

SUSTAINABILITY KEY FIGURES 2013

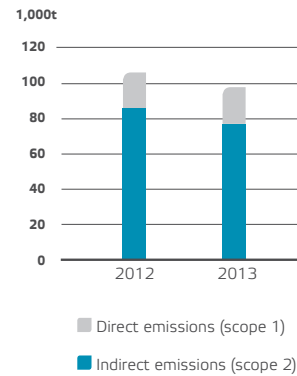


Environmental responsibility

Emissions to air (CO₂)

In 2013, carbon dioxide (CO₂) emissions from Valmet’s direct and indirect energy use (Scope 1 and 2) totaled to 97,000 (106,000) tons. This amounts to a 8% reduction in CO₂ emissions from our own operations due to both energy efficiency measures and lower production levels, compared to 2012. About 78 percent of our CO₂ emissions are created indirectly when purchasing electricity, steam and district heat that are produced elsewhere.

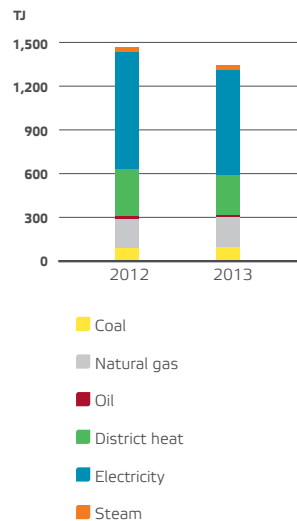
CO₂ emissions



Energy

Some of Valmet’s production processes are energy intensive, for example in our foundries. The majority of Valmet’s energy consumption comes from indirect energy sources (electricity, district heat and steam). Natural gas for heating of facilities and in processes is the major component of direct energy consumption. In 2013, Valmet’s energy consumption was 1,332 (1,457) TJ. The figure does not include fuels used in transportation and vehicles, nor does it include employee travel and transportation. The figure representing oil in the energy consumption graph includes data for heavy fuel oil and light fuel oil consumption. Total energy consumption decreased approximately 9% compared to 2012.

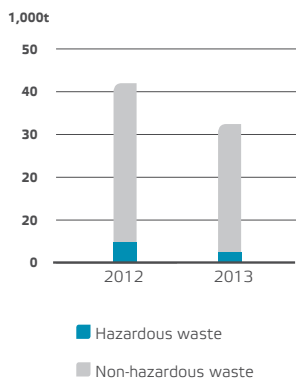
Energy



Waste

The largest fractions of waste generated from Valmet’s operations are metal, wood, cardboard, paper, municipal waste and foundry sand. Waste is reported as hazardous and non-hazardous and then classified according to treatment. Waste is managed in compliance with local regulations. In 2013, our operations generated a total of 31,730 (41,270) tons of waste, of which 93 % (82%) is non-hazardous. Hazardous waste, such as oils, cutting fluids and paints, is recycled whenever possible or delivered to hazardous waste disposal facilities. About 2,247 (4,440) tons of hazardous waste was generated in 2013. We decreased our annual waste by 23% in 2013 due to both efficiency measures and lower production levels.

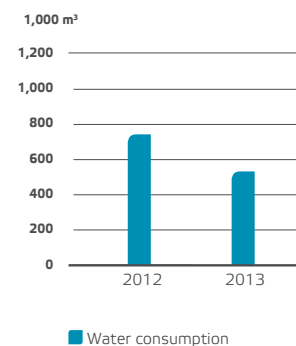
Waste



Water

In Valmet’s processes municipal water is used in our workshops and technology centers as well as for catering and sanitation purposes. In 2013, municipal water consumption was 539,210 (750,610) m³. Surface water, used mainly in our foundries for cooling and in our technology centers, is not included in the 2013 reporting scope. Valmet’s discharges to water are regulated by environmental permits and closely monitored for compliance. In 2013 we reduced our municipal water use by 28%. The reductions were achieved through better water management at our production sites and through a lower overall production level. In 2014, we will further develop our water reporting.

Water consumption



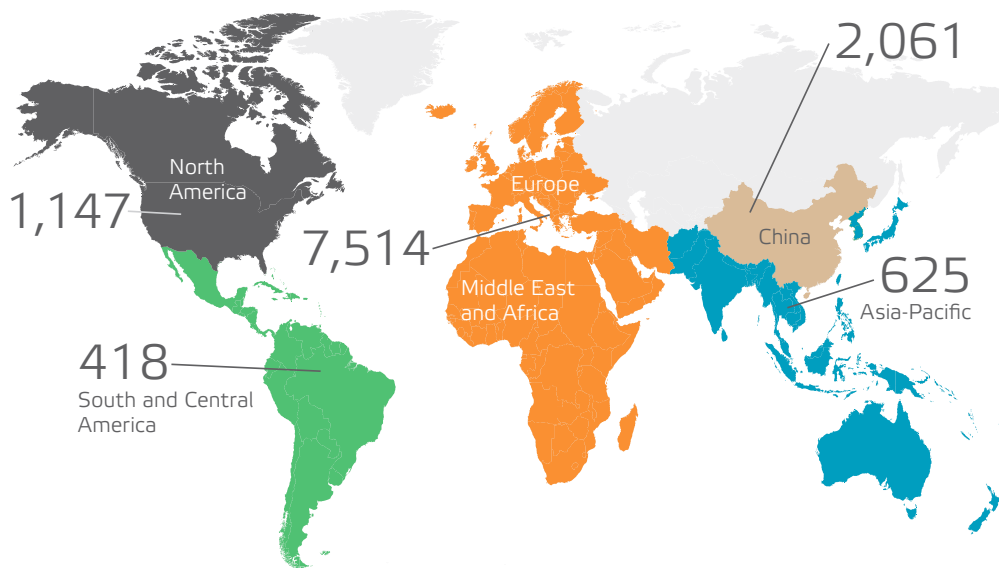
Management systems (% of headcount)

Certificates / Certified operations*	2013
ISO 9001	90%
ISO 14001	79%
OHSAS 18001	68%

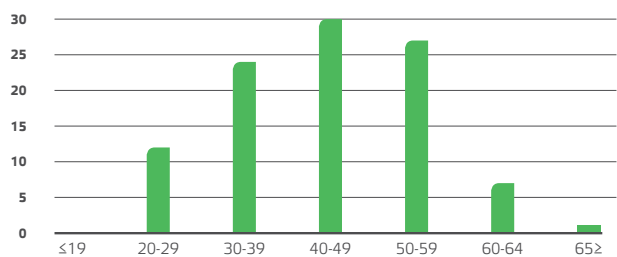
* Including offices

Social responsibility

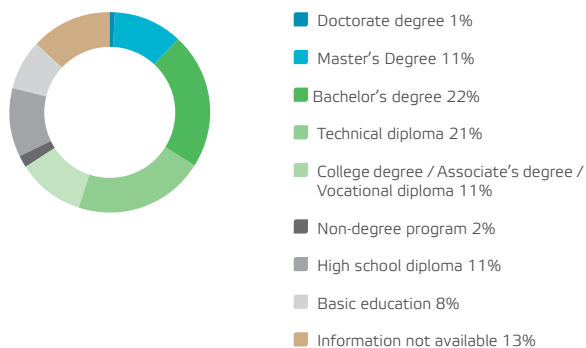
Headcount by area (31 December 2013)



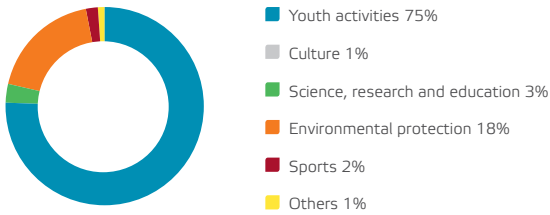
Age structure (%)



Educational levels of Valmet employees (%)



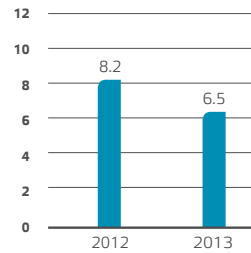
Support for non-profit organizations (%), EUR 626 000 in total



Health and safety figures, own personnel

	2013	2012
Work-related fatalities	0	0
Disability pensions	11	8
Average number of absence days per person		
Due to illness	5.6	6.1
Due to injury at work	1.1	0.4
Total	6.7	6.5

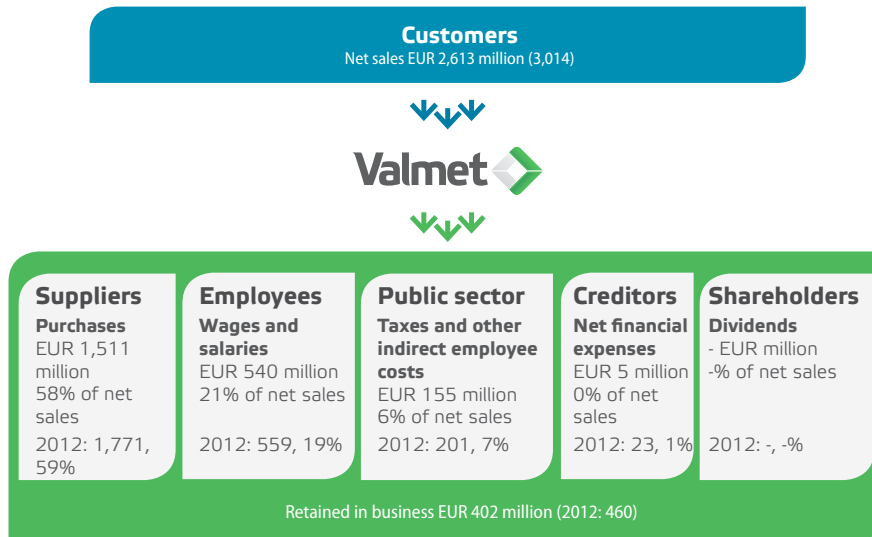
Lost-time incident frequency (LTIF)*, own personnel



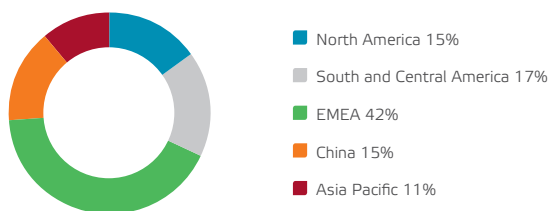
* LTIF, lost time incident frequency, reflects the number of injuries resulting in an absence of at least one workday per million hours worked

Financial responsibility

Monetary flows by stakeholder group



Net sales by area (%), EUR 2,613 million in total



Net sales (20 largest countries)

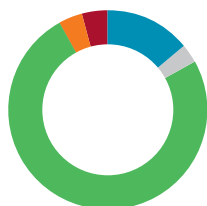
EUR million	2013	2012
China	388	398
Brazil	359	442
USA	327	495
Sweden	307	276
Finland	187	258
Russia	98	74
Germany	97	87
Canada	73	76
Japan	70	72
Indonesia	68	52
United Kingdom	59	88
France	53	25
South Africa	52	66
Chile	51	33
Australia	45	109
Thailand	38	26
Poland	35	53
Turkey	27	75
South Korea	27	21
Spain	23	24

Purchases (10 largest countries)

EUR million	2013	2012
Finland	655	734
Sweden	236	221
USA	134	176
Brazil	133	159
China	94	84
Germany	64	87
Poland	35	64
Japan	26	39
Canada	26	31
United Kingdom	22	11

Orders received (20 largest countries)

EUR million	2013	2012
Brazil	461	51
USA	326	266
China	241	358
Sweden	178	454
Finland	155	218
Russia	66	49
Chile	63	33
Germany	63	106
Thailand	54	15
Canada	51	100
Japan	45	118
Mexico	37	10
United Kingdom	36	64
Indonesia	33	130
Poland	31	16
France	29	49
United Arab Emirates	29	0.1
Croatia	28	1
Spain	28	29
Turkey	26	84

Wages and salaries by area (%), EUR 540 million in total

■ North America 14% (13%)
■ South and Central America 3% (3%)
■ EMEA 75% (76%)
■ China 4% (4%)
■ Asia Pacific 4% (4%)

Wages and salaries (10 largest countries)

EUR million	2013	2012
Finland	252	261
Sweden	101	100
USA	60	57
China	23	23
Brazil	17	13
Germany	13	12
Canada	11	12
Spain	8	8
United Kingdom	7	7
France	7	7
Australia	6	6

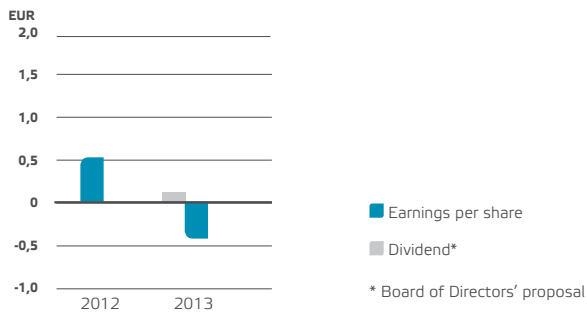
Income taxes (10 largest countries)

EUR million	2013	2012
Sweden	6	19
China	5	2
Canada	3	4
Japan	2	2
Portugal	0.8	1
India	0.8	0
Italy	0.7	0.7
United Kingdom	0.6	0.6
South Africa	0.4	1
Thailand	0.2	0.5

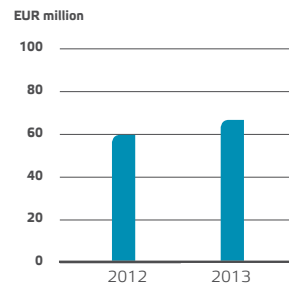
Capital expenditure by area (Investments by area)

EUR million	2013	2012
North America	3	4
South and Central America	6	8
EMEA	36	33
China	7	10
Asia-Pacific	1	2

Earnings per share and dividend per share



Research and development



Reporting principles

Sustainability is at the core of Valmet's strategy and business operations and is defined in our sustainability strategy and management systems as well as in related policies such as our Health, Safety and Environmental (HSE) policy and Code of Conduct. Valmet supports selected, globally acknowledged guidelines and principles, e.g. the UN Global Compact, OECD Guidelines for Multinational Enterprises, and the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work. Valmet also has Sustainability Criteria for Suppliers in place.

Metso Corporation's partial demerger was concluded on December 31, 2013. The sustainability carve-out data presented on the Sustainability key figures 2013 depicts the sustainability data of the companies that formerly made up Metso Corporation's Pulp, Paper and Power segment. Figures in brackets, unless otherwise stated, refer to the comparison period, i.e. the same period previous year.

Valmet (Metso Corporation's Pulp, Paper and Power segment until December 31, 2013) has been reporting sustainability goals and principles since 2002. Valmet publishes its sustainability data annually and the reporting period is the financial year, i.e. January 1 to December 31. Valmet's sustainability reporting in 2013 has its basis on the indicators of the Global Reporting Initiative's (GRI) G3.1 Guidelines. The Global Reporting Initiative is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework, which is under continuous improvement and is applied worldwide. We have selected certain indicators from the G3.1 Guidelines that are most relevant to Valmet in terms of our operations, products and stakeholders. The quantitative sustainability performance data for 2013 in the Sustainability Reporting 2013 web pages in English has been externally assured by PricewaterhouseCoopers Oy, and the Finnish-language data has been checked for conformity.

Valmet's sustainability performance from 2013 is divided into environmental responsibility, social responsibility and financial responsibility sections and represents the externally assured data of each selected indicator. Valmet's web pages in Sustainability present additional information of Valmet's strategic approach to sustainability. The independent assurance report is available in the Sustainability Reporting 2013 front page as an attachment.

Scope of our reporting

The scope of our reporting is the Valmet Corporation, former Metso Corporation's Pulp, Paper and Power segment, unless otherwise stated. Reporting excludes associated companies, joint ventures

and companies that are our suppliers. The sustainability data is commonly presented at the Corporation level. Any other division of the data reported is noted separately.

Financial reporting

In our financial reporting, we follow the International Financial Reporting Standards (IFRS). Our financial reporting system data covers all Valmet's units. Each unit submits its financial report to the Group-wide reporting application, and the data is consolidated, validated and analyzed at the corporate level. Figures describing economic responsibility are mainly based on the financial statements. The purchases by country data has been collected separately from reporting units and the "by country division" is defined as the location of the supplier's domicile.

Sponsorship and donation expenditure data are collected annually from the relevant Valmet units.

Health, safety and environmental reporting

Environmental data is collected annually on the aspects most material to our operational impact on the environment, from all 54 of our production and service workshops. Data is reported by the unit's HSE manager using a corporate web-based sustainability management tool. At the corporate level, the data is consolidated, validated and analyzed in accordance with the GRI G3.1 guidelines. CO₂ emissions are calculated according to the principles of the Greenhouse Gas (GHG) protocol. The data is used to follow environmental performance towards strategic targets and for planning operational improvements. As a result of our constant development work to ensure accurate environmental reporting, we have made several changes to our historical data based on our own validated corrections.

Health and safety data is collected on a monthly basis from all of our locations (covering 99 percent of our employees) so that we can closely follow health and safety performance development towards our corporate strategic targets for safety and well-being at work. Incident data is reported continuously by all employees into a corporate web-based incident management system. Local HSE responsible persons then consolidate on a monthly basis their rolling 12 month data on incidents and leading indicators. At the corporate level, the data is consolidated, validated and analyzed in accordance with the European statistics on accidents at work (ESAW) methodology. The monthly data is used to inform action planning on a continuing basis.

Reporting personnel data

Valmet HR organization is responsible for collecting and reporting personnel data. The personnel and wages data published in the financial statements is obtained in conjunction with financial reporting and managed by Valmet's reporting specialists in a Group-wide database. Our global HR system allows access to versatile and comparable HR data globally. Together with harmonized global HR reporting principles and systematic data validation process we have created an excellent basis to data quality for our personnel related reporting. The HR data reported in our Sustainability reporting 2013 covers all of Valmet.

Independent Assurance Report

TO THE MANAGEMENT OF VALMET CORPORATION

We have been engaged by the Management of Valmet Corporation (incorporated on 31 December 2013, hereinafter also the Company) to perform a limited assurance engagement on the quantitative information on economic, social and environmental responsibility for the reporting period of January 1, 2013 to December 31, 2013, disclosed on the Company's website in section "Sustainability reporting 2013" (hereinafter "Sustainability Reporting").

Management's responsibility

The Management of Valmet Corporation is responsible for preparing the Sustainability Reporting in accordance with the Reporting criteria as set out in Valmet Corporation's reporting instructions and the G3.1 Sustainability Reporting Guidelines of the Global Reporting Initiative.

Practitioner's responsibility

Our responsibility is to express a conclusion on the Sustainability Reporting based on our work performed. Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Valmet Corporation for our work, for this report, or for the conclusions that we have reached.

We have not been engaged to provide assurance on amounts or other disclosures relating to the prior reporting period presented in the Sustainability Reporting.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Sustainability Reporting has not been prepared, in all material respects, in accordance with the Reporting criteria.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assur-

ance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Sustainability Reporting. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Sustainability Reporting. Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as three production units in China and Finland.
- Interviewing employees responsible for collection and reporting of the information presented in the Sustainability Reporting at the Group level and at the different production units where our visits took place.
- Assessing how Group employees apply the Company's reporting instructions and procedures.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that Valmet Corporation's Sustainability Reporting has not been prepared, in all material respects, in accordance with the Reporting criteria. When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Helsinki, 28 February 2014

PricewaterhouseCoopers Oy

Sirpa Juutinen
Partner

Sustainability &
Climate Change

Maj-Lis Steiner
Director, Authorised
Public Accountant
Sustainability &
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