Sustainability governance structure

6/2025

Purpose

The Sustainability governance structure clarifies processes, controls and procedures put in place to monitor, manage, and oversee sustainability matters highlighting the roles and responsibilities of the administrative, management and supervisory bodies.

> **The Sustainability governance structure:**
> - Fulfills the reporting requirements for governance structure set by the ESRS and GRI sustainability reporting standards.
> - Compliments VTT Ltd's corporate governance structure by providing details on governing sustainability matters;
>   → No new forums were created.

The sustainability governance structure

Here is explained the sustainability governance structure and responsibilities of each body:

Supervisory bodies:

- **VTT board approves** the sustainability governance structure as well as sustainability policies, KPIs and sustainability related performance in incentive schemes, material topics and reporting. It's responsible for sustainability reporting together with the CEO and approves sustainability reporting. The board monitors and evaluates effectiveness of internal control and audit and risk management.

- **Audit committee reviews and recommends for approval** sustainability policies, material topics and sustainability report. It also

  1. Monitors and evaluates effectiveness of internal control and audit and risk management, including also sustainability reporting

  2. Monitors sustainability reporting processes and digital reporting and identification process of information to be reported, and gives recommendations, how to ensure reliability of those

  3. Has responsibility for the selection procedure of the statutory sustainability reporting auditor, and on assessing and monitoring the independence of the auditor

  4. Monitors implementation of sustainability reporting audit and assurance

  5. Gives recommendations, if necessary, on improving processes related to sustainability reporting

  6. Informs the management and supervisory bodies of the results of the statutory sustainability reporting audit and explains how the sustainability reporting audit promoted the reliability of the sustainability reporting and what was the Audit Committee's role in this process

  7. Reviews sustainability priorities, goals, and program

Simplified version

- **Human Resources and Remuneration Committee reviews** incentive scheme about sustainability topics, own workforce related sustainability matters and sustainability-related performance in incentive schemes as well as approves own workforce part of the sustainability report.

Management bodies:

- **CEO is responsible** for the sustainability of VTT's operations, governance of sustainability matters, sustainability reporting together with the board and informing the board. CEO approves sustainability targets and metrics for material topics.

- **Exccutive leadership team approves** sustainability related principles, ensures sufficient resources, reviews sustainability roadmaps, targets for material topics, and KPIs, and monitors progress towards them and reviews sustainability development and implementation in relation to impacts, risks and opportunities.

    - **CFO oversees** sustainability reporting and approves information to be reported and its identification process.

    - **SVP who is responsible for sustainability oversights** of sustainability target setting and of operative actions on positive and negative sustainability impacts, risks, and opportunities.

- **Challenge frame:** steering of the sustainability of the research impact is executed via challenge focus processes. Strategy unit is responsible for the challenge focus processes.

- **Governance and sustainability steering group:** Steering of long-term sustainability vision and prioritization of sustainability related development initiatives, overseeing sustainability reporting processes and reviewing sustainability report, following up on sustainability performance and enabling change management when necessary

Administrative bodies

- **Sustainability Group** (Cross-functional administrative body working on operative sustainability topics):

    1. Drafts sustainability related policies and principles in relation to the material topics

    2. Drafts metrics and targets for short-, medium-, and long-term

    3. Drafts mid- and long-term development roadmaps and the implementation.

    4. Prepares sustainability programme

    5. Identifies information to be reported and manages sustainability reporting operatively.

    6. Implements sustainability matters into processes.

    7. Provides internal consulting.

    8. Provides input to strategic planning in relation to sustainability.

    9. Manages stakeholder engagement

    10. Monitors regulatory development, expectations and trends.

    11. Communication of sustainability matters internally and externally.

Responsibility areas for sustainability reporting and membership in the Sustainability Group

VTT reports sustainability matters according GRI (voluntary Global Reporting Initiaive, ESRS (statutory European sustainability reporting standards), the EU taxonomy act and Global Compact's COP (Communication On Progress). Here are presented the different responsibility areas for sustainability reporting.

Chair

- **CFO**
- **Operative management: CSR unit**

Core team

- **Communications**: Communications manager
- **Strategy:** Representative of the strategy unit
- **Governance, compliance & internal control:** General Counsel
- **CSR research representatives**

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Environmental topics:
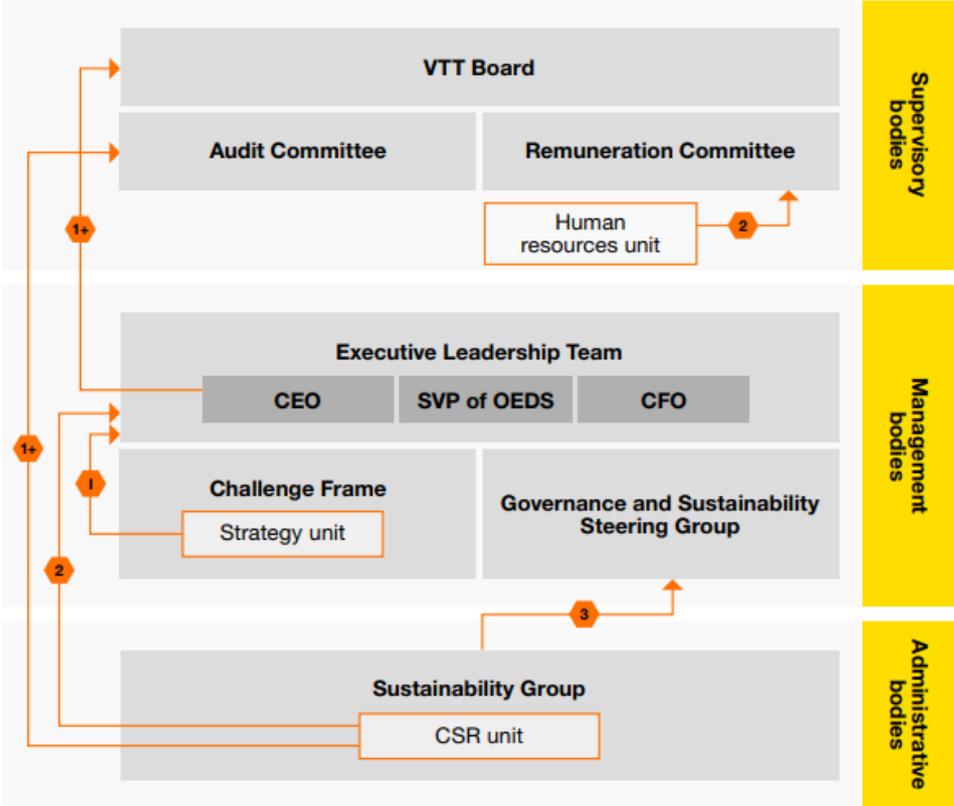
- **Environmental impact on society and customers:** Representative from strategy unit
- **Sustainable project work:** MOS network representative + CSR unit
- **Climate:** Research reprecsentative
- **Biodiversity:** CSR unit
- **Environmental management system:** QEHS environmental specialist
- **Event management & travelling**: In-house services manager
- **Energy & waste**: Facilities manager
- **Value chain sustainability**: Procurement manager + VP from sales

Social topics

- **Social impact on society and customers**: Representative from strategy unit
- **Sustainable project work**: MOS network + CSR unit
- **Wellbeing & DEI**: HR
- **Human rights**: CSR team
- **Occupational Health & Safety**: OHS manager
- **Labor rights**: Labor union representative
- **Value chain sustainability**: Procurement

Governance topics:

- **Impact on society and customers:** Representative from strategy unit
- **Sustainable project work**: MOS network) + CSR unit
- **Research ethics**: RRI manager
- **ESG risk management**: Risk management specialist
- **Governance, compliance & internal control**: General Counsel
- **Data management**: Data architect senior specialist
- **Finance**: Accounting, tax & treasury + Management accounting & project finance

VTT's sustainability governance structure

Informing 🔶1+ Informs min. 1x/year 🔶2 Informs 2x/year 🔶3 Informs 3x/year 🔶I Informs

Responsibilities

VTT Board		
1. Approves sustainability policies and material topics 2. Approves sustainability KPIs and sustainability related performance in incentive schemes	3. Approves sustainability reporting and is responsible for it together with the CEO 4. Monitors and evaluates reporting system	5. Monitors and evaluates effectiveness of internal control and audit and risk management

Audit Committee	Remuneration Committee
1. Reviews sustainability policies, priorities, goals and program 2. Monitors and evaluates effectiveness of internal control, audit and risk management, including sustainability reporting 3. Monitors sustainability reporting processes and reviews the report 4. Has responsibility for the selection of the statutory sustainability reporting auditor, and on monitoring its independence 5. Monitors implementation of sustainability reporting audit and assurance 6. Informs the management or supervisory bodies of the results of the sustainability reporting audit	1. Reviews incentive scheme about sustainability topics 2. Reviews sustainability-related performance in incentive schemes 3. Reviews own workforce related sustainability matters

Supervisory bodies

Executive Leadership Team	CEO	CFO	SVP of OEDS
1. Approves sustainability related principles 2. Ensures sufficient resources 3. Reviews sustainability roadmaps, targets for material topics, KPIs, and monitors progress towards them 4. Reviews sustainability development and implementation in relation to impacts, risks and opportunities	1. Responsible for the sustainability of VTT's operations, governance of sustainability matters and informing the board 2. Responsible for sustainability reporting together with the board 3. Approves sustainability targets and metrics for material topics	1. Oversees sustainability reporting 2. Approves information to be reported and its identification process	1. Oversees the sustainability target-setting 2. Oversees the operative actions on positive and negative sustainability impacts, risks and opportunities

Governance and Sustainability Steering Group	Challenge Frame
1. Steering of long-term sustainability vision and prioritisation of sustainability-related development initiatives 2. Following up on sustainability performance 3. Enables change management when necessary	1. Steering of the sustainability impact of research is executed via challenge focus processes, for which the strategy unit is responsible

Management bodies

Sustainability Group		
1. Drafts sustainability policies and principles, metrics and targets in relation to the material topics 2. Prepares sustainability programme and development roadmaps	3. Manages sustainability reporting operatively 4. Implements sustainability matters into processes 5. Provides input to strategic planning	6. Manages stakeholder engagement 7. Communicates about sustainability matters

Administrative bodies