define them	
3-3 Management of material topics	Sustainability focus areas and process to define them	The management of each material topic is described in the sections covering the corresponding topic (Sustainable raw materials: materials, water and effluents, emissions, waste; GHG emissions reduction: energy, emissions; Employees: training and education, diversity and equal opportunity; Health and safety: occupational health and safety; Business ethics and human rights: Anti-corruption; Responsible value chain: Supplier social assessment).
GRI 201: Economic Performance 2016		
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	Walki CSR 2022 report: Sustainability focus areas and process to define them	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.
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	Business ethics and human rights	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.
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 2023)	
206: Anti-competitive Behavior 2016		
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 organisation has been identified as a participant.

Standard or disclosure	Report section	Comment or reason for omission
GRI 301: Materials 2016		
301-1 Materials used by weight or volume	Sustainable raw materials (Performance in 2023 [Material usage])	
301-2 Recycled input materials used	Sustainable raw materials (Performance in 2023 [Material usage])	
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	GHG emissions reductions (Performance in 2023 [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 2023 [Energy use])	
302-4 Reduction of energy consumption	GHG emissions reductions (Performance in 2023 [Energy use])	
GRI 303: Water and Effluents 2018		
303-3 Water withdrawal	Sustainable raw materials (Performance in 2023 [Water])	One of Walki's plants withdraws water from a nearby canal and another withdraws water from a nearby lake. Both withdraw water in accordance to their environmental permits. Neither has a significant effect on the water source.
303-4 Water discharge	Sustainable raw materials (Performance in 2023 [Water])	
303-5 Water consumption	Sustainable raw materials (Performance in 2023 [Water])	
GRI 304: Biodiversity 2016		
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.

Standard or disclosure	Report section	Comment or reason for omission
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	GHG emissions reductions (Performance in 2023 [Carbon footprint])	
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions reductions (Performance in 2023 [Carbon footprint])	
305-3 Other indirect (Scope 3) GHG emissions	GHG emissions reductions (Performance in 2023 [Carbon footprint])	
305-4 GHG emissions intensity	GHG emissions reductions (Performance in 2023 [Carbon footprint])	
305-5 Reduction of GHG emissions	GHG emissions reductions (Actions in 2023 and outlook)	
305-6 Emissions of ozone-depleting substances (ODS)	GRI Index	All operations are free of ozone-depleting emissions.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainable raw materials (Performance in 2023 [Emissions to air])	
GRI 306: Effluents and Waste 2016		
306-3 Significant spills	Sustainable raw materials (Performance in 2023 [Waste])	No significant spills occurred at Walki's production plants.
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	Sustainable raw materials (Performance in 2023 [Waste])	
306-2 Management of significant waste-related impacts	Sustainable raw materials (Performance in 2023 [Waste])	
306-3 Waste generated	Sustainable raw materials (Performance in 2023 [Waste])	
306-4 Waste diverted from disposal	Sustainable raw materials (Performance in 2023 [Waste])	
306-5 Waste directed to disposal	Sustainable raw materials (Performance in 2023 [Waste])	

Standard or disclosure	Report section	Comment or reason for omission
GRI 308: Supplier Environmental Assessment 201		
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.
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Employees, GRI Index	New employee hires a) by age group: below 30: 178; between 30-50: 98; over 50: 41, b) by gender: female: 122; male: 195, and c) by country: Belgium: 17; China: 1; Finland: 154; France: 5; Germany: 26; Poland: 8; Spain: 101; UK: 5. Voluntary turnover a) by age group: below 30: 11%; between 30-50: 5%; over 50: 3%, b) by gender: female: 8%; male: 4%, and c) by country: Belgium: 9%; China: 2%; Finland: 4%; France: 8%; Germany: 5%; Poland: 11%; Spain: 3%; UK: 8%.
GRI 402: Labor/Management Relations 2016		
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.
GRI 403: Occupational Health and Safety 2018		
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 2023 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	87% of employees are covered by a certified occupational health and safety management system.
403-9 Work-related injuries	Health and safety (Performance in 2023)	
GRI 404: Training and Education 2016		
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 2023)	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Employees (Performance in 2023)	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.
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	GRI Index	No incidents of discrimination were detected in 2023.
GRI 407: Freedom of Association and Collective Bargaining 2016		
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.
GRI 414: Supplier Social Assessment 2016		
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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