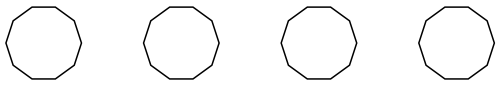


# Metso

**2023**

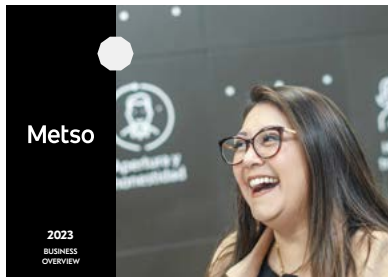
**BUSINESS  
OVERVIEW**





# Metso's Annual report 2023 consists of five sections:

## BUSINESS OVERVIEW



Strategy, value creation and sustainability

## FINANCIAL REVIEW



Board of Directors' report, financial statements and investor information

## GRI SUPPLEMENT



Externally assured sustainability information compliant with the GRI standards

## CORPORATE GOVERNANCE STATEMENT



Corporate governance, internal control and risk management systems

## REMUNERATION REPORT



Remuneration of the Board of Directors and the CEO

## METSO CHANNELS

- > [metso.com](https://www.metso.com)
- > [x.com/MetsoOfficial](https://x.com/MetsoOfficial)
- > [facebook.com/MetsoGlobal](https://facebook.com/MetsoGlobal)
- > [youtube.com/@MetsoOfficial](https://youtube.com/@MetsoOfficial)
- > [instagram.com/metsoofficial](https://instagram.com/metsoofficial)

All Annual report sections are available in English and in Finnish.

They are downloadable on our Annual report website at [www.metso.com/annualreport](https://www.metso.com/annualreport). In this Annual report, we apply integrated reporting elements.

This is the Business overview, including Metso's strategy, value creation and sustainability.

We are the partner for positive change

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# Enabling sustainable modern life



# Metso in brief

Orders received, EUR million

**5,252**

2022 | 5,623 ^

Sales, EUR million

**5,390**

2022 | 4,970 ^

Sales, share of services

**54%**

2022 | 51% ^

Adjusted EBITA, EUR million

**887**

2022 | 715 ^

Adjusted EBITA %

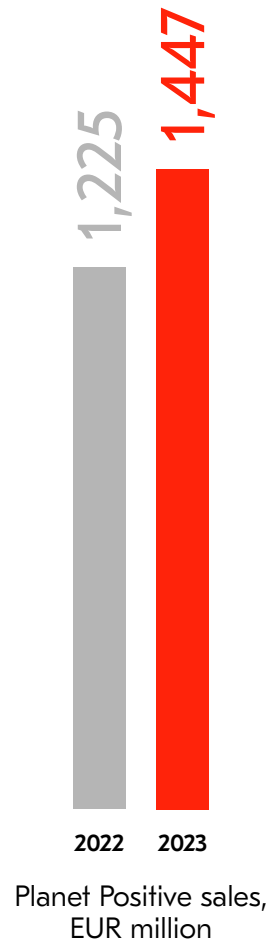
**16.5%**

2022 | 14.4% ^

Earnings per share, continuing operations, EUR

**0.65**

2022 | 0.39 ^



Metso is a frontrunner in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally. We improve our customers' energy and water efficiency, increase their productivity, and reduce environmental risks with our product and process expertise. We are the partner for positive change.

Nationalities

**100+**

Countries

**~50**

Employees

**17k+**



# From the CEO

Year 2023 presented many opportunities for Metso and for our customers. The transformation of our industries towards more sustainable practices took many strides, and we are proud to be at the forefront in driving the change with many of our innovations and a wide portfolio of Planet Positive solutions. I am very satisfied with Metso's performance and want to express my heartfelt gratitude to the whole Metso personnel for their commitment, resilience and strong contribution during 2023.

We follow the implementation of our strategy through four top priorities – financial performance, sustainability, performance culture and customer success – and I would like to take this opportunity to reflect on the past year and on how we performed in each of them.

## Solid financial performance with further improved profitability

Our performance was strong throughout the year. Our sales reached EUR 5,4 billion and our profitability was at a record high level. The continued strong development of our adjusted EBITA margin is truly remarkable. We have improved the margin from 11.5% in 2020 to 16.5% in 2023 and this improvement trend demonstrates our unwavering dedication to improving our profitability.



Our sales reached  
EUR 5,4 billion  
and our profitability  
was at a record  
high level.





## Strong performance culture steering our diverse workforce

We have over 17,000 employees globally and it is very important that they feel engaged and committed. I believe that high employee engagement leads to improved customer satisfaction which in turn leads to better business results. We strive to create a strong performance culture where our people, guided by our values and leadership principles, thrive in their work and are offered opportunities to grow and develop while performing at their best.

To measure how our people feel, we conduct an employee engagement survey, Our Voice, four times a year. Throughout the past couple of years, we have made commendable progress in this measurement. Our latest eNPS result is 54, which means that over half of our employees are willing to recommend us as a place to work. In a benchmark comparison, we are now among the highest performing top 10% of companies. In the areas of inclusion, health and well-being and growth, our result takes us to the top 5%. These results clearly demonstrate the value of the effort we have put into developing our culture.

Metso has a diverse workforce of over 100 nationalities, and we are committed to becoming a workplace where diversity and inclusion are fostered, promoted, and embedded in our company culture. Diversity and inclusion

## Offering solutions that advance the green transition is at our innovative core.

have been among our cultural focus areas in 2023. We have increased awareness of the topic and arranged training for all employees and for managers relating to non-discriminating recruitment practices.

## Sustainability as a key industry driver

Sustainability is not only vital for Metso, but for the industries we operate in. By far the biggest impact of our sustainability actions materialize in our customers' operations. Metso is committed to the 1.5-degree climate target and our goal is that our Planet Positive sales — offering that has proven sustainability benefits — grow faster than our overall sales. In 2023, our Planet Positive sales grew by 18%.

We measure the CO<sub>2</sub> emissions of our own operations, and our target is to become net-zero by 2030. Last year, we reached a 73% reduction level in our own emissions, when compared to the baseline of 2019. Similarly, we aim to reduce our logistics CO<sub>2</sub> emissions by 20% by 2025, and at the end of 2023 the result was -7%. We have also set a target that our spend from direct suppliers that have set science-based emissions targets reaches 30% by 2025, and at the end of 2023 the share was just over 26%.

Offering solutions that advance the green transition is at our innovative core. We drive responsible processing of battery minerals such as lithium and nickel to meet the increased need from electric vehicles and appliances. In addition, the world also needs efficient recycling of secondary sources like black mass from electric vehicle batteries. Metso offers sustainable end-to-end solutions for the processing of battery minerals and for their recycling. We launched an advanced sustainable battery black mass recycling process in 2023, complementing our extensive

battery minerals technology offering, which ranges from concentration and hydrometallurgical processing to all related services. This innovation aims at extending the life cycle of valuable battery materials through efficient recycling.

## Customers' success is our success

For us, customer success means designing our business so that we can excel in solving our customers' challenges and offer them opportunities to create more value. We have also made steady progress in this area. Metso's 2023 Net Promoter Score (NPS), which measures the engagement and loyalty of our customers, is on a healthy level.

Based on our customers' feedback, they value Metso's strong safety culture, high quality equipment and the technical expertise of our employees. We continue to focus on improving our responsiveness and on-time delivery capabilities.

Metso has comprehensive skills to understand our customers' operations, ranging from research, testing and extensive process knowledge to field services. We are able to address the needs of a modern quarry or mining process from end to end with our solutions, enabling the most sustainable and profitable performance in terms of recovery, throughput, energy and water efficiency and tailings management.

I am extremely pleased to see that our strategy is yielding excellent results. This is a good opportunity to thank our shareholders, customers and all business partners for their continued trust in Metso. I'm also confident that we will provide excellent service to our customers and create value for all our stakeholders in 2024.





**Strong platform  
for growth  
and higher  
profitability**





# Our businesses

We offer a broad range of products and services for our customers in the aggregates, minerals processing and metals refining industries.

Metso's extensive equipment and aftermarket offering covers a wide range of equipment, parts and services to effectively meet the needs of our customers all over the world. We have two customer and financial reporting segments:

- Aggregates, serving quarry and contractor customers by offering crushing and screening equipment to produce aggregates needed in construction and infrastructure projects.
- Minerals, serving mining industry customers by providing equipment, process islands and plants for minerals processing, and hydrometallurgical and pyrometallurgical solutions for the recovery of metals.

Within these segments Metso operates through business and market areas. The Minerals and Metals business areas offer capital equipment for mining and metals refining as part of the Minerals segment. The Aggregates



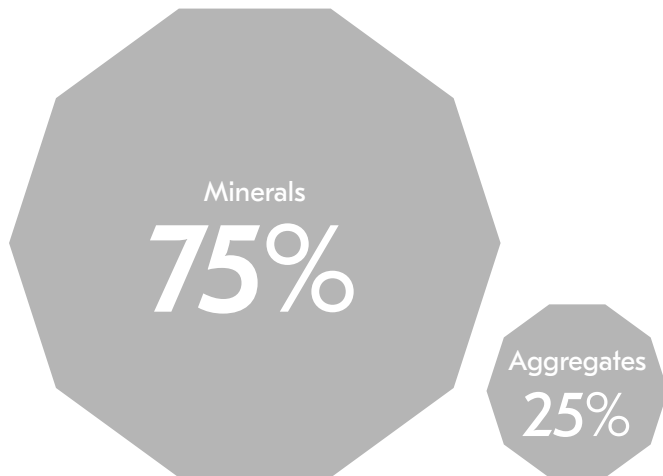
## Our customer industries

business area offers capital equipment to its respective segment. Metso has two aftermarket business areas serving both segments: Services, providing spare parts, refurbishments, repairs and professional services; and Consumables, providing a comprehensive offering of wear parts.

The business areas are accountable for their own performance in terms of orders and sales, operating profit and capital employed, and they contribute to the company's strategy through their business-specific initiatives.

In 2023, Metso expanded its offering portfolio through acquisitions. For example, mining truck bodies and buckets, wear parts, and truck body and bucket refurbishments and field services were added to the portfolio. Metso also strengthened its digital and automation capabilities in the aggregates business through an acquisition.

### Sales by segment



### Aggregates

Customers in the aggregates markets need reliable crushing and screening equipment to produce or recycle aggregates for infrastructure or construction businesses. The global market consists of large international companies and numerous smaller, more regional or local ones, typically running quarry operations or operating as contractors. Metso's offering for aggregates customers includes crushers, screens, feeders, fixed and mobile crushing and screening plants, track-mounted equipment, spare and wear parts, and a wide array of services.



### Minerals

Metso's mining customers include large global miners, major and mid-sized regional operators and junior miners. Our unique offering and process expertise for mining customers covers the entire end-to-end process. It starts from professional testing and piloting support at the early stages of the projects and encompasses a complete solutions-offering for the whole process, from crushing and grinding to separation and filtration solutions, including also advanced tailings management. In addition, our offering includes material handling equipment and slurry pumps as well as an extensive selection of spare and wear parts and services. We also have comprehensive solutions and services for maintaining and optimizing processes and equipment performance with advanced digital solutions, intelligent automation and control systems.

For the quickly growing battery industry value chain, Metso is in a unique position to provide sustainable technology and equipment

covering, for example, lithium, nickel and cobalt production from the mine to battery materials and black mass recycling with project scopes ranging from equipment packages to plant deliveries.

For metals refining, Metso offers modern smelting solutions that cover all types of oxidizing, reducing and fuming processes for the treating of primary and secondary raw materials. Metso's sustainable flash smelting process is currently the most used copper smelting method in the world, resulting in a high recovery of metals with lowest total cost of ownership.





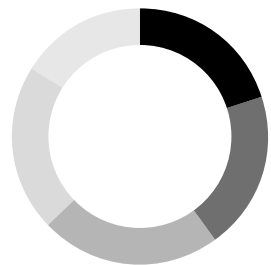


### Market areas and distributors

The business areas, together with market area teams, are responsible for managing customer relationships. Our eight market areas ensure effective cooperation between global and local activities based on clear roles and governance. Metso's eight market areas are North and Central America, South America, Europe, Africa, Central Asia, Middle East and India, Greater China, and Asia Pacific.

A significant share of sales in the Aggregates business is carried out by distributors. The management and development of the global distributor network is the responsibility of a separate distribution management organization (DMO). The Aggregates business consists of products sold under the Metso brand, and an additional product offering sold under the McCloskey, Lippman, Tesab, Jonsson, and Shaorui brands.

### Sales by geography



- Europe 20%
- Asia Pacific 20%
- North and Central America 23%
- South America 21%
- Africa, Middle East & India 16%





Metso wants to be recognized as an innovation leader and our customers' number one choice. Our R&D programs are designed based on our customers' needs and development takes place jointly with them.

## Customer benefits

Metso delivers unique benefits to its customers with our offering that combines equipment and services in aggregates and minerals processing. We offer digital and automated solutions and technologies that, in addition to being energy, carbon and water efficient, improve circularity and safety. We also have industry-leading service expertise and our extensive global service network is always close to the customer, improving availability of spare and wear parts. In addition, our strong innovation and R&D activities, and an uncompromising approach to safety also benefit our customers. At the core of our offering are the Planet Positive products that are more energy or water efficient than the benchmark technology or help our customers achieve their recyclability and other sustainability goals. This portfolio includes over 100 products, and we aim to have a Planet Positive product for every part of the customer's value chain.

For aggregates customers, we offer easy-to-buy and easy-to-own solutions for crushing and screening. Metso's portfolio includes brands and solutions ranging from fit-for-purpose to high-performance: Metso, McCloskey, Lippman, Tesab, Jonsson and Shaorui are brands offered to customers. The Planet Positive offering for aggregates customers includes environmentally advanced electronic, low-noise and low-dust solutions for urban environments. Additionally, expert services and spare and wear parts are available for the customers through our own sales network and through more than 200 distributors globally.

Our strengths in minerals processing include industry-leading process expertise and the most technologically advanced equipment and solutions to support our mining customers' operations, from plant design expertise to equipment, parts and services. Our broad offering provides solutions for practically every stage of mineral

recovery as well as for optimized throughput for any application. Metso's proprietary flash smelting process utilizes the internal energy of the feed material, minimizing the need for external fuel and making the process very energy efficient.

## Research and development

Research and development have an important role in our industry's path towards a more sustainable future. For us, this means developing our offering to be more sustainable and to increase our customers' resource efficiency and productivity in areas like energy and water, optimized technologies for the use of renewable energy, circularity, emissions reduction and safety. Metso wants to be recognized as an innovation leader and our customers' number one choice. Our R&D programs are designed based on our customers' needs and development takes place jointly with them. Key drivers behind the technology choices are sustainability, electrification, automation and digitalization. 100% of our R&D projects must have a sustainability target related to energy, emissions, water, circularity or safety.

For aggregates customers, the future focus is on electrification of the mobile crushing and screening equipment. In minerals processing the emphasis is on water efficiency and Planet Positive solutions for preconcentration, comminution, separation and tailings management, and on the development of smart and connected equipment and processes. The development of metals-related technologies is focused on solutions for batteries, low-carbon production, circular economy, and gold-processing related technologies.

Innovation is one of Metso's key strengths. We have an extensive patent portfolio, R&D specialists in-house and R&D centers across geographic locations. Metso had around 7,800 patents at the end of 2023.





# Strategy

Our purpose and vision inspire our people and lead our way forward.

Metso's purpose is to enable sustainable modern life. Our products and services are used in aggregates, minerals processing and metals refining industries to produce materials that are needed to sustain our way of living. Our businesses are driven by the megatrends of urbanization, electrification, sustainability, resource scarcity, and AI & digitalization.

Our vision is to be our customers' number one choice for sustainable use of the earth's natural resources. Together we deliver services, innovations and results – reliably and safely. We want to be a valuable partner for our customers and help them reach their goals.

Financial performance is at the core of our strategy execution with a focus on continued growth and profitability improvement driven by innovations. We operate in aggregates and mining, two industries that not only have mutual synergies but also long-term growth potential. We are committed to delivering strong financial performance that enables us to invest in the further growth of our business and to pay competitive dividends to our shareholders.



### Company name changed from Metso Outotec to Metso

Metso Outotec's Annual General Meeting approved on May 3, 2023, the Board of Directors' proposal to change the company name to Metso Corporation. After the successful integration of Metso and Outotec, the focus is on growing a strong unified Metso company and brand with a clear focus: we continue enabling sustainable modern life and transforming industry with a clear strategy and strong culture, supported by a name that is short yet established and well recognized among all our stakeholders. Outotec continues as a product brand and carries significant value as the name of some key technologies and products. The change of the parent company name to Metso Corporation was effective starting May 4, 2023.

### Changes in Metals business

In March 2023, we completed the strategic review of our Metals business. As a conclusion, we decided to initiate the divestment of two of three Metals businesses: Metals & Chemical Processing and Ferrous & Heat Transfer. The Smelting business will remain part of Metso's portfolio.

In October 2023 we updated segment reporting by moving these two businesses currently under divestment, both of which have been reported under the Metals segment, into discontinued operations, and transferred the Smelting business to the Minerals segment. As a result, and in line with the Group's strategy, Metso's segment reporting now consists of two segments: Aggregates and Minerals.

### Aiming higher with an updated EBITA target

Our financial targets:

- Adjusted EBITA margin of >17% over the cycle (previously >15%)
- Maintaining an 'investment-grade' credit rating
- Dividend pay-out of at least 50% of earnings per share
- Progress in sustainability in alignment with the 1.5-degree commitment



# Metso – Enabling sustainable modern life

### Megatrends

Urbanization  
Electrification  
Sustainability  
Resource scarcity  
AI & digitalization

### Vision

To be customers' number one choice for sustainable use of Earth's natural resources.  
Together we deliver service, reliability, innovation and results – safely.

### Top priorities

Financial performance  
Customer success  
Sustainability  
Performance culture

### Brand promise

We are the partner for positive change



AGGREGATES • MINERALS • METALS • SERVICES • CONSUMABLES

### Values



High ambition  
– always



Customer in  
center



Getting it done  
– together



Open and  
honest





## Leveraging the strong Metso business portfolio

Clear strategic priorities for aggregates and minerals segments drive our growth. Metso's unique position and capabilities for long-term growth and improved profitability give us a competitive advantage. We believe that R&D and our Planet Positive offering provide new opportunities in our industries where sustainability is key.

Despite the recent geopolitical and economic uncertainty, market fundamentals in the industries we serve offer opportunities for growth. Climate change and electrification of society, need for critical minerals, urbanization and infrastructure development – all of these drive the long-term demand for our customers' end products and thus our growth.

Both our minerals and aggregates segments have clear strategic priorities to deliver further financial performance improvement. In minerals, we focus on technology leadership in processing and smelting, especially through our sustainable equipment and aftermarket offering. New technological innovations provide also new opportunities for business model innovations to share the value together with our customers. In aggregates, the focus is on serving our diverse customer base together with our distribution partners, offering brands that meet a variety of needs, from basic products to high-performance solutions. Aggregates' R&D activities focus on crushing technology, electrification of aggregates production and environmental performance. Improving aftermarket share remains in focus, with customer experience and new digital capabilities having a big role to play.



Metso aims to grow both organically and inorganically. Our key areas for growth include products with high aftermarket potential, sustainable offering, automation and digitalization. Metso has the industry's biggest installed base of equipment, and taking good care of that enables us to grow and improve profitability. By developing the customer experience and new digital and value-adding services, we are able to find new revenue streams from our existing installed base. Our strategy is to leverage our aftermarket capacity in order to offset the inherent cyclicity of our customer industries and to grow also in the third-party installed base.

**By developing the customer experience and new digital and value-adding services, we are able to find new revenue streams from our existing installed base.**





## Strong progress with our strategic priorities

Metso is committed to building a Tier-1 company. We continue to implement our strategy across all our businesses through four priorities addressing the needs of our stakeholders:

1. Customer success
2. Sustainability
3. Performance culture
4. Financial performance

We succeed when our customers succeed. This is why customer success remains essential for us. Our biggest improvement potential is in customer relationship management. The quality of our products and in everything we do remains a priority. In the short term, we are focusing on improving our customer responsiveness, on-time delivery rate and quality. In the longer term, we aim to create customer value through long-term partnerships, optimized solutions and positive customer experience, supported by digital capabilities.

We use the Net Promoter Score (NPS®) concept, which allows us to measure both overall satisfaction and transaction-based customer satisfaction. NPS results encourage us to improve the customer experience across the company. Our overall NPS has been increasing consistently since 2020, measured with our end customers as well as distributors. There is a corresponding positive trend also in the satisfaction attributes we ask our customers to rate when they provide feedback. The attributes we are rated most positively for are our safety culture, the quality of our equipment and plants, and the technical expertise of our

### Strategy implementation areas



Customer success



Sustainability



Performance culture



Financial performance



employees. The lowest rated attributes define our short-term focus areas described above.

Our sustainability focus is on mitigating climate change and limiting global warming to 1.5 degrees. We have committed to the Science Based Targets. In addition, we target net zero by 2030 in our own emissions. Legislation and stakeholder expectations to reduce carbon emissions are driving the energy transition, electrification and improvement of production efficiency with digitalization. All these require large investments in areas like renewable power generation, transmission infrastructure, battery technology and electric vehicles, which in turn means large and fast increases in the supply of energy transition metals. Our rapidly growing Planet Positive offering, which also supports our overall growth, is an integral part of our sustainability work. Through partnerships with customers, suppliers and communities, we are working towards net zero and significant decarbonization. We are creating competitive advantage and differentiation by developing products and services that focus on our customers' sustainability focus areas.

We continue to build a thriving performance culture that enables success and strong financial results. The values that guide our behavior are: High ambition — always; Customer in the center; Getting it done — together; and Open and honest. We measure our employee satisfaction with engagement surveys, and we rank in the top 10% of the industry benchmark. Our People and Culture agenda has four focus areas that are integral to our high-performance culture: team diversity and inclusion; excellent leadership based on our Leadership Principles; the right organizational capabilities to enable growth and strategy execution; and a great employee experience to attract and engage our current and future talent to build a sustainable future together.

Our focus has continued to be on improving the financial performance. Commercial excellence and success

in our strategic priorities have supported our profitability improvements.

## Raised profitability target

Since completing the Metso Outotec integration, we have successfully strengthened our results and profitability and de-risked our business. Having evaluated our financial performance progress, we decided to raise the bar relating to our profitability. On October 27, 2023, we announced that we are targeting an adjusted EBITA margin exceeding 17% over the cycle, compared to the earlier target of exceeding 15%. In 2023, our adjusted EBITA margin was 16.5%.

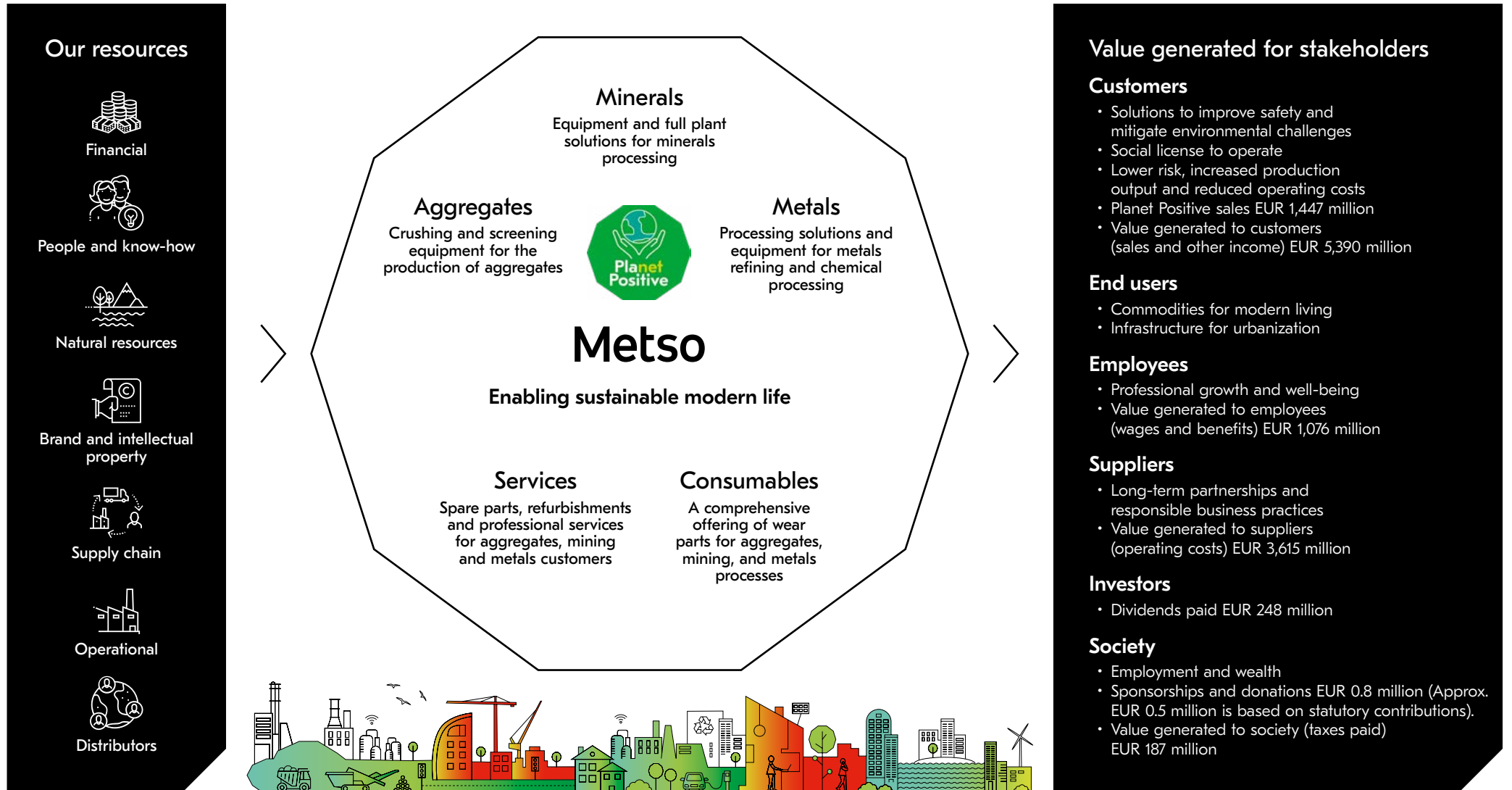
The further improvement of our profitability towards the new target will continue to be driven by the development of our product- and aftermarket-focused business model and related offering, organic and acquired growth of the services business, as well as the ongoing improvements of productivity and operational efficiency in all our businesses. Our other three financial targets, which relate to a strong balance sheet, a competitive dividend and a 1.5-degree target in sustainability, remained unchanged and will contribute to our value generation also in the future.

Having a strong balance sheet enables growth and development of our business, as well as investments and acquisitions. To secure our investment-grade rating, we continue to focus on improving profitability over the cycle, improving our working capital efficiency and maintaining a strong balance sheet.

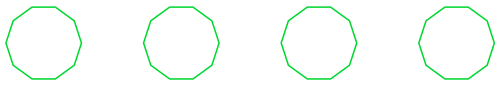
We target to deliver shareholder value with the strong Metso portfolio. Our strategy focuses on profitable growth and succeeding together with our customers, especially with our Planet Positive product portfolio. With successful strategy implementation, our aim is to be a great partner for our stakeholders and to deliver value to our shareholders.



# How we create value

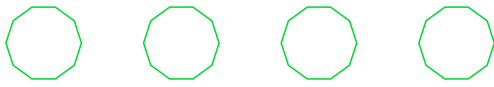






Enabling our customers to reach their sustainability targets

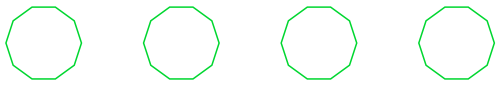




# Towards net zero and decarbonization of our industries

We enable the energy transition and aim to substantially decrease our own environmental footprint.

Climate change is one of the biggest global challenges where Metso can play a significant role together with its customers. We enable the energy transition with our copper and battery metal extraction and processing offering, and we are aiming for a net-zero environmental footprint in our own operations.



To address the climate change challenge, significant technological innovations are needed – equipment that is more energy efficient and capable of running without interruption and reliably on renewable electricity, retrofitting and incorporating new technologies into existing flowsheets, and drastically decreasing the carbon footprint and usage of virgin materials in consumables. With our Planet Positive equipment and services, continuous innovation and improving our ways of operation, we offer our customers solutions to their sustainability challenges and make their operations safer and more environmentally efficient.

In addition to our efforts to support our customers in their climate and other sustainability ambitions, we have committed to science-based targets for emissions reductions with an aim to substantially decrease the carbon footprint of our own operations and our supply chain in the coming years. We target net zero emissions in our own operations by 2030, and our cooperation with suppliers forms an integral part of Metso's sustainability journey. We work efficiently and responsibly together with our partners and suppliers, focusing on the environment as well as ensuring the safety and well-being of people.

We target net zero emissions in our own operations by 2030, and our cooperation with suppliers forms an integral part of Metso's sustainability journey.

**99.8%**

of R&D projects with sustainability targets

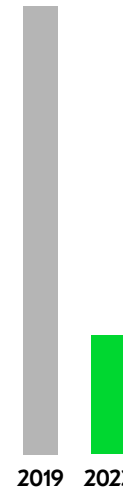
**1,447**

Planet Positive sales, EUR million

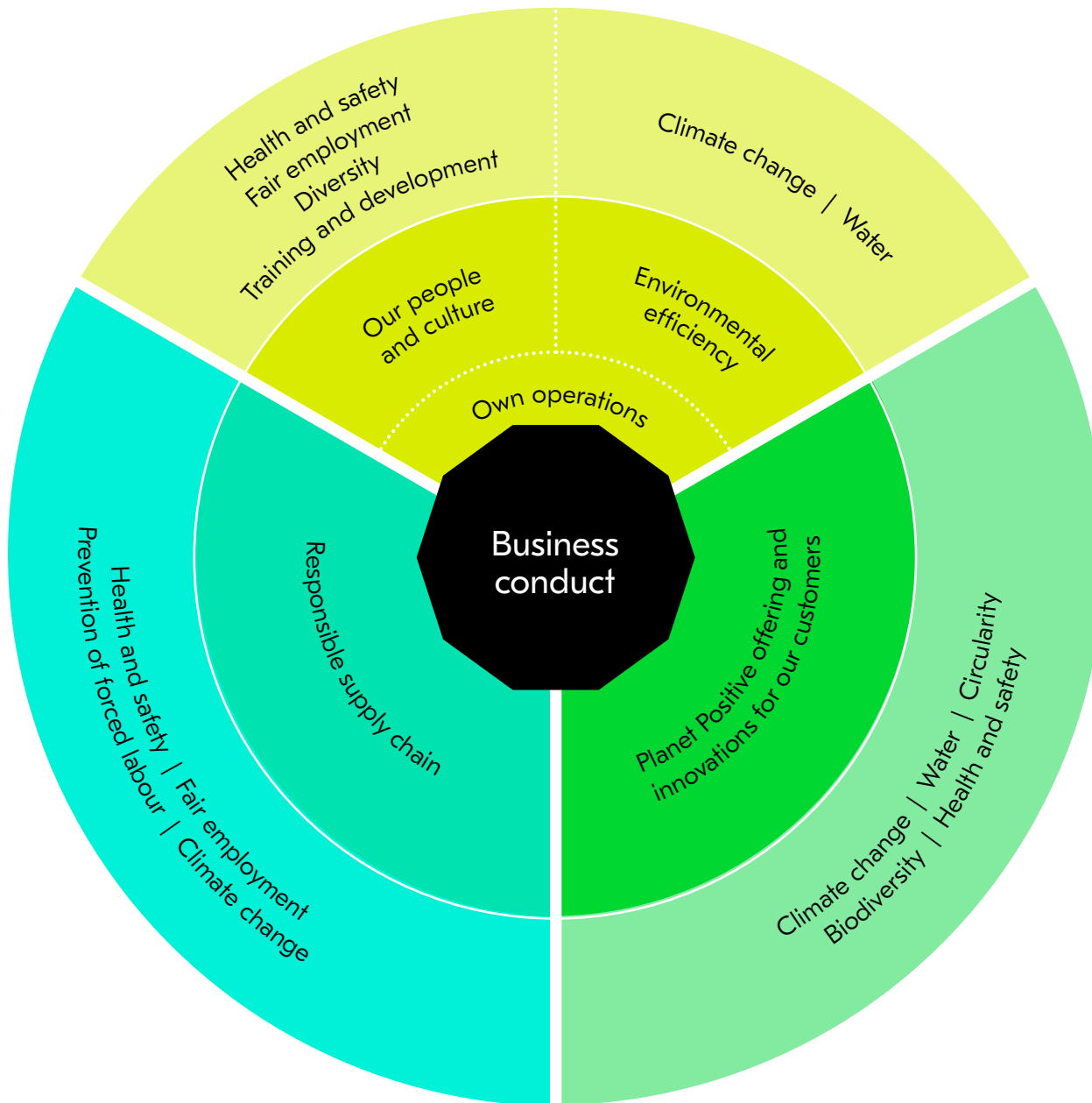
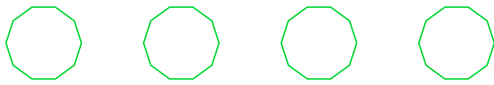
**25.6%**

Supplier spend with direct suppliers that are committed to SBTs

Own emissions



As environmental policies tighten, there is increasing global pressure to be more responsible and to adopt more sustainable technologies that cut emissions, save water, reduce energy consumption and the production of waste, improve tailings management, cut noise and dust, as well as offer solutions for circularity.



### Our sustainability strategy comprises the most material topics to us and our stakeholders

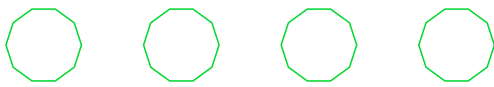
In 2023 Metso updated its sustainability agenda based on a double materiality analysis. The analysis addresses both financial materiality (the impact of environment and society on Metso’s financial performance and value) as well as impact materiality (the impact of Metso on people, environment and society) in Metso’s value chain. This updated assessment was conducted in preparation for the upcoming requirements of the EU Corporate Sustainability Reporting Directive (CSRD).

In this report we present the sustainability issues that are most material for us based on our double materiality assessment. The basis for the analysis was to understand customers’ changing operational environments and to assess stakeholder expectations by conducting surveys, interviews and meetings, as well as by reviewing current sustainability trends and relevant sustainability frameworks.

The renewed agenda comprises the following focus areas: Planet Positive offering and innovations for our customers, Metso’s people and culture, as well as environmental efficiency in our own operations, and responsible supply chain. Responsible business conduct is considered the foundation of our sustainability approach.

Responsible business conduct is considered the foundation of our sustainability strategy.





The outcome of the double materiality assessment did not result in any significant changes in the earlier identified material topics. The results of the assessment have been reviewed by the Metso Leadership Team and approved by the Board of Directors, and they will be used as a basis for our reporting in accordance with European Sustainability Reporting Standards in the coming years.

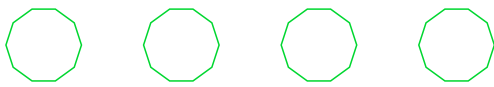
Our 2023 revised sustainability agenda and related action plans are also aligned with the UN Sustainable Development Goals (SDGs).

### Material topics

<b>Planet Positive offering and innovations for our customers</b>	
<b>Climate change</b> Water use Circularity	Biodiversity <b>Safety</b>
<b>Own operations (including people and culture and environmental efficiency)</b>	
<b>Health and safety</b> Fair employment* Diversity Training and development	<b>Corporate culture</b> <b>Corruption and bribery</b> <b>Climate change</b> Water use
<b>Responsible supply chain</b>	
Health and safety Fair employment*	Prevention of forced labor Climate change





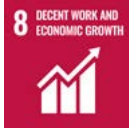

Bolded topics are also financially material.

\* Fair employment includes adequate wages, working time, work-life balance, prevention of discrimination and harassment as well as freedom of association and collective bargaining.

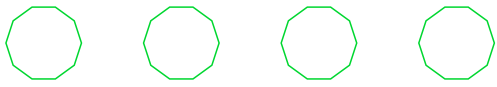


# Our annual sustainability performance, targets and long-term goals

Our annual targets are structured to support our long-term goals and to reflect the selected SDGs.

Long-term goal		Target for 2023	2023	2022	Progress	Relevant SDGs
<b>Planet Positive offering and innovations for our customers</b>						
Planet Positive sales	Grow Planet Positive sales faster than overall sales	Grow Planet Positive sales faster than overall sales	EUR 1,447 million <sup>1)</sup>	EUR 1,225 million <sup>1)</sup>	18% increase	  
R&D projects with sustainability targets	100% of R&D project spend on projects with energy efficiency, emissions, circularity, water or safety target	100% of R&D project spend on projects with energy efficiency, emissions, circularity, water or safety target	99.8%	99.7%	On target	
<b>Environmental efficiency in own operations</b>						
CO <sub>2</sub> emissions: Scope 1 and 2 <sup>2)</sup>	Net zero by 2030	Decrease CO <sub>2</sub> emissions by 68% compared to 2019	32,182 tCO <sub>2</sub>	44,595 tCO <sub>2</sub>	-28% -73% <sup>3)</sup>	
CO <sub>2</sub> emissions: Logistics	Decrease CO <sub>2</sub> emissions from logistics by 20% by 2025	Decrease CO <sub>2</sub> emissions by 20% compared to 2019	163,000 tCO <sub>2</sub>	160,000 tCO <sub>2</sub>	-7% <sup>3)</sup>	
Suppliers' science-based CO <sub>2</sub> emission targets <sup>2)</sup>	30% of direct procurement spend is with suppliers that have a science-based CO <sub>2</sub> emission target (SBT) or equivalent by 2025 <sup>4)</sup>	20% of direct procurement spend is with suppliers that have a science-based CO <sub>2</sub> emission target (SBT) or equivalent <sup>4)</sup>	25.6%	22.3% <sup>5)</sup>	On target	
<b>Our people and culture</b>						
Code of Conduct	All employees (including blue-collar workers) trained on Code of Conduct every year <sup>6)</sup>	All employees (including blue-collar workers) trained on Code of Conduct every year <sup>6)</sup>	99.4%	97.8%	On target	
Engagement	Employee Net Promoter Score (eNPS) in top 10% of the industry benchmark	Employee Net Promoter Score (eNPS) score in top 10% of the industry benchmark	Top 10% (eNPS score 54)	Top 10% (eNPS score 51)	On target	
Inclusion	Inclusion score in top 10% of the industry benchmark	Only long-term target	Top 5%	Top 25%	Above target	
Gender split	Gender ratio in middle and senior management to reach 30% female / 70% male by the end of 2030	Only long-term target	17/83%	16/84%	In progress	
Lost-time injury frequency rate	Zero harm	Continuous improvement in lost-time injury frequency rate (LTIFR) <sup>7)</sup>	1.2	1.2	Below target	
Total recordable injury frequency rate	Zero harm	Continuous improvement in total recordable injury frequency rate (TRIFR) <sup>7)</sup>	3.0	2.7	Below target	
<b>Responsible supply chain</b>						
Responsible suppliers	Continuous improvement and alignment with sustainable procurement initiatives	117 supplier sustainability audits per year conducted in high-risk areas. 94% of procurement spend with suppliers that have signed Supplier Code of Conduct.	172	131	On target	

<sup>1)</sup> Discontinued operations are not included in Planet Positive sales 2023 and comparative figures for 2022 have been restated accordingly. Other figures in this table include discontinued operations. <sup>2)</sup> Sustainability-linked bond KPI. Further information in the GRI Supplement pages 9 and 11. For scope 1 and 2 emissions comparison to the original SLB bond baseline 2022 48,944 tCO<sub>2</sub> is equivalent to -34%. <sup>3)</sup> Compared to 2019 baseline. <sup>4)</sup> % of procurement spend for all suppliers that have committed to SBT or equivalent target in 2023 was 26.2 and in 2022 22.9 <sup>5)</sup> Figure restated to include direct spend only <sup>6)</sup> External workforce not included. <sup>7)</sup> Includes employees and contractors.



# Planet Positive offering and innovations for customers

With our Planet Positive offering, we enable the energy transition.

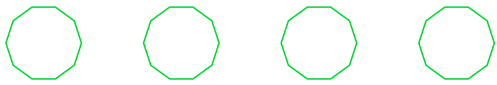
Limiting climate change to 1.5 degrees globally requires a major and rapid transformation towards the use of renewable energy sources, which significantly increases the demand for metals such as copper, nickel and lithium. Meeting this demand requires significant investments by our mining customers over the next decade. Aggregates production, minerals processing and metals refining are energy-, carbon- and water-intensive, so we can further increase our contribution to the climate change challenge by helping our customers use our technologies and innovations to develop more sustainable ways to operate. In addition to the environmental aspects, we have a long history of technologies and services that also help our customers improve their safety performance.

**Metso**



Around 6.5 billion tons of minerals that must be mined and processed responsibly are needed to transition our world to renewable energy.





Central to our sustainability efforts is our Planet Positive offering — products and services that are significantly more energy- or water-efficient than an industry benchmark or a previous-generation product in the market. Planet Positive products help our customers cut their CO<sub>2</sub> emissions, both directly and through reductions in the carbon intensity of manufacturing and delivering products, as well as by offering the potential for increased recycling. They can also support the use of non-fossil fuels such as hydrogen. Planet Positive services on the other hand can improve our customers' processes with modernizations and upgrades, as well as by optimizing existing production processes. Our services help our customers make incremental improvements, progressively accumulating benefits over the lifetime of the equipment. In the long run, such cumulative gains can be very significant.

We define the level of performance needed to qualify as Planet Positive to ensure that designated products and services can make a meaningful contribution to our customers' efforts toward reaching their climate and other environmental targets. Planet Positive assessments are based on objective metrics and growing Planet Positive sales is included in our management incentive plan targets.

Our ambition is to grow Planet Positive sales. Some of the top selling technologies in 2023 were mill lining optimization, Premier horizontal grinding mills, FloatForce-mixing mechanism, Chamber optimization and flash smelting as well as Lokotrack e-range products.

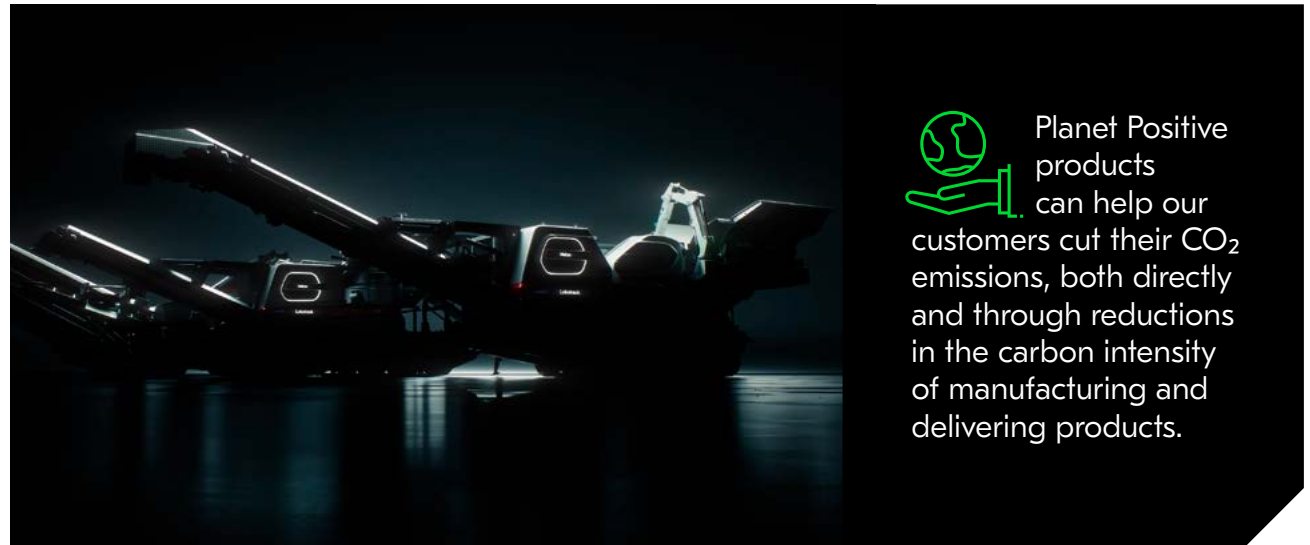
Long-lasting liners can significantly reduce CO<sub>2</sub> emissions because less products need to be manufactured and transported, and our mill lining optimization can reduce embedded carbon by up to 40%. With FloatForce our customers can decrease their energy consumption by up to 30%, thanks to improved recovery. Our flash smelting

## Our Planet Positive portfolio already includes over 100 products, and we aim to keep expanding and improving this offering to have a Planet Positive product for every part of our customers' value chain.

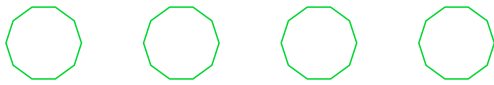
process is the cleanest smelting method available with up to 30% less CO<sub>2</sub> per ton. It is also optimized for the use of renewable energy. With chamber optimization our customers can save up to 30% in energy consumption, leading to lower cost per ton and more sustainable operation. Longer lifetime of wear parts means fewer change-outs and fewer production stoppages. Lokotrack e-range solutions are optimized for renewables. An onboard diesel genset improves the line's overall drive efficiency, and the

equipment also makes it possible to recycle construction and demolition waste.

Our Planet Positive portfolio already includes over 100 products, and we aim to keep expanding and improving this offering to have a Planet Positive product for every part of our customers' value chain. To achieve this, all our R&D projects must have sustainability benefits; we aim to have 80% of our R&D spend on Planet Positive product and services offering development by 2030.



Planet Positive products can help our customers cut their CO<sub>2</sub> emissions, both directly and through reductions in the carbon intensity of manufacturing and delivering products.



## Cooperation and partnerships to advance the energy transition and electrification

In 2023, we initiated several cooperation projects together with our customers to develop more sustainable technologies.

- Full-scale hydrogen-ready anode furnaces in Germany; they are the first of their kind in the copper industry and based on our design input.
- A strategic partnership with a Canadian mineral development company to develop a lithium hydroxide production facility that will process lithium mineral concentrates essential for the North American electric vehicle value chain development.
- A definitive feasibility study of a precursor cathode active material processing plant in Vietnam using selected Planet Positive technologies for nickel processing and battery metals.
- Large-volume pilot-scale processing of rare earth ore in Canada. This project is a critical driver for the electrification value chain, specifically the manufacturing of permanent magnets for electric motors, wind turbines and other low-carbon technologies.



## Planet Positive launches support the mining industry's sustainability ambitions

In 2023, we launched close to 10 new Planet Positive products. These included new technologies, adaptations of existing offerings for new customer segments, as well as updates to existing product families.

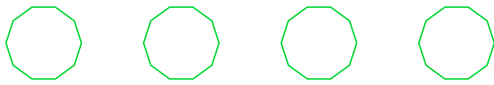
- Metso's Thickening Plant Units feature scalable, modular and safe-to-install components. The integrated units deliver consistent performance even in changing process conditions, thereby helping to avoid under-performance and recovery losses.
- The Metso Sense series portfolio of over 10 products covers the entire minerals and hydrometallurgical

process, from comminution and milling to flotation, helping customers to maximize their profitability and minimize their operating costs and environmental impacts. The 2023 launched Metso VertiSense™ enables process optimization and ensures that wear parts are being replaced at the best time, thereby reducing waste and optimizing mill availability.

- The hydrogen LowNOx burner for traveling grate pelletizing plants is a first-of-its-kind 100% hydrogen-powered burner that can replace traditional burners to decrease carbon emissions while operating

autonomously. Metso's Ferroflame LowNOx burners for natural gas can be modified to run on hydrogen with this solution.

- RotarEkin™ is an electrically powered, indirectly heated rotary kiln that provides a customizable alternative to fuel-powered rotary kilns. It is comprised of modular heating sections, which offer increased temperature control over fuel-fired designs, and its modules can be safely removed and exchanged for maintenance and repair.



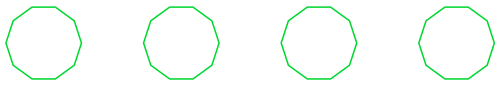
Sales



## Planet Positive sales supported by global success across wide applications

- Metso's filtration portfolio consists of 15 different filter types and a comprehensive service offering for various mining and industrial applications. More than 80% of Metso filters are part of our Planet Positive portfolio, primarily thanks to their efficiency in the recovery and reuse of water. We have delivered more than 5,000 filters for various applications worldwide. Our 2023 orders included:
  - Concentrate dewatering filters and the engineering, manufacturing and supply of several Planet Positive pressure filters, as well as advisory services for installation and commissioning to the largest producer of stainless steel in northwest China.
  - Multiple repeat orders for filter modernization, plate packs and related services from several major mining companies in North, Central and South America.
- Zijin Mining Group selected Metso for a Planet Positive key concentrator plant equipment order, worth EUR 85 million; the comminution circuit to be installed will be one of the highest powered in China and, at an elevation of 5,300 meters, one of the highest mining sites in the world. The elevation creates a challenging operating environment for the equipment. This is one of the reasons our customer chose Metso — our technology is known for its sustainability, reliability and high performance. In addition, our local service capability was highly appreciated by the customer.
- A greenfield iron ore project in South America, consisting of a full-scope sustainable comminution circuit flowsheet concept to achieve the best energy-efficiency with the lowest operating and life cycle costs.





## Our solutions for the climate change challenge

The world must shift from carbon fuels towards renewables and develop low-carbon technologies to limit climate change. In the mining industry, this will continue to significantly increase worldwide demand for metals, especially for battery minerals like copper, nickel, lithium and other rare earth metals. Meeting this demand will require significant growth in minerals production. Also, investments and technical innovations will be needed for brownfield opportunities and utilizing lower-grade, smaller and more difficult deposits.

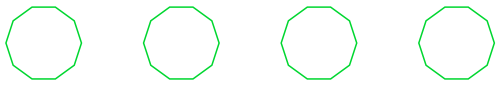
Getting to net zero, which is a widely shared goal for most companies, will require a shift towards renewable-based electricity or hydrogen and increasing energy efficiency. It is, therefore, crucial that the mining industry does what is needed to ensure the supply of metals — this factor is more significant than the direct reductions in footprint for the industry itself and that of equipment suppliers such as Metso.

Getting to net zero will, which is a widely shared goal for most companies, require a shift towards renewable-based electricity or hydrogen and increasing energy efficiency.

Around 3–5% of the world's electricity is used in comminution, for the crushing and grinding of rocks. Our customers must satisfy the growing demand for minerals while managing deteriorating ore grades and stricter sustainability requirements. Our products offer energy-efficient options to our customers for material transport, size reduction, mineral separation, and dewatering. Emerging technologies, like ore sorting and early rejection of waste materials, can also reduce energy intensity by reducing the amount of ore that needs to be processed for a given amount of final product.

In the mining industry, our sustainable solutions can have a significant impact in reducing our customers' direct CO<sub>2</sub> emissions. Our comminution product portfolio also has positive impacts on the indirect emissions produced by our customers' operations — for example, by reducing the volume of consumables needed. Depending on the point of manufacture and the point of use, optimized shipping and the improved wear life of our products can also bring substantial cuts in emissions.





## Case

### Battery minerals – ensuring a comprehensive offering across full and complex flowsheets

During 2023, we strengthened our position as the technology and solutions provider for the battery minerals industry. Our product strategy is to ensure a comprehensive offering across full and often complex flowsheets for battery minerals producers and to guarantee support to growth locations so that they can succeed with the expected supply shortages of these minerals in the future.

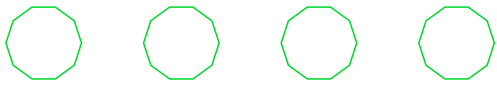
Metso can already provide sustainable technology and equipment for the entire lithium, nickel and cobalt production chains. We are currently working with several lithium processing and battery recycling projects that are in the study, piloting, engineering or delivery phases e.g., with Zinnwald Lithium to develop a new beneficiation process flowsheet based on a complete mineralogical study, batch and locked cycle tests. This project is designed to supply battery-grade lithium hydroxide to the European electric vehicle battery supply chain. We are also modernizing our pilot facility at our research center in Pori, Finland, with expanded capabilities

for lithium hydroxide and other battery chemicals process testing.

Lithium is one of the most used minerals in battery manufacturing. For hard-rock-based spodumene concentrates, we offer an acid- and sulphate-free soda pressure-leaching process. It is one of the most environmentally efficient processes available for lithium production. Besides lithium, other critical minerals, like copper, nickel and cobalt, play an important role in the battery manufacturing chain, either in battery chemistry or in other components. We have a comprehensive and sustainable process technology and services offering also for these minerals.

Our strength in battery minerals process design is based on the deep concentrator and hydrometallurgical knowledge we have gained during decades of working with our mining customers around the world. Process simulations are essential in the piloting phase, supporting process and equipment design, training and plant operation. For this purpose, we use our unique metallurgical digital twin Geminex™, launched in 2022.





## Circular economy solutions to support the 1.5-degree journey

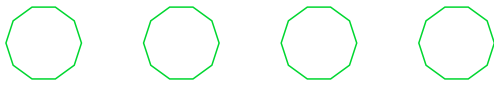
Global demand for raw materials is growing rapidly, and the scarcity of critical materials is a significant challenge for our customer industries. In addition to virgin source materials, there is a growing interest in the use of scrap materials – both to meet the growing demand for energy transition metals and to reduce the carbon footprint. It is therefore important for original equipment manufacturers to offer recycled, circular and low-carbon products.

Metso has an extensive circular offering of durable and environmentally efficient equipment that can be serviced, and their parts recycled. Our equipment is built of strong and durable materials, ensuring a long product life and minimizing the environmental impacts during its lifetime. In addition to environmental benefits, circular solutions are commercially attractive to our customers, as equipment wear and tear is typically a significant direct and indirect cost. We also offer solutions for processing demolition waste and for waste recovery.

Metso has been developing its sustainable mill lining recycling service for over a decade. Our latest circularity innovation is a unique separation line for processing rubber Poly-Met™ and Megaliner™ mill liners. Metso piloted the solution in 2023 with a customer in Finland and in Sweden. The service will be expanded to other markets in 2024. This recycling service concept has many benefits, including the recovery of reusable materials, reduced CO<sub>2</sub> emissions, as well as the use of the safest and most efficient lining solution, resulting in improved environmental efficiency and less material being sent to landfills.







Case



**Battery black mass recycling – circular economy technology for the entire lithium, nickel, and cobalt production chain**

There is a need to close the loop and extend the life cycle of the valuable energy transition materials through efficient recycling. Battery black mass recycling is becoming an important means to complement the supply of virgin battery minerals and to reduce the carbon footprint of the battery supply chain.

In 2023, Metso launched a battery black mass recycling process that complements our extensive battery minerals technology offering,

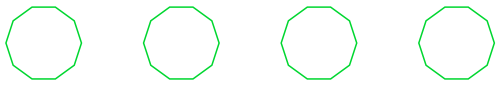
covering concentration and hydro-metallurgical processing as well as related services. Recycling black mass from batteries with our process can reduce up to 60% of the product's embedded carbon compared to the use of virgin materials.

Metso's hydrometallurgical black mass recycling process enables the treatment of mechanically separated and shredded batteries for recovering battery raw materials like nickel, cobalt and lithium, as well as

manganese and copper. The process is based on our proprietary VSF® X Solvent extraction technology and complemented with OKTOP® reactors and several filter types. The process flowsheet can be tailored according to feed materials and desired end products with a possible phased approach for adding equipment and also for the recovery of less valuable materials.

With the battery black mass recycling process, our offering for the

battery minerals value chain covers 90% of the end-to-end production process. We can provide sustainable technology and equipment for the entire lithium, nickel and cobalt production chain from the mine to battery materials and black mass recycling with project scopes ranging from equipment packages to plant deliveries. We can also support our customers in the design of the process with our comprehensive testing and research capabilities.



## Improving water quality and efficiency with sustainable water management

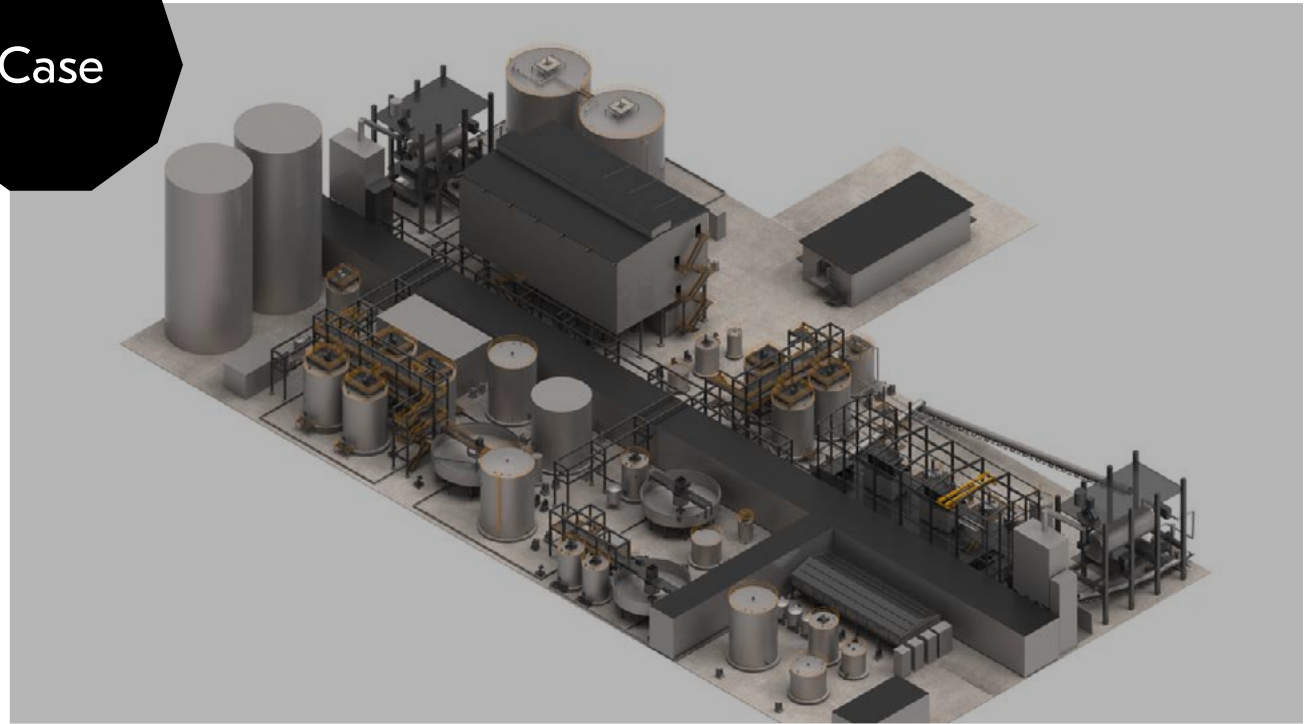
Water management is a growing challenge for mines because they are often located in water-scarce areas. In addition, energy transition and battery metals tend to be water-intensive to produce. As the demand for these metals grows, the demand for water will also increase. The ability to access water can in some cases be at least as important as the quality and grade of the ore body.

Metso has a range of solutions to address our customers' water-related environmental, health and safety risks. For example, we have solutions that improve the efficiency of water use and minimize environmental impacts by enabling the use of alternative water resources, like municipal effluent or seawater.

De-risking tailings storage by using less water is an area where our technology can transform our customers' existing operations. Our dewatering technologies, like paste thickening and filtration, can reduce water intake by improving water recovery from tailings. The same applies to technologies that change the way the ore is processed, such as our ore sorting and separation processes that reduce the amount of fine tailings.

Water consumption can be reduced not only by improving the efficiency of use but also by reducing the amount of waste that is in contact with water. We offer a range of technologies to achieve this, such as dry processing alternatives across many elements in plant production facilities.

## Case

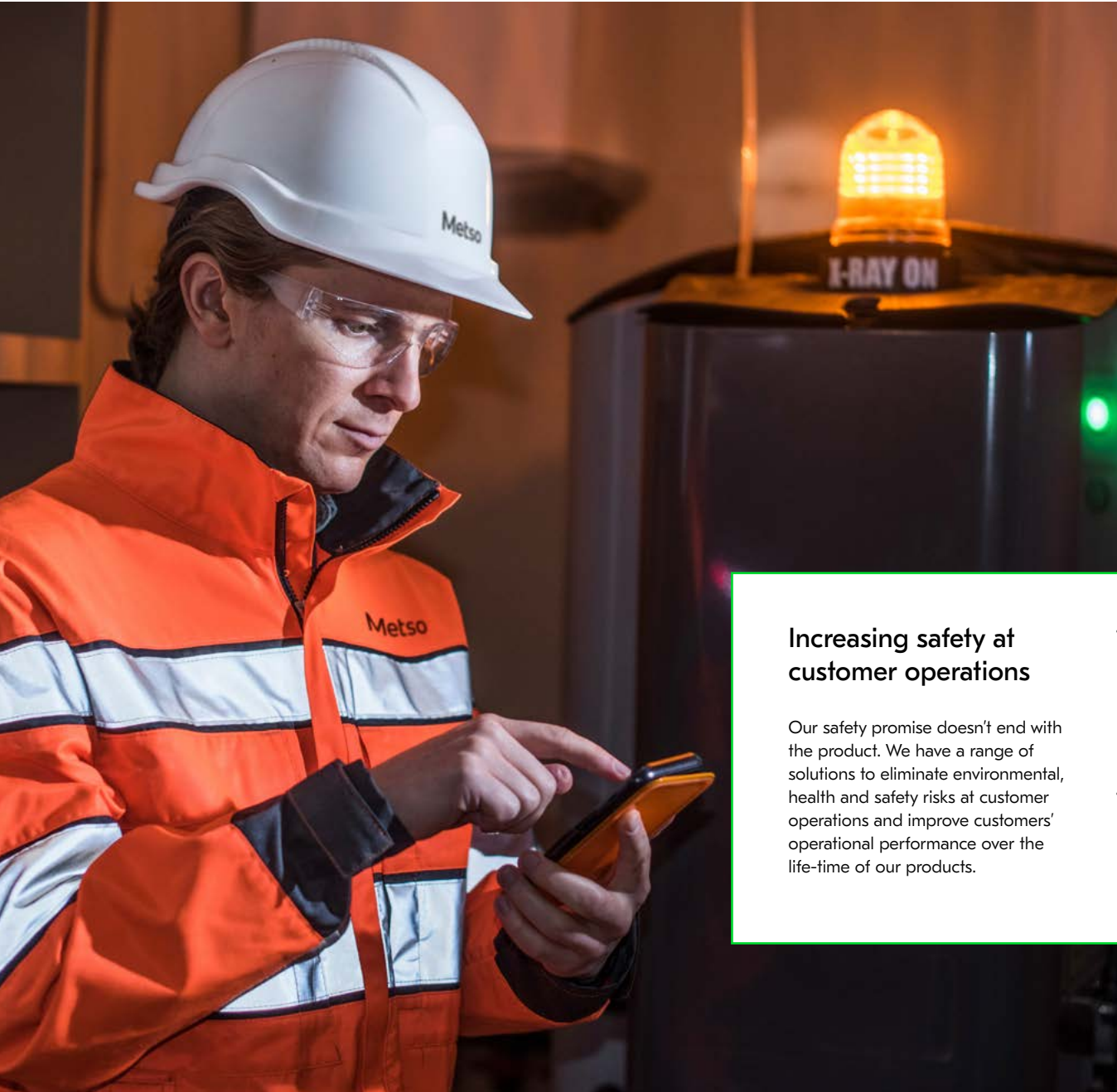
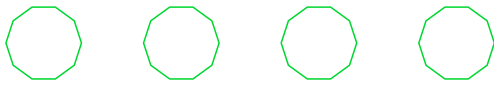


### Supplying process equipment from smelting to dewatering – a new lithium hydroxide refinery

Metso has decades of global experience in water treatment processes in industrial effluent, mining and municipal sectors, and has delivered more than 30 water treatment plants around the world.

In 2023, Keliber signed a contract with Metso for the delivery of an effluent treatment plant for their lithium hydroxide refinery to be built

in Finland. The key equipment to be delivered for the plant consists of several Metso's Planet Positive technologies, from Atmospheric Reactors enabling the precipitation of impurities and the recovery of lithium to an electrochemical water treatment unit for arsenic removal and efficient dewatering.



## We help our customers operate safely

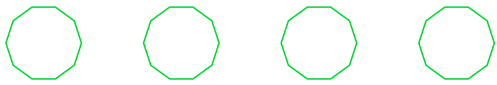
Whether it's a standard product or a customer-specific combination of technologies and services, we are committed to ensuring customer satisfaction by offering consistent high quality. Product and operator safety is a critical matter to us and our customers. Legal requirements, standards and directives, such as EN ISO, OSHA and CE, underpin our approach to product safety. Product safety plays a role throughout Metso's product development process, taking into account regulations, customer requirements, our product specifications and safety risk analyses. These requirements also extend to procurement and manufacturing processes as well as installation and commissioning. Final compliance checks are done at the customer site which means that our equipment and aftermarket people must work in close collaboration in these projects.

### Increasing safety at customer operations

Our safety promise doesn't end with the product. We have a range of solutions to eliminate environmental, health and safety risks at customer operations and improve customers' operational performance over the life-time of our products.

- **Upgrades and modernizations:** Machine modifications that make day-to-day operation and regular maintenance safer, e.g., reducing weight, removing pinch points and removing the need for labor.
- **Process optimization:** Remote process monitoring limits human-machine interaction for increased safety while still ensuring process performance targets are reached and maintained.
- **Repairs:** Performing tear down and rebuilds to find potential issues and to remedy them before the machine or operators are at risk.
- **Life Cycle Services (LCS):** Machines installed and adjusted to correct industry safety benchmarks. Best practices shared from hundreds of LCS contracts ensure safe shutdowns and servicing.





## Incorporating sustainability in parts and services

Extending the lifetime of assets and optimizing processes is critical to lower our customers' environmental footprint. This is often done through incremental improvements, where performance is optimized over time. Our environmentally efficient parts and services portfolio is not limited to our own installed base.

Using the right spare and wear parts is critical to improve performance and protect the equipment. Our optimized, long-lasting parts help our customers reduce energy and water consumption, as well as minimize material wastage and transportation. We have also developed unique methods to separate rubber from steel to recycle worn parts instead of sending them to landfills.

Our sustainable services are based on long-term, solid customer relationships. Our customers trust us to propose the best and most sustainable solutions for their specific processes. This does not always involve the introduction of new equipment. Rather, significant improvements can be made by upgrading and improving existing assets. Our digital solutions give us the opportunity to advise customers on predictive maintenance practices, support spare and wear parts ordering, identify the ideal times to replace parts to minimize wastage and help implement best practices to maximize parts and equipment performance.

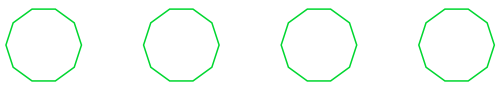
We make decisions with sustainability in mind – from material selection to parts design, manufacturing, logistics and recycling of worn parts.



### Our sustainable aftermarket offering



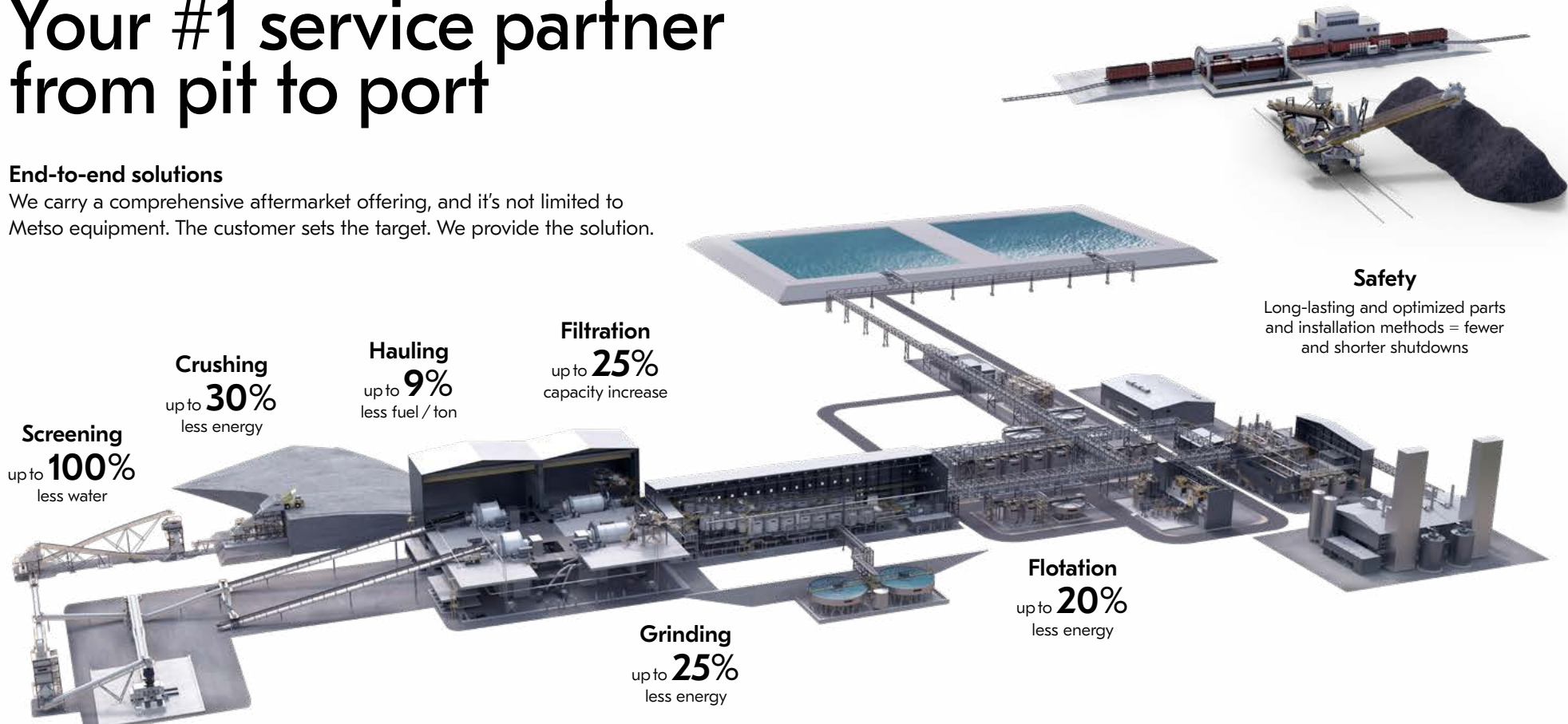
- Optimized, long-lasting spare and wear parts.
- Upgrades and modernizations – incorporating new technology into existing equipment for energy efficiency and safety improvements.
- Repairing and extending the life of equipment and components.
- Process improvements – improving the utilization of assets, increasing effective capacity and reducing the carbon footprint.
- Life Cycle Services – optimizing processes over time through long-term service contracts to help our customers improve their performance and safety.



# Your #1 service partner from pit to port

## End-to-end solutions

We carry a comprehensive aftermarket offering, and it's not limited to Metso equipment. The customer sets the target. We provide the solution.



**Screening**  
up to **100%**  
less water

**Crushing**  
up to **30%**  
less energy

**Hauling**  
up to **9%**  
less fuel / ton

**Filtration**  
up to **25%**  
capacity increase

**Grinding**  
up to **25%**  
less energy

**Flotation**  
up to **20%**  
less energy

## Safety

Long-lasting and optimized parts and installation methods = fewer and shorter shutdowns

## Optimized performance

- Extensive know-how of equipment, parts and services and wide offering to choose from
- Unique simulation tools
- Pioneering innovations, patented technologies

## Digital mine

- Intelligent instruments
- Remote monitoring and support
- Parts optimization
- Metallurgical digital twins

## Trusted partner

- Reliable, high-performing parts and services
- Support close to customers
- High safety, ethical and environmental standards
- Training and expertise to bridge knowledge gaps

15 own factories

A network of selected partner factories

140+ service locations

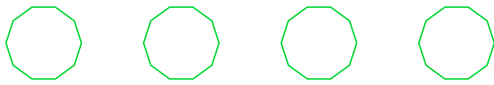
500+ long-term service contracts

19 distribution centers

## Sustainable operations

- Optimized, long-lasting parts designed for minimized wastage and energy efficient operation
- Recycling of worn parts
- Repairs and upgrades improve performance and prolong equipment life
- Lower risks and less energy, water, parts, fuel and transportation

Numbers refer to specific technologies only. Performance claims are based on use cases, and as such are intended as guidance only and not guaranteed.



### A greener future for aggregates with sustainability, digitalization and efficiency

Demand for solutions that help address climate change and offer other sustainability benefits is increasing in the aggregates industry. At the same time, digitalization brings new opportunities for equipment optimization and improved efficiency.

Our aggregates contractors need easy-to-use, energy-efficient and high-mobility solutions. Electric equipment offers customers the option to use renewable grid power where it is available, and around 40% of our aggregates portfolio is already electric. As a response to the growing demand for more sustainable mobile crushing and screening equipment, we offer the hybrid electric-diesel Lokotrack® e-Power range. In 2023, we announced that we will launch the first units of our new electrically driven

track-mounted, modular Lokotrack EC range crushers and screens in May 2024. This will support our aggregates customers in their sustainability ambitions by lowering their operating costs and providing them with better access to renewable energy sources.

The energy consumption of a Lokotrack mobile crusher is dictated by its crusher unit, as it uses roughly two-thirds of the total consumed energy. Optimizing the crushing and screening process, including the recovery of process heat, is therefore key to a more sustainable, CO<sub>2</sub>-free future. The possibility of switching between electricity and diesel is especially valuable for customers who operate in urban areas or in otherwise regulated circumstances because the hybrid solution can reduce both noise and emissions.

Metso Metrics is a cloud-based digital tool for real-time monitoring of Lokotrack mobile crushers and screens.

It offers improved connectivity and optimization benefits for our aggregate customers' crushing processes. The upgraded Metrics also features a CO<sub>2</sub> tracker. In 2023, a new feature called Production Tracker was introduced, making production data readily available. By combining Metrics with our global service footprint, we can support our customers in making data-driven decisions that directly impact their crushing and screening operations. All new Lokotrack machines come equipped with Metso Metrics, and legacy equipment can be modernized with a Retrofit Kit to integrate digital connectivity.

Converting non-saleable waste products into valuable resources is a longstanding issue that many quarries around the world are facing. With Metso's HRC technology, materials with low mass gradings or materials that are difficult to crush can be reprocessed to high-quality manufactured sand for asphalt and concrete production.



### Transforming demolition waste into sustainable resource – production of cement that is both recycled and decarbonized



In 2023, we entered the area of upcycling together with one of our French customers. Metso's crushing plant technology was utilized for the recovery of demolition concrete to create recycled products with high added value.

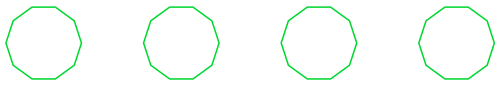
Separating and recovering the cement paste during the crushing operation without grinding the original

aggregate and isolating very fine materials with a high concentration of cement in demolition concrete provided carbon-free additions to the manufacturing of new cement.

Recovering the fines from crushed concrete and reusing them as carbon-free addition to the cement process is one of the first of its kind

and a giant step forward in the ecological way to build tomorrow's cities with yesterday's materials. Metso executed a complete project scope for the customer, including equipment, flow sheet definition, engineering, site assembly supervision, as well as electrical and automation hardware and software.

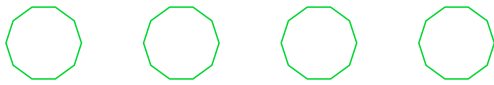




# Our people and culture

We strive to create a thriving culture that people aspire to be part of and a culture that enables our business to grow and succeed. Our culture is created every day by our people, and it is at the core of everything we do. We are building an inclusive environment that enables everyone to do their best and reach their full potential. At the foundation of our culture are our values, leadership principles, diversity and inclusion, and a great employee experience. The safety and well-being of our people is a priority. We target zero harm both in our own operations and in the use and maintenance of our products.

Our people consist of over 17,000 experts from different fields, ranging from engineering and R&D to field service and technical support of the customer's production facilities and equipment, sales, HR and factory operations, and more.



### Our people by geography



- Europe 33%
- South America 27%
- Asia Pacific 13%
- North and Central America 13%
- Africa, Middle East & India 14%

### Our people by employee category



- Blue-collar 31%
- Professionals 56%
- Management 13%

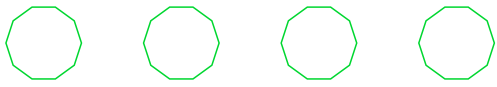
### We focus on the growth of our people

Growth is a fundamental part of our culture. Our model for supporting the growth of our people, the Growth dialogue, is based on the idea that continuous discussion throughout the year supports our people's growth the most. The Growth dialogue combines the processes of leading performance and competence development. Through regular Growth dialogues the employee and manager cover key themes, including setting targets, providing feedback on performance and development areas, building on strengths and caring for and addressing employee wellbeing.

In 2023, we developed our offering for job rotation. Job rotation allows for the possibility to work in a different position or team for a specific period of time, giving the employee an opportunity to enhance their understanding and competences in new areas of work. At best, this allows future career moves within Metso and the sharing of job rotation experiences with colleagues.

Continuous learning and development is key to employee engagement and retention. Our aim is to ensure that our employees find Metso to be a workplace where they can learn and grow and build great professional careers. In 2023, 29% of our open white-collar positions were filled with an internal candidate.





## Our leaders drive growth of our people and results

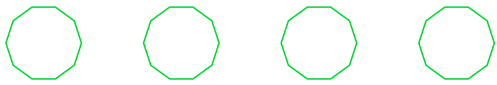
We value good leadership, and our leaders play a key role in building our performance culture, driving growth and delivering results. Our Leadership Principles are the foundation of what is expected of our leaders: Put people first, Create clarity and simplify, Build bridges, and Drive growth.

We invest in developing our leaders. In 2023, we continued the leadership programs that kicked off in 2022. Altogether around 1600 leaders participated in our key global program, Leaders4PositiveChange. In addition, we continued the Metso Strategic Leadership Program, a tailor-made program for our senior leaders. To complement the manager and leadership training programs, we offer our leaders coaching services to support their own growth.

In 2023, we organized the global Mentoring4PositiveChange program, where a group of Metso employees were paired with an experienced colleague. We also have local mentoring programs in many of our locations.

Our Leadership Principles are the foundation of what is expected of our leaders: Put people first, Create clarity and simplify, Build bridges, and Drive growth.





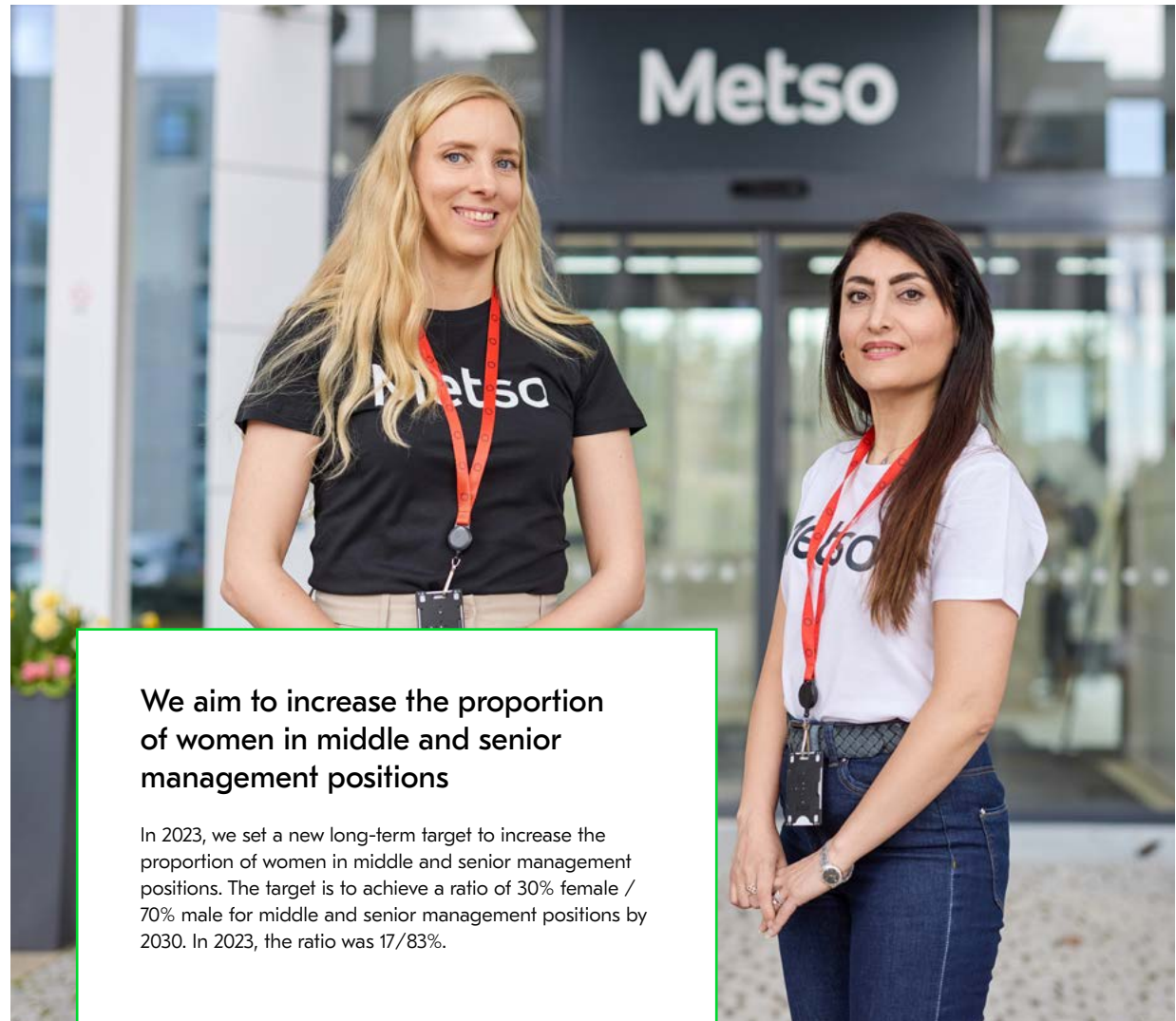
## We are committed to diversity and inclusion

We are committed to developing Metso into a workplace where diversity and inclusion (D&I) is embedded into our culture, fostered and promoted. Our ambition is to build an inclusive workplace where everybody can be their authentic selves. We aim to increase the diversity across our business, remove barriers and biases from our processes, build psychological safety in our teams and increase the number of women in our company.

We continued with a strong focus on diversity and inclusion in 2023, and one of the year's biggest D&I initiatives was the Inclusive Talent Acquisition concept and training launch. We took concrete steps in refining our talent acquisition process by crafting a more inclusive hiring framework. The Inclusive Talent Acquisition program addressed one of the key findings from the 2022 fair pay analysis, which was that a significant portion of unexplained salary differences could be traced back to decisions made during the initial hiring process. Furthermore, we also rolled out the Inclusive Talent Acquisition training program to strengthen awareness regarding biases that can influence recruitment decisions. Majority of our leaders completed this training during the year.

In 2023, we also launched a Conscious Inclusion eLearning, a Digital Inclusion quick guide and accessibility training, and the Metso Women's Leadership Forum, as well as hosting a global Diversity and Inclusion month. Also, various D&I-themed webinars and events were organized locally at our sites around the world.

In 2023 there was an improvement in the inclusion score measured in the employee engagement survey. Metso now ranks in the top 5% of the industry benchmark for Inclusion. In the long term, we aim to be in the top 10%.



### We aim to increase the proportion of women in middle and senior management positions

In 2023, we set a new long-term target to increase the proportion of women in middle and senior management positions. The target is to achieve a ratio of 30% female / 70% male for middle and senior management positions by 2030. In 2023, the ratio was 17/83%.



## Well-being of our people is a priority for us

The well-being of employees is a priority at Metso, and many global and local activities to support well-being were initiated in 2023. On a global level, we offer training and webinars on various physical and mental well-being topics such as resilience, sleep and recovery. However, most concrete actions happen at a local level. There has been a significant improvement in the well-being results in Metso's employee engagement survey. In December 2023, the result was in the top 5% of the industry benchmark for health and mental well-being.

### Metso Asia Pacific market area hosted a Health and well-being month

Our Asia Pacific market area organized a Health and well-being month with various events and activities to engage employees and their families. Activities included for example a competition to walk more and track steps using a mobile app, Family Day for employees and their family members, a weekly yoga session led by a certified instructor and also Metso's Mental Health first aiders were present. They are a team of trained and certified Metso employees who can provide initial support and guidance to any of their colleagues experiencing a mental health issue or crisis.

## Listening to our employees

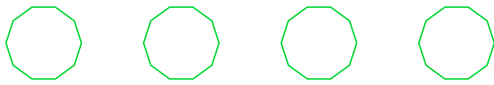
Our employee engagement survey is a key means of receiving feedback from our people. We conducted four employee engagement surveys in 2023: two full surveys for all employees, and two shorter pulse surveys for white-collar workers. Through the anonymous surveys, employees can share their views and opinions on the direction the company and their own team is going.

We use the Employee Net Promoter Score (eNPS) to track our employees' engagement. Throughout the years of measuring, we have witnessed a positive trend. After each survey, the results are analyzed, and teams discuss their respective results, acknowledging and building on strengths, and also make actions plans to improve any areas that show concerns. With the systematic work, we have been able to reach our target and we now rank in the top 10% compared to the industry benchmark. At the end of 2023, our eNPS score had improved to 54, which is a 3-point improvement from December 2022.

### eNPS score



The graph shows the development of the eNPS for full engagement surveys.



## Metso's Life-Saving Rules

Metso's Life-Saving Rules are designed to prevent fatalities and severe injuries, especially in high-risk environments. They are complementary to Metso's Modus Operandi program, which sets out the expected safety behaviors for everyone working for Metso. The rules consist of the ten most common risks that could cause fatal injuries:

1. chemicals
2. confined spaces
3. forklifts
4. hand tools
5. hazardous energy
6. lifting
7. machine safety
8. road travel
9. working at heights
10. working at customer sites

# Comprehensive actions to improve safety

We have a comprehensive safety agenda, and we take continuous actions to improve the safety of all our employees, partners, customers, contractors and other stakeholders.

In 2023 we continued the work on the fatality prevention program that was launched in 2022. The purpose of the program is to prevent fatalities and severe injuries through a standardized approach to control the highest safety risks. As a result of the program, in 2022 we produced ten safety directives that set out detailed health and safety requirements for our businesses. These directives are the basis of our ten Life-Saving Rules.

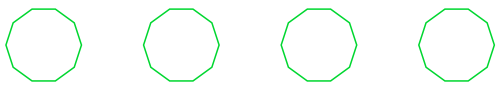
These Life-Saving Rules are non-negotiable and aim to empower all our employees to make the right decision when facing risks or seeing someone in danger or performing an unsafe task. This approach also supports workers to speak up if they observe safety issues, as one of the most effective ways to ensure safety is by putting a stop to unsafe work.

Metso's Life-Saving Rules were developed internally by teams consisting of technical experts and safety professionals, with input from operational employees and contractors, and reinforced with senior management support. We launched the rules with a training program at the end of 2022, and during 2023 they were rolled out across the organization. The program is based on a train-the-trainer approach where safety professionals train the managers and supervisors who then deliver face-to-face training to their front-line operational employees.

Metso has a zero harm approach to health and safety.







### Aiming to recognize improvement areas

Our safety performance has plateaued. Therefore, in 2023 we analyzed our incident and risk observation data more thoroughly to identify the problem areas. Hand injuries are one of the most common incident types and they are often related to lifting or to the use of tools. To reduce hand injuries, we reintroduced our LEGIT hand safety program, which was originally launched in 2021 with excellent results.

At Metso, the complete risk observation process, from reporting to corrective actions, is emphasized. One tool for observations is the internal safety audits that we performed in 11 locations in 2023. This resulted in around 350 corrective actions. In 2023 we introduced a new tool to improve the reporting and management of audit findings.



### Life-Saving Rules training completed by



~90% of all employees



~95% of operational employees



~90% of non-operational employees

### We aim for zero harm

1.2

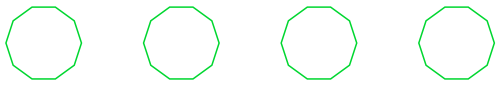
Lost Time Incident Frequency (LTIFR)  
(2022: 1.2)

3.0

Total Recordable Incident Frequency Rate (TRIFR)  
(2022: 2.7)

### Most important safety actions taken in 2023

- Review of incident data
- Efforts to eliminate hand injuries
- Fatality prevention program and Life-Saving Rules training program
- Production of safety directives and gap analysis project
- Hosting model update
- Roadmap development



# Engaging with local communities

We recognize that our business operations have impacts on all aspects of society, including economic, social, and environmental, and we have implemented various Corporate Social Responsibility (CSR) programs that are managed and sponsored by the local organizations.

Our CSR programs and activities aim to support local communities socially or environmentally, and they must be in line with our mission and values or considered particularly relevant in the local community.

## Metso India supports youth employment in the green energy sector

Vadodara Foundry, part of Metso India, has been collaborating with the National Skill Development Corporation (NSDC) since 2021. The objective has been to help local youth to get employment in the green energy sector. Metso has supported youth in solar panel-related courses so that upon completion they are ready to take jobs in the industrial sector. More than 300 young people were trained to be solar panel installers or maintenance technicians. In 2023, a new course was initiated, focusing on developing youth for Data Entry Operator & IT helpdesk attendant positions.

## Metso Volunteers program

In 2022, we launched the global Metso Volunteers program, which is based on a policy that allows all our employees to use up to three hours of work time in a year for volunteer activities. The goal of the program is to set up local volunteer projects around the world where our employees can donate their time and engage in volunteer activities. The projects are led by local coordinators. In 2023, several volunteer programs took place in different countries, for example in Australia, Brazil, Canada, China and South Africa.

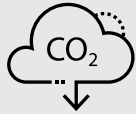
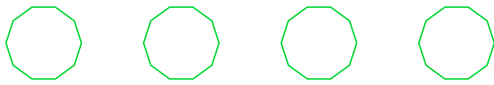


## Shadow Program in South Africa

In 2023, Metso South Africa in collaboration with the Brightspark Foundation implemented a Shadow Program, featuring 15 high-school students. The initiative was part of the Metso Volunteers Program, with 13 dedicated volunteers accompanying the students for a day at our local office. The primary objective of the program was to offer a glimpse into the corporate environment, particularly for students hailing from underprivileged backgrounds and disadvantaged communities. The aim was to inspire the youth to study and aim high as well as to demonstrate different opportunities for the future.

## Taking community action in China

At the beginning of 2023, a Metso Volunteers local coordinator team was established in China to organize and coordinate volunteering activities for Metso employees around the country. Members from different teams brainstormed various charity projects and looked for local non-governmental organizations to cooperate with. At the end of 2023, there were 13 volunteer projects under way in six different locations around China. The projects have been divided into four categories: environmental protection, charity sale & donation, humanitarian work and volunteering in local communities. For example, our office in Shanghai raised money for the Red Cross during a Family Day, and Shaorui Heavy Industries took part in raising awareness for the Alzheimer's disease and giving out bracelets that are designed for elderly people with Alzheimer's disease. The bracelets have the wearers' information on them, making it easier to help lost elderly people find their way home.



### Smart shipping to reduce CO<sub>2</sub> emissions in logistics

Optimized logistics can significantly reduce our environmental footprint. In 2023, we reduced our logistics CO<sub>2</sub> emissions by 7% compared to 2019.

However, reducing logistics CO<sub>2</sub> emissions is proving to be difficult given increasing business volumes, so we are looking for innovative ways to optimize the logistics even further, for instance by batching several shipments into one to optimize container loads.

In 2023, we continued the work with our logistics service providers to have aligned sustainability targets and increased visibility of actual CO<sub>2</sub> emissions in the supply chain. In addition, we continued with strategic initiatives to improve and develop an agile warehouse footprint, which takes into account the sustainability of the full logistics chain, including how to minimize waste, energy and emissions from operating our warehouses.

# Aiming for a smaller environmental footprint

In 2023, we decreased CO<sub>2</sub> emissions in our own operations by 73% compared to 2019 baseline. We achieved this by using a higher proportion of renewable energy sources and increasing the energy efficiency of our processes and facilities. Almost all Finnish locations shifted to renewable energy and the Tampere plant partially switched to green power in 2023. We also made investments into our own energy generation, for example by building solar power systems and by changing heat-treatment energy sources from gas to electric at our foundry in Vadodara, India.

Other examples of our environmental footprint reduction actions included transitioning to the use of electric equipment, e.g., electric forklifts, investing in the insulation of our facilities and painting building roofs with white paint to reduce the need for heating and cooling. Passive cooling and heating projects are Metso facilities' next focus in addressing CO<sub>2</sub> emissions. In 2023, we completed almost 40 energy/ CO<sub>2</sub> efficiency projects. In Brazil, we finalized a green-gas certificates initiative, aiming to reduce CO<sub>2</sub> emissions from the use of natural gas. Going forward, we plan to expand the use of green-gas certificates in other countries as well.

In 2023, in addition to the energy-saving actions in our own operations, we improved the water efficiency of several of our production processes and reduced freshwater intake by, e.g., directing process overflow water to a local garden and utilizing condensation water from air conditioning for facility cleaning and plant watering. We also continued efforts to recycle as much of the waste locally as possible with a set of smaller initiatives ranging from arranging recycling bins instead of mixed waste bins to converting waste glass wool from heat treatment furnaces into insulation boards.

Our internal audit process is designed to identify environmental hazards that require corrective actions. We had no environmental incidents in 2023.

### Own scope 1 and 2 emissions 2019–2023



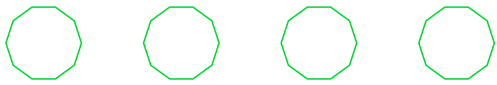
### Taking care of our environmental footprint is a priority

In addition to supporting our customers in their environmental targets and other sustainability ambitions, decreasing the environmental footprint of our own operations and logistics is a high priority for us.

We have ambitious CO<sub>2</sub> emission reduction targets for our own operations: we are targeting net zero emissions by 2030\*. In logistics, we target a 20% reduction in CO<sub>2</sub> emissions by 2025\*. We also aim to reduce our water consumption by 15% per employee in water-scarce locations and to reduce the volume of waste sent to a landfill by 90% by 2030\*\*.

\* Baseline year 2019, \*\* Baseline year 2021

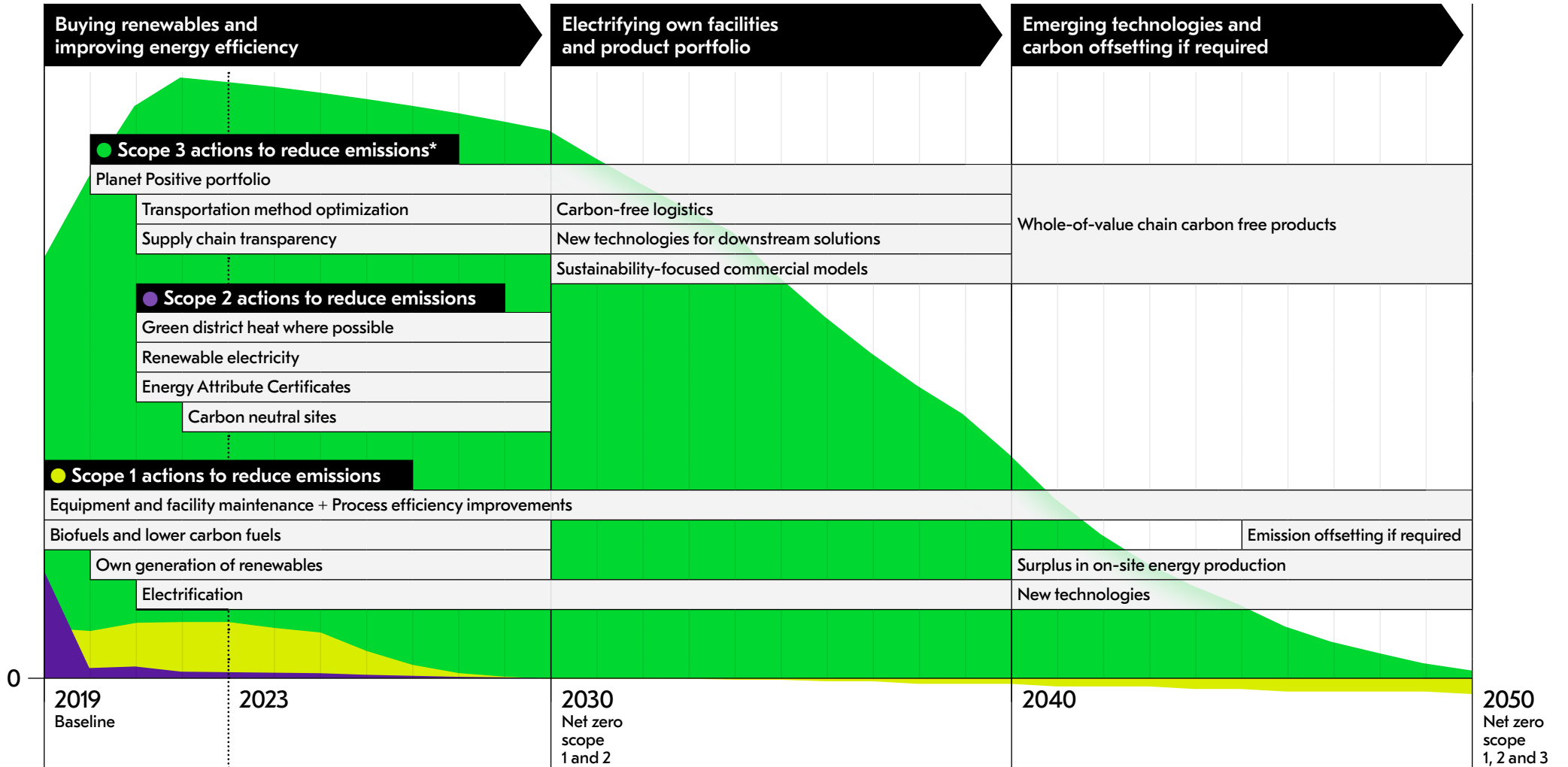


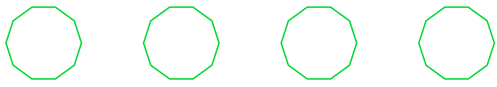


# Roadmap to net zero

Broad themes supporting our goal

- Scope 1 emissions
- Scope 2 emissions
- Other indirect (Scope 3)  
GHG emissions (305-3), tCO<sub>2</sub>  
\* excluding emission offsetting





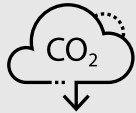
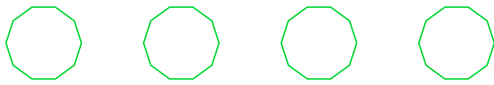
## Biodiversity – understanding our impact

In 2023, we started assessing value chain impacts on biodiversity by completing an initial biodiversity diagnostic. Biodiversity loss affects Metso's value chain in different ways depending on individual geographic locations, but the findings of the assessment were in line with our current sustainability approach – reducing our greenhouse gas emissions and water use and using Planet Positive products and services in customer operations are all useful ways to address biodiversity challenges. However, in the future a more detailed location-by-location study for own operations is required to understand the biodiversity impact and the location-specific remediation measures.

Most of our biodiversity footprint is through our customer's operations. Here, our solutions in tailings treatment and dry tailings stacking, process water treatment solutions, stockpile remediation, energy-, water- and chemical-efficient processing solutions for old tailing stockpiles and finely ground ore treatment solutions will play a crucial role in helping reduce biodiversity loss in Metso's customer industries.

As a responsible partner, we also aim to address biodiversity loss prevention and mitigation actions taken by our supply chain and customer base. Metso does not support illegal mining activities or activities that violate national or international nature conservation laws and regulations.





### A sustainable supply chain finance program in Turkey

The financial sector has an important role to play in supporting the energy transition and the development of low-carbon business models. In 2023, Metso launched a sustainable supply chain finance program in Turkey for the suppliers committing to CO2 emission reduction targets. The program benefits both Metso and the selected suppliers: Metso reduces its scope 3 emissions, while suppliers get a potential reduction in the cost of finance and technical support in reducing their emissions. In 2023, the program was recognized by Adam Smith Awards as Highly Commended Winner in the Best Sustainable Treasury Solution category.

# Sustainable cooperation with the supply chain

Adherence to safe operational and fair employment practices in our supply chain, continuous supplier due diligence and risk identification, and various climate change actions taken by our suppliers are a priority for Metso. Our procurement spend in 2023 was approximately EUR 3.6 billion. We have around 20,000 suppliers in around 100 countries, and we work closely together with them to support their sustainability practices and processes. Metso expects its suppliers to follow its Supplier Code of Conduct, which is based on Metso's Code of Conduct, as well as established international best practices.

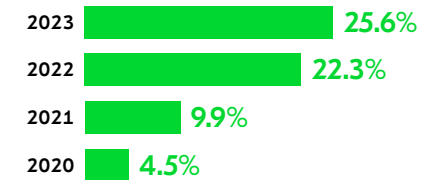
We ask our suppliers to demonstrate continuous environmental improvement, e.g., by developing CO2 emission reduction plans and setting their own CO2 reduction targets. We especially encourage our suppliers to commit to the Science Based Targets initiative (SBTi) and climate-related target setting. We target that 30% of our direct procurement spend is with suppliers who have committed to science-based emissions reductions by 2025. Our supplier engagement program started in 2020 and in 2023 25.6% of the direct supplier spend was with those committed to SBTi. In addition, to acknowledge the efforts of suppliers who have set ambitious climate targets that are not SBTi commitments, we include those in a separate KPI (27.3% in 2023).

To support our suppliers in their sustainability commitments and goals, we educate, advise and audit our suppliers' performance on sustainability. We offer several supplier e-learning courses about our supplier sustainability expectations, human rights, safety, as well as the SBTi setting methodology for CO2 emissions reductions and how our suppliers can contribute to reducing CO2 emissions across the supply chain. Some of our suppliers have been highlighting that they are already getting business benefits due to energy consumption reductions and optimization of their operations. Our supplier engagement program is mutually beneficial because some of the engaged suppliers are smaller companies that would not have their own science-based emissions targets programs without Metso's support.

## Supplier sustainability audits

Supplier sustainability audits are a way to ensure supplier compliance and continuous improvement. Our annual auditing program identifies suppliers to be audited based on a supplier sustainability risk assessment. In 2023, we conducted 172 supplier sustainability audits, while 59% of the corrective actions identified had been implemented by year-end.

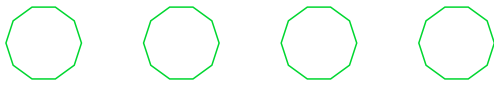
## Suppliers' science-based CO2 emission targets



## Supplier sustainability audits in 2023

# 172





# Business conduct and human rights

Metso is committed to respecting human rights and the United Nations (UN) Guiding Principles on Business and Human Rights. Metso is also committed to the UN Global Compact Initiative and its principles, as well as to the principles of the Universal Declaration of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. These commitments are incorporated in Metso's Code of Conduct and Supplier Code of Conduct, and in its Human Rights, HR, QEHS policies.

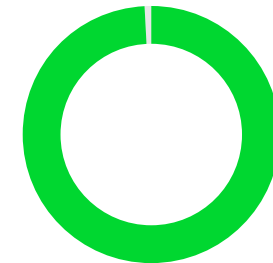
Metso's Code of Conduct sets the standard for the conduct of all our employees as well as our suppliers, business partners and other stakeholders. Code of Conduct training is carried out every year. Our latest training was launched in September 2023; by the end of the year, 99.4% of employees had completed the training. The completion rate of the previous year's training was 97.8%.

In 2023, Metso's Board of Directors approved a revised Human Rights policy. The Human Rights policy sets out Metso's commitment to human rights. In 2023, we also completed a high level human rights impact assessment, assessed our existing human rights due diligence process and risks, and identified future focus areas. Through our high level human rights impact assessment, we have

identified priority areas for human rights at Metso. These include health and safety and prevention of discrimination and harassment across the whole value chain. Other areas identified were secure employment, working time, adequate wages, freedom of association and collective bargaining, as well as prevention of forced labor. These are areas where actual or potential impacts are recognized in several or some parts of our value chain. More information about Metso's commitment to health and safety is available on page 44. Further, in 2024 in its due diligence work, Metso will put more focus on human rights in the riskiest parts of the supply chain. In recognizing that our human rights impacts may change over time as our operations and value chains evolve, we acknowledge that embedding human rights due diligence across our business is an ongoing process.



**99.4% of employees completed the Code of Conduct training in 2023.**



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