

BUSINESS OVERVIEW 2022

Partner for positive change



Metso Outotec's Annual report 2022 consists of five sections:

All Annual report sections are available in English and in Finnish. They are downloadable on our Annual report website at mogroup.com/annualreport. In this Annual report, we apply integrated reporting elements.

METSO OUTOTEC CHANNELS

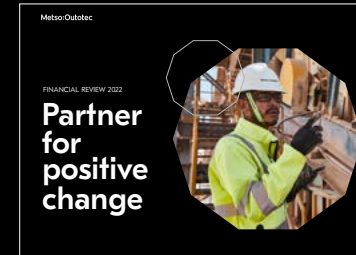
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Business overview



Strategy, value creation and sustainability

Financial review



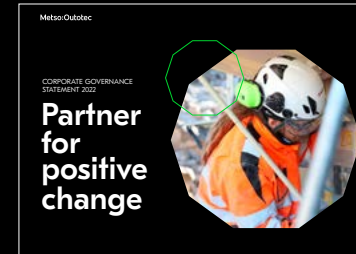
Board of Directors' report, financial statements and investor information

GRI supplement



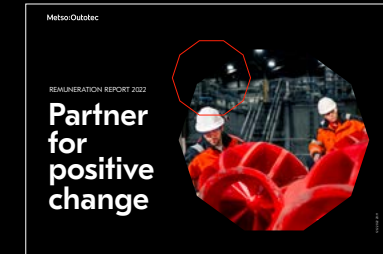
Externally assured sustainability information compliant with the GRI standards

Corporate governance statement



Corporate governance, internal control and risk management systems

Remuneration report



Remuneration of the Board of Directors and the CEO

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

Our year 2022



Metso Outotec in brief	5
From the CEO	6

Value creation & strategy

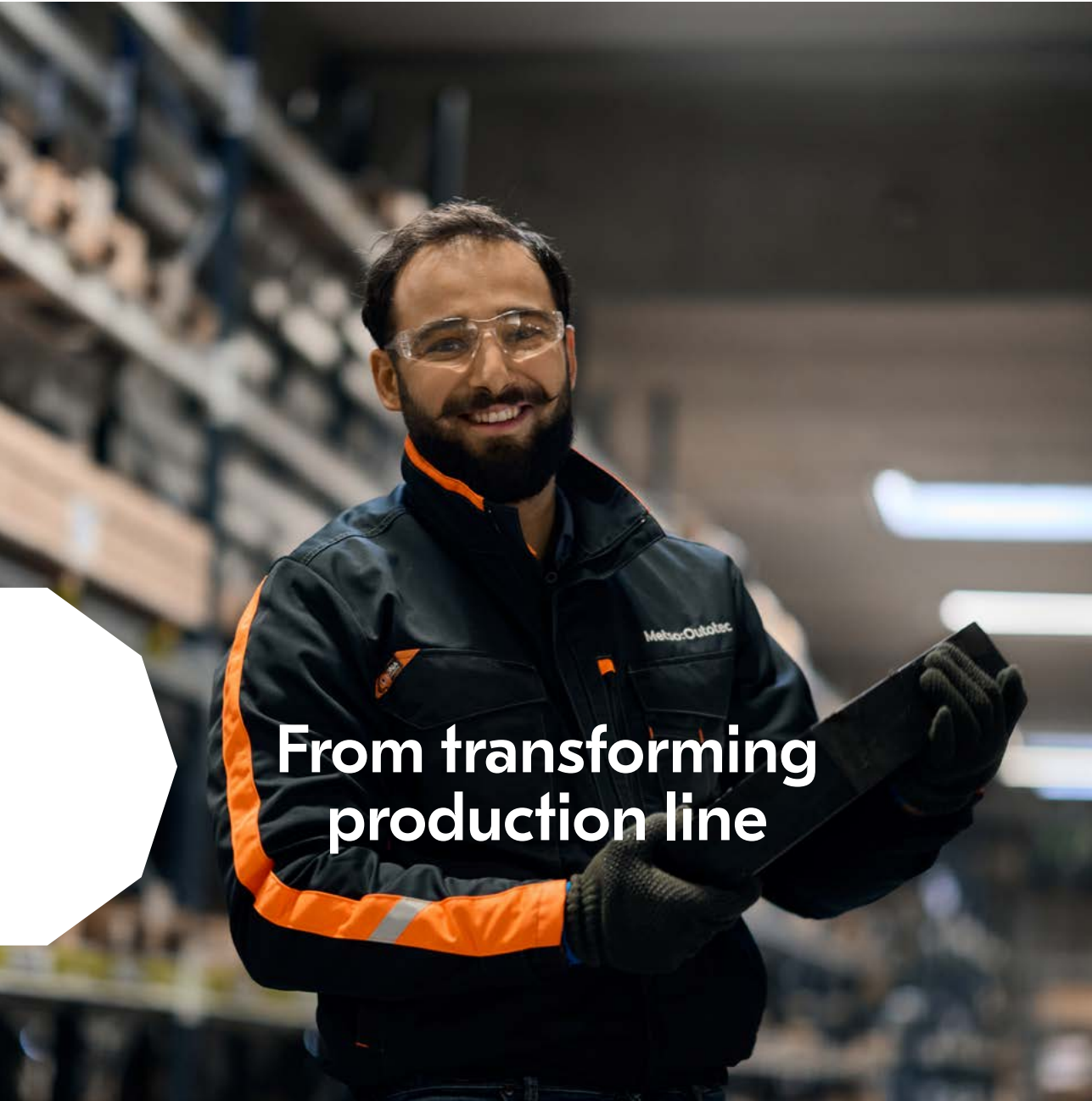


Strategy	9
Our businesses	16

Sustainability



Working together towards decarbonization	21
Planet Positive offering and innovations	23
Responsible and trusted partner	31
Task Force on Climate-related	
Financial Disclosure	39



From transforming
production line



to inspiring
people.

Metso Outotec in brief

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

90+

NATIONALITIES

5,295

SALES, EUR MILLION

6,024

ORDERS RECEIVED, EUR MILLION

45+

COUNTRIES

49%

SHARE OF SERVICES

731

ADJUSTED EBITA, EUR MILLION

16,000+

EMPLOYEES

1,338

PLANET POSITIVE SALES,
EUR MILLION

13.8%

ADJUSTED EBITA %

From the CEO

2022 was again an extraordinary year in many respects.

We were faced with new challenges caused by global events, supply chain constraints, rising inflation and high energy prices affecting all markets. Despite these, Metso Outotec employees were able to rise to a new level and deliver excellent results. We are committed to bringing value to all our stakeholders, and last year showed again that we are consistently able to do so. I'm happy to reflect on some of the highlights of the year.

Strong financial performance

Our sales in 2022 increased by 25% to EUR 5.3 billion and our adjusted EBITA rose to 13.8% of sales, which is close to our target of 15%. We also grew our order book with orders totaling over EUR 6.0 billion. We have not taken any new business from Russia since the start of the war in February 2022 and fully comply with all applicable sanctions against Russia. We commenced a wind-down of our contracts with Russian customers, also resulting in a booking of a non-recurring charge of EUR 150 million in July.

Creating value to customers drives our strategy

In 2022, we took big steps forward in executing our strategy, which focuses on creating value for our customers and strengthening our position in our key industries through strong financial performance, unwavering commitment to sustainability and a culture that nurtures high performance and growth.

For us it is key to understand how our customers view the value we create for them. Our Net Promoter Score (NPS) showed an upward trend throughout 2022, driven by the high quality and performance of our products and good customer service. Our customers particularly value the reliability of our equipment and the technical expertise of



Our sales in 2022 increased by 25% to EUR 5.3 billion



our employees. Delivery issues and product availability together with response time are the areas in which we need to develop. To ensure continuous improvement and to highlight the importance of customer satisfaction, NPS is now a shared target for all employees.

The unavoidable industry transformation

Metso Outotec is in a key role in supporting the necessary energy transition and de-carbonization of our industries, and I am particularly pleased with our success in driving this mission. Our customers are facing a growing demand for minerals, while at the same time decreasing ore grades and stricter sustainability requirements have become a reality. Rock-crushing and the processing of metals and minerals required for modern life is energy-intensive.

Our Planet Positive approach, launched in 2020, has exceeded our expectations. We have over 100 Planet Positive products designed to support our customers' sustainability targets, and our Planet Positive services contribute to process improvements through modernizations, upgrades and optimization. The sales of our Planet Positive offering grew by 51% from the previous year and totaled EUR 1.3 billion. Additionally, 99.7% of our R&D projects have sustainability targets.

To develop new innovations, we co-operated with several of our key customers and research partners like Rio Tinto, Malvern Panalytical and Ma'aden, and also continued our commitment to global initiatives, such as UN Global Compact.

A safe and secure work environment for our own employees, our customers and our partners is a high priority for us. During the year, we managed to improve our safety performance and our Long-Term Incident

Frequency (LTIF) went down to 1.1. However, progress in this area is by no means linear. We must stay alert and focus on the most effective measures as we continue to bring the incident frequency as close to zero as possible.

Digitalization goes hand in hand with sustainability

We have further expanded our digital business and see that the digital transformation brings about great benefits for our customers and supports their sustainable productivity strategies in both the equipment and aftermarket businesses.

Typically, our customers are looking for solutions and technologies that will give them business advantage, more performance, cost reductions and the license to operate. The minerals industry is already using advanced technologies that include artificial intelligence, machine learning and autonomous equipment. Our large mining customers increasingly have real-time sensors, big data analytics and digital twins to make data-driven decisions that will improve their equipment efficiency, help monitor and optimize processes, improve maintenance practices and reduce risks.

For example, our science-based digital twin Geminex, launched in March 2022, is designed to manage variability and optimize resources. Geminex simulates and optimizes seamless sustainable operations in minerals pyro- and hydrometallurgical processes by combining operational data from both internal and external data sources. We also renewed our real-time remote monitoring solution, Metso Outotec Metrics. This solution brings significantly better connectivity and optimization benefits for our customers' crushing processes and allows for remote troubleshooting in the Aggregates business.

A culture of engaged employees

Another highlight in 2022 was enhancing our performance culture within Metso Outotec. Building a shared culture as one team has been one of our key targets from the very beginning. We measure the progress of our culture initiatives quarterly with an employee engagement survey and compare our scores with the highest performing peers in the industry.

Our engagement results improved significantly throughout the year, supported by several initiatives, and we eventually reached the top 10% in the industry benchmark with our employee net promoter score of 51.

Our key strengths according to our employees are in the areas of engagement, well-being, inclusion and professional growth. Diversity and inclusion were among the priority areas last year. We made a EUR 2.2 million investment to close some gender-related pay gaps and have made several efforts to drive an inclusive working environment globally.

As we go forward in 2023, we continue implementing our mission to drive sustainable business and industry transformation together with our customers. I want to express my most heartfelt thanks to our shareholders and customers for their support, and most of all to our employees for their resilience and extraordinary commitment throughout 2022. I could not be prouder of the great Metso Outotec team.

Pekka Vauramo
President and CEO



From engineering
advanced technology



to growing the
skills of our team.



Metso Outotec aims to create stakeholder value through the following financial targets

- Adjusted EBITA margin of >15% over the cycle
- 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

Strategy

We are committed to our inspiring purpose, vision and financial targets.

Metso Outotec's purpose is to enable sustainable modern life. Our products and services are used in aggregates and minerals processes and in metals refining to produce materials that are needed to sustain our way of living. Our businesses are driven by the megatrends of urbanization, electrification, sustainability, and resource scarcity. We aim to create solutions to accelerate sustainability in the industries we operate in.

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.

We are on the path towards a Tier-1 company with a strong focus on growth, profitability and sustainability. We are present in aggregates and mining, two industries that not only have mutual synergies but also growth potential. Changes made in our business portfolio have brought clarity, and our scale enables us to drive value for our stakeholders. Through our financial targets, we are committed to delivering a strong financial performance that enables investments and the payment of competitive dividends to our shareholders.

Metso Outotec – Enabling sustainable modern life

Megatrends

Urbanization
Electrification
Sustainability
Resource scarcity

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



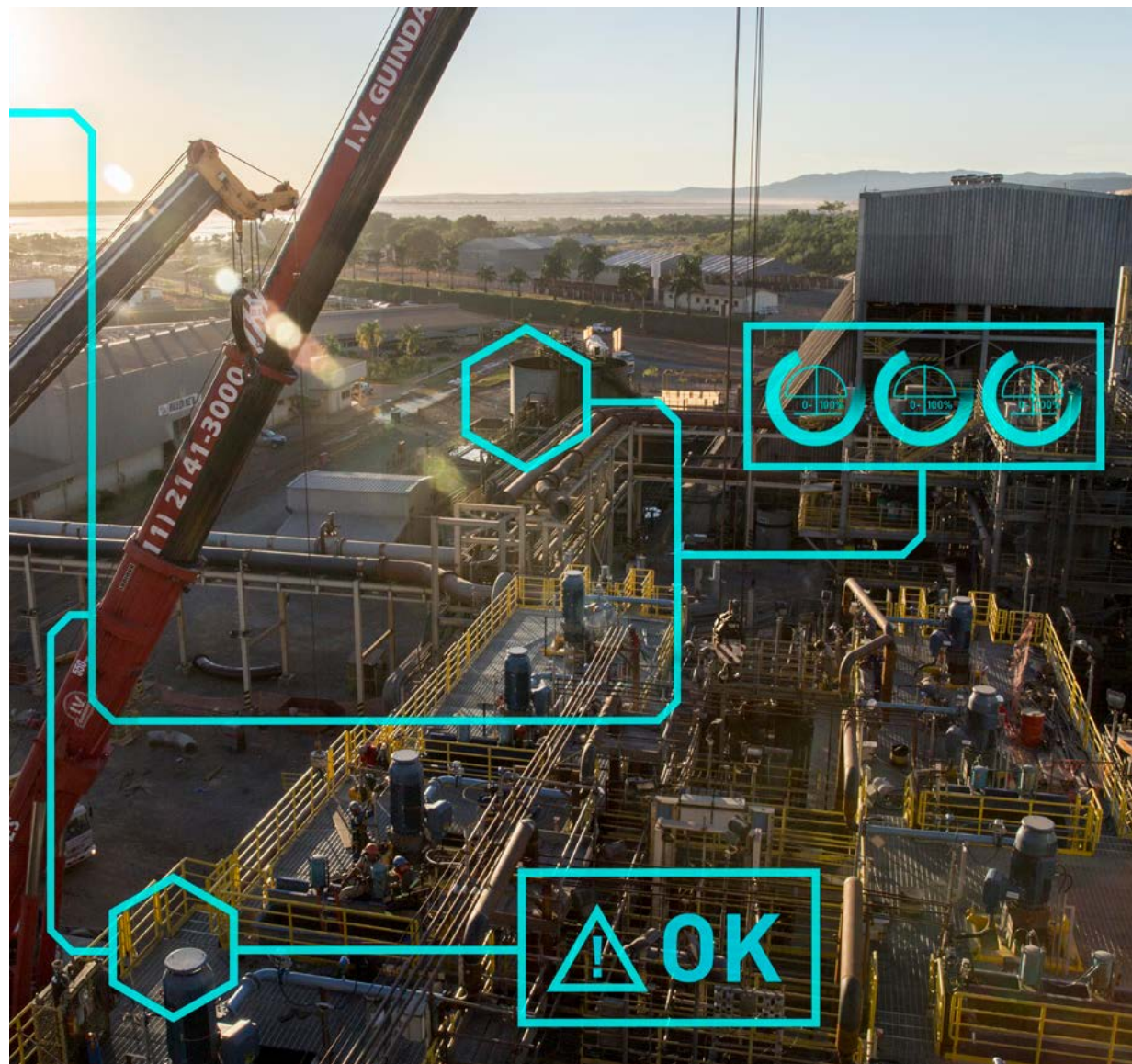
Open and
honest

Strong platform for growth and higher profitability

Metso Outotec's unique position and capabilities for long-term growth and improved profitability give it a competitive advantage. Our focus is on scaling these capabilities to help our customers succeed. The results of our efforts are clearly reflected in our strong growth. We believe that R&D and our Planet Positive offering provide new opportunities in our industries where sustainability agendas are constantly evolving. This is how we enable sustainable modern life.

Despite the geopolitical turmoil and uncertainties in the market, the demand for our customers' end products, such as minerals and metals, has remained healthy. The growth in mining is focused on brownfields, where Metso Outotec is ideally positioned to help solve customer challenges. Electrification of society is expected to grow the demand for energy transition and battery metals in the coming years. Our Aggregates business area has been growing faster than the competition, thanks to our competitive offering and extensive sales network. Balancing regional demand fluctuations remains important for our strategy also in the future. Further electrification of aggregates production, especially mobile applications, is a clear trend that will drive the market in the future.

Metso Outotec aims to grow both organically and inorganically. Our key areas for growth include products with high aftermarket potential, sustainable offering, automation and digitalization. The focus on aftermarket is at the core of our strategy. This starts from product engineering and goes all the way to field service engineers that take care of our customers. Metso Outotec has the industry's biggest installed base of equipment and taking good care of that allows 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.



Good progress with our strategic priorities – biggest improvement opportunity with customer success

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

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

The work towards our strategic goals has continued in the defined areas, and our priorities are clearly visible in our strategy plans. Customer success is at the heart of Metso Outotec's strategy, and we succeed when our customers succeed. We have determined that the biggest potential for improvement is specifically in the development of customer relationships, and we have created both short- and long-term action plans. In the short term, we are focusing on improving our customer responsiveness, on-time delivery rate and quality improvement. In the longer term, we aim to create customer value through long-term partnerships, optimized solutions and the customer experience supported by digital capabilities. We use the Net Promoter Score (NPS®) tool, 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.

Strategy implementation areas



Financial performance



Customer success



Sustainability



Performance culture

Legislation and stakeholder expectations are driving the energy transition towards electrification in our customer industries. Meeting the global 1.5-degree target requires a significant reduction in CO₂ emissions by 2030 by increasing the use of renewables and improving production efficiency with the help of digitalization. This requires 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 battery and energy transition metals such as copper, nickel and lithium.

A large part of our sustainability focus is on mitigating climate change and limiting global warming to 1.5 degrees. Safety is also a core focus of our sustainability strategy, and our safety target of zero harm is applicable to our own operations as well as in the use and maintenance of our products in the customers' operations. Through partnerships with customers, suppliers and communities, we are working towards net zero and significant decarbonization. Our rapidly growing Planet Positive offering, which also supports our overall growth, is an integral part of our sustainability work. In addition, we are reducing our own footprint and targeting net zero by 2030. Metso Outotec has also committed to the Science Based Targets.

We are continuing to build a strong performance culture that enables growth and superior 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.

After reaching the targeted synergies of the Metso and Outotec merger, our focus has been on improving the financial performance of our businesses. Commercial excellence in the current volatile environment and success in our other strategic priorities support improvement in our profitability. The proactive price and cost management measures taken throughout the year have improved our profitability.

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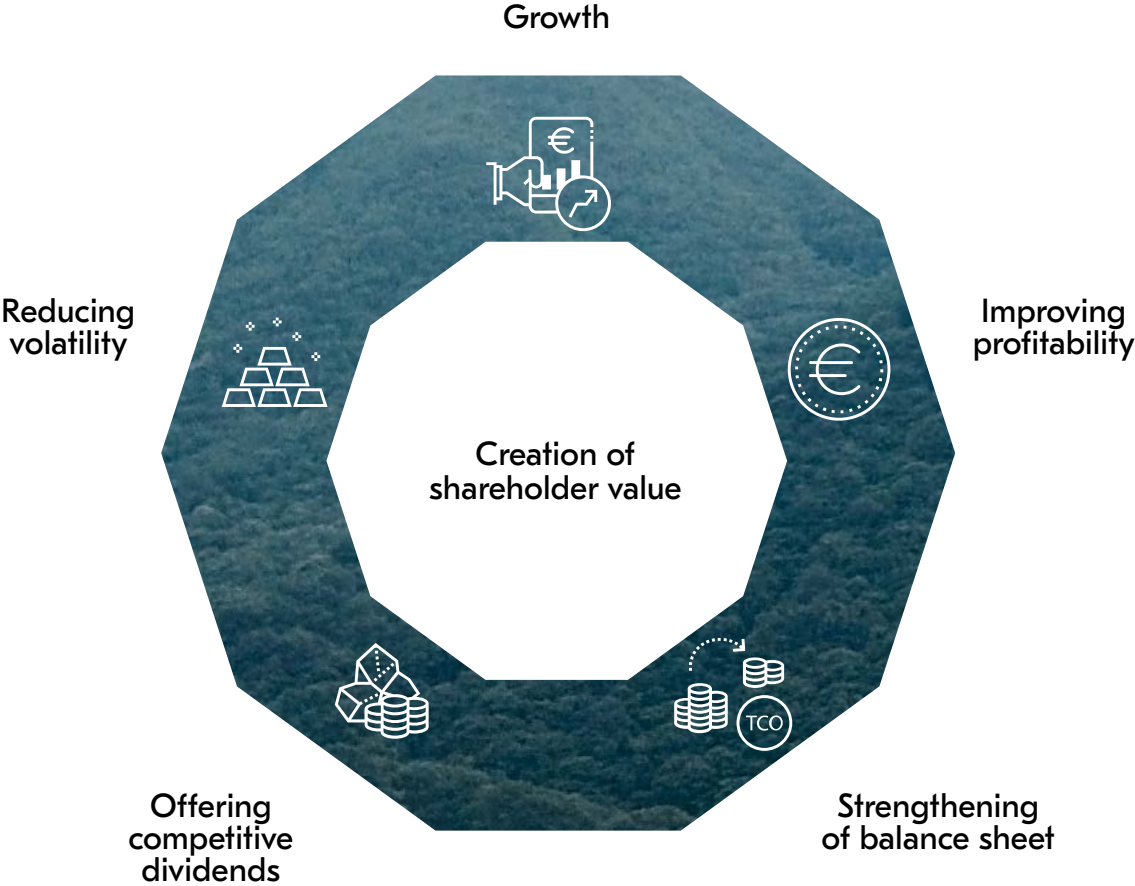
Towards our financial profitability target

Metso Outotec's financial targets underline our intention to improve profitability and drive sustainable solutions in our industry. Our profitability target is an adjusted EBITA margin of >15% over the cycle. In 2022, our adjusted EBITA margin was 13.8%.

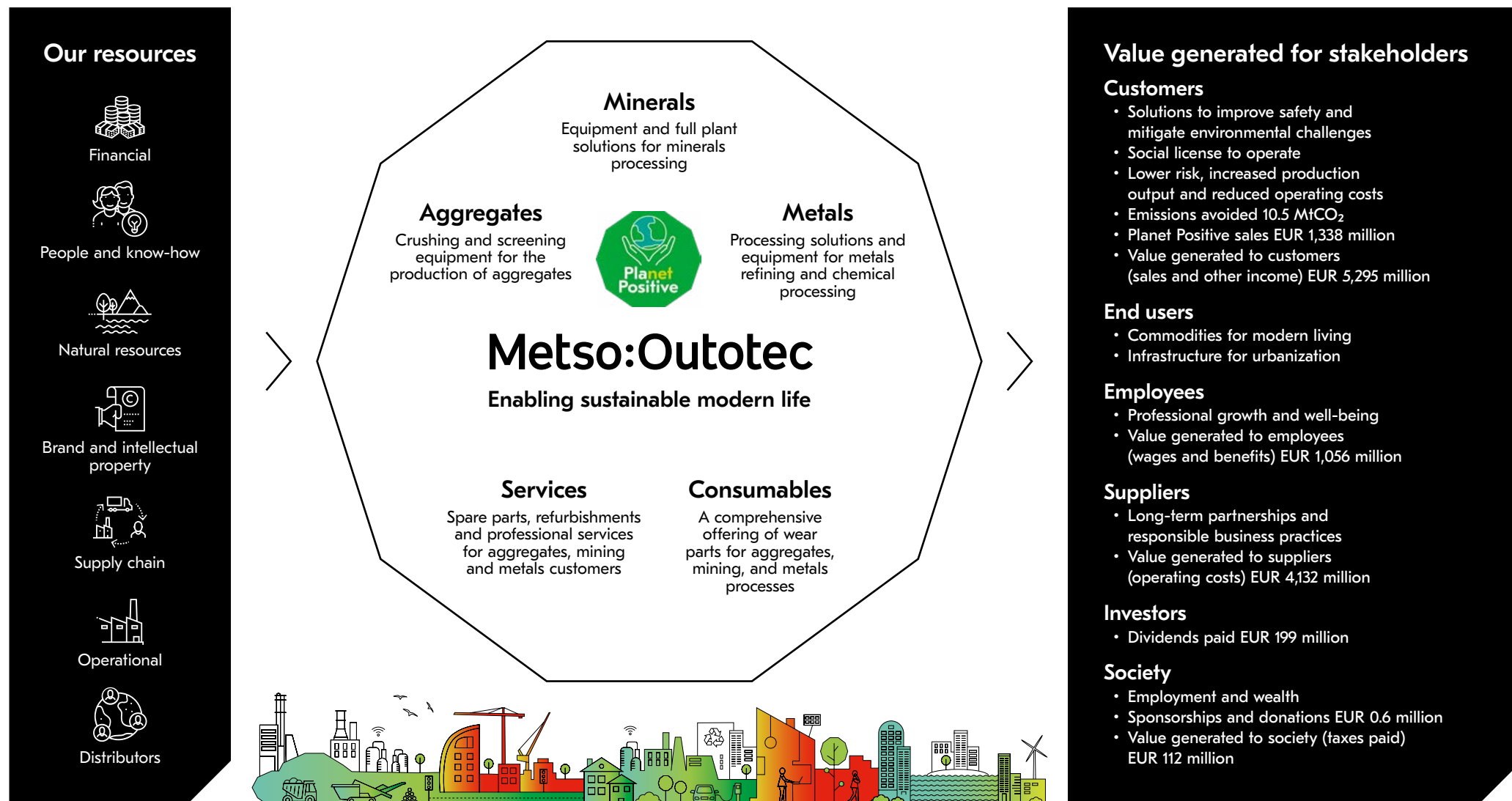
Metso Outotec has a variety of ongoing and planned actions to reach the profitability target. Key levers for improving profitability include further productization of our portfolio, designing products that also support aftermarket growth, pricing and risk-management.

Maintaining our investment-grade rating is important, as it 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 and margin over the cycle, developing our working capital efficiency and maintaining a strong balance sheet.

We target to deliver shareholder value with the strong Metso Outotec platform of synergistic businesses. The current phase of our strategy focuses on profitable growth and succeeding together with our customers, especially with our Planet Positive portfolio. With successful strategy implementation, our aim is to be a great partner for our stakeholders and a competitive payer of dividends.



How we create value





Our businesses

We serve our aggregates, mining and metals customers with a comprehensive offering of products and services.

With customers all over the world and an offering covering a wide range of products, services and solutions, Metso Outotec has an organization that enables efficient response to customer needs. Our organization has five business areas:

- Aggregates, providing crushing and screening equipment for the production of the aggregates needed in construction and infrastructure projects.
- Minerals, providing equipment, process islands and plants for minerals processing, and hydrometallurgical solutions for the recovery of metals.
- Metals, providing processing solutions and equipment for metals refining and chemical processes.
- Services, providing spare parts, refurbishments and professional services for mining, metals and aggregates customers.
- Consumables, providing a comprehensive offering of wear parts for mining, metals and aggregates processes.

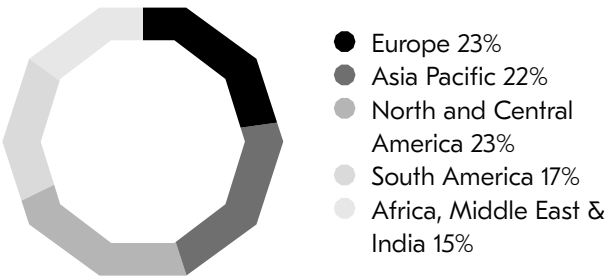
The business areas are accountable for their own performance in terms of orders and sales, operating profit and capital employed, and they contribute to the company strategy through their business-specific initiatives.

Market areas and distributors

Metso Outotec's eight market areas are responsible for management of the customer relationships and for sales and service operations in their own geographical areas. The market area organization also ensures effective cooperation between global and local activities based on clear roles and governance. The 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. 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 Outotec brand and an additional offering of independent brands under the McCloskey, Lippman, Tesab, Jonsson, and Shaorui brands. Similarly, the Services business has Sisuper, a China-focused, independent wear parts and services brand.

Sales by market area



Our customer industries



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. Metso Outotec's offering for aggregates customers includes crushers, screens, feeders, fixed and mobile screening plants, track-mounted equipment, spare and wear parts, and services.



Mining

Metso Outotec's mining customers include large global miners, major and mid-sized regional operators and junior miners. Our extensive offering and process expertise for mining customers includes crushers, screens, feeders, grinding mills, hydrocyclones, flotation solutions, pyro processing, material handling equipment, slurry pumps, spare and wear parts, and services. We also have comprehensive solutions for optimized processes, including intelligent automation and control systems, tailings management, separation, and dewatering.



Metals

Our metals refining customers are large and mid-sized mining companies, as well as local mining and metallurgical companies. Metso Outotec can provide sustainable solutions for metals processing for virtually all types of ores and for industrial water treatment. We have an extensive range of solutions for processing ores, concentrates, and raw materials into refined metals, as well as expertise in sulfuric acid processing, and efficient and sustainable solutions for the treatment of industrial process and waste waters.

Customer benefits

Metso Outotec delivers unique benefits to its customers, ranging from an end-to-end offering that combines equipment and services in aggregates and minerals processing, including digital and automated solutions, as well as sustainable technologies that are energy, carbon and water efficient, and improve circularity and safety. In addition, our industry-leading service expertise, extensive global service network, strong innovation and R&D activities, and an uncompromising approach to safety also benefit our customers. At the core of this is our Planet Positive offering — products that are demonstrably energy or water efficient, or help our customers achieve other priorities such as circularity and safety, as well as services that help our customers improve their productivity. Our Planet Positive portfolio includes more than 100 products and we aim to have a Planet Positive product for every part of the customer's value chain.

In the Aggregates segment, Metso Outotec's strengths include the best cost and availability, and easy-to-buy and easy-to-own solutions for the crushing and screening of aggregates. This includes brands and solutions ranging from fit-for-purpose to high-performance: Metso Outotec, McCloskey, Lippman, Tesab, Jonsson and Shaorui. The Planet Positive offering for aggregates customers includes environmentally advanced, fully electronic, and low-noise, 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.

Metso Outotec's strengths in minerals processing include industry-leading process expertise and the most



Our Planet Positive portfolio includes more than 100 products and we aim to have a Planet Positive product for every part of the customer's value chain.

technologically advanced equipment and solutions. Our broad offering provides solutions for practically every stage of mineral recovery as well as for optimized throughput for any application. The key benefits in our Planet Positive offering are the lowest total costs and the best energy and water efficiency. Our customers also benefit from our extensive global service network and availability of spare and wear parts.

For our metals refining customers, we offer sustainable end-to-end solutions for processing almost any ore or concentrate to refined metal, including sulfuric acid production. We also offer industry-leading in-house testing and R&D capabilities, technologies with low emissions and high energy efficiency, strong technological expertise, and close support throughout the project.

Research and development

Research and development plays an important role in our industry's path towards a more sustainable future. For us, this means developing our portfolio to be more sustainable and to increase our customers' resource efficiency and productivity. This includes areas like energy and water efficiency, optimizing technologies for the use of renewable energy, circularity, reducing emissions, and uncompromised safety. Metso Outotec wants to be recognized as an innovation leader and our customers' number one choice. Our R&D efforts are based on our customers' needs and development takes place jointly with them. The 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 fleet, and on developing electricity-powered crushing and screening technologies. In minerals refining, 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. Development of metals-related technology is focused on solutions for batteries, carbon-free production, circular economy, and gold-processing related technologies.

Innovation is one of our key strengths. We have an extensive patent portfolio, R&D specialists in-house and R&D centers across geographic locations. Our patent portfolio includes over 7,400 patents.



From responsible use of the
world's natural resources



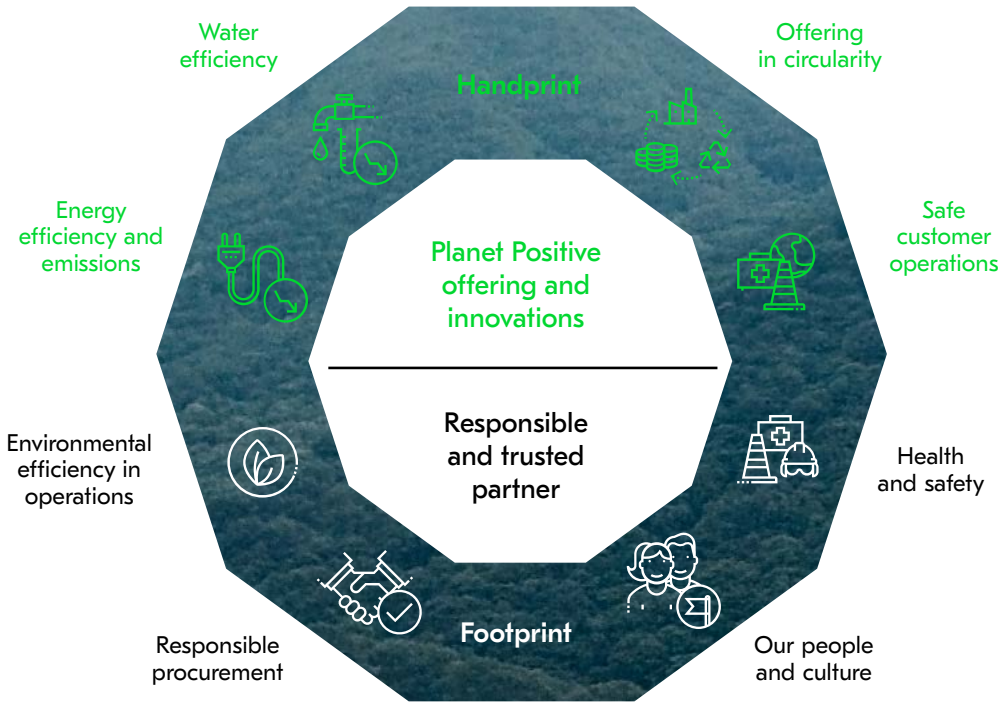
to strong employee
experience.

Working together towards decarbonization

Climate change is one of the biggest global challenges, and a topic where Metso Outotec can play a significant role together with our customers. Our aim is to support our customers to reach their sustainability targets as well as to reach net zero CO₂ emissions in our own operations by 2030.

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. With our Planet Positive equipment and services, we offer our customers solutions to these challenges, making their operations safer and more sustainable.

As a responsible and trusted partner, 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 our people. These dimensions are critical throughout our value chain, from procurement to end product. By innovating new and better technologies and by improving our ways of operating, we help create a more sustainable future.



Our sustainability strategy

Metso Outotec's strategy identifies sustainability as one of our four strategic priorities. Our sustainability agenda and related action plans were revised in 2022, and they are also aligned with the UN Sustainable Development Goals (SDGs).

In this report we present the sustainability issues that are most material for us. The basis for this is a materiality

analysis, updated in 2022, focusing on understanding customers' changing operational environments and on assessing stakeholder expectations by conducting surveys, interviews and meetings, as well as by reviewing current sustainability trends and relevant sustainability frameworks. The most material issues for pursuing Metso Outotec's sustainability agenda are Metso Outotec's *Planet Positive offering and innovations* and our commitment to being a *Responsible and trusted partner*.

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 goals		Target for 2022	2022	2021	Progress	Relevant SDGs
Planet Positive offering and innovations (Handprint)						
Planet Positive sales	Grow Planet Positive sales to faster than overall sales	Grow Planet Positive sales by 3% faster than overall sales growth	EUR 1 338 million	EUR 886 million ¹⁾	On target	<div>6 CLEAN WATER AND SANITATION</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>13 CLIMATE ACTION</div>
R&D projects with an 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	100% of R&D project spend on projects with energy efficiency, emissions, circularity, water or safety target	99.7%	95%	On target	
Environmental efficiency in operations (Footprint)						
CO ₂ emissions: Production (scope 1 and 2)	Net zero by 2030	Decrease CO ₂ emissions by 64% compared to 2019	48,944 tCO ₂	52,390 tCO ₂	60% ²⁾	<div>13 CLIMATE ACTION</div>
CO ₂ emissions: Logistics	Decrease CO ₂ emissions from logistics by 20% by 2025 compared to 2019 ³⁾	Decrease CO ₂ emissions by 20% compared to 2019	153 000 tCO ₂	143,000 tCO ₂ ³⁾	-12% ²⁾	
Suppliers' science-based CO ₂ emission targets	30% of procurement spend is with suppliers that have a science-based CO ₂ emission target (SBT) by 2025	15% of procurement spend is with suppliers that have a science-based CO ₂ emission target (SBT)	19.6%	10.1%	On target	
Health and safety						
Lost-time injury frequency rate	Zero harm	Continuous improvement in lost-time injury frequency rate (LTIFR) ⁴⁾	1.1	1.1	In progress	<div>8 DECENT WORK AND ECONOMIC GROWTH</div>
Total recordable injury frequency rate	Zero harm	Continuous improvement in total recordable injury frequency rate (TRIFR) ⁴⁾	2.8	3.3	Improving	
Our people and culture						
Code of Conduct	All employees (including blue-collar workers) trained on Code of Conduct every year ⁵⁾	All employees (including blue-collar workers) trained on Code of Conduct every year ⁵⁾	97.8%	96.9%	Improving	<div>8 DECENT WORK AND ECONOMIC GROWTH</div>
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 51)	Top 25% (eNPS score 37)	On target	
Inclusion	Inclusion score in top 10% of the industry benchmark	Inclusion score in top 25% of the industry benchmark	Top 25%	Middle range	On target	
Gender split	The proportion of women in middle and senior management positions to reflect the white-collar gender split at Metso Outotec. ⁶⁾	New target	16/84 %	New target	New target	
Responsible procurement						
Responsible suppliers	Continuous improvement and alignment with sustainable procurement initiatives	100 supplier sustainability audits per year conducted in higher-risk areas. 90% of procurement spend with suppliers that have signed Supplier Code of Conduct.	131	152	On target	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>

¹⁾ The Planet Positive sales figure reported in the 2021 Annual report (EUR 592 million) included only equipment and consumables sales. ²⁾ Compared to 2019 baseline. ³⁾ Figure updated from 97,000 tCO₂ due to changes in methodology.

⁴⁾ Includes employees and contractors. ⁵⁾ External workforce not included. ⁶⁾ In 2022, women/men ratio 26/74%. More info on page 32.

Planet Positive offering and innovations

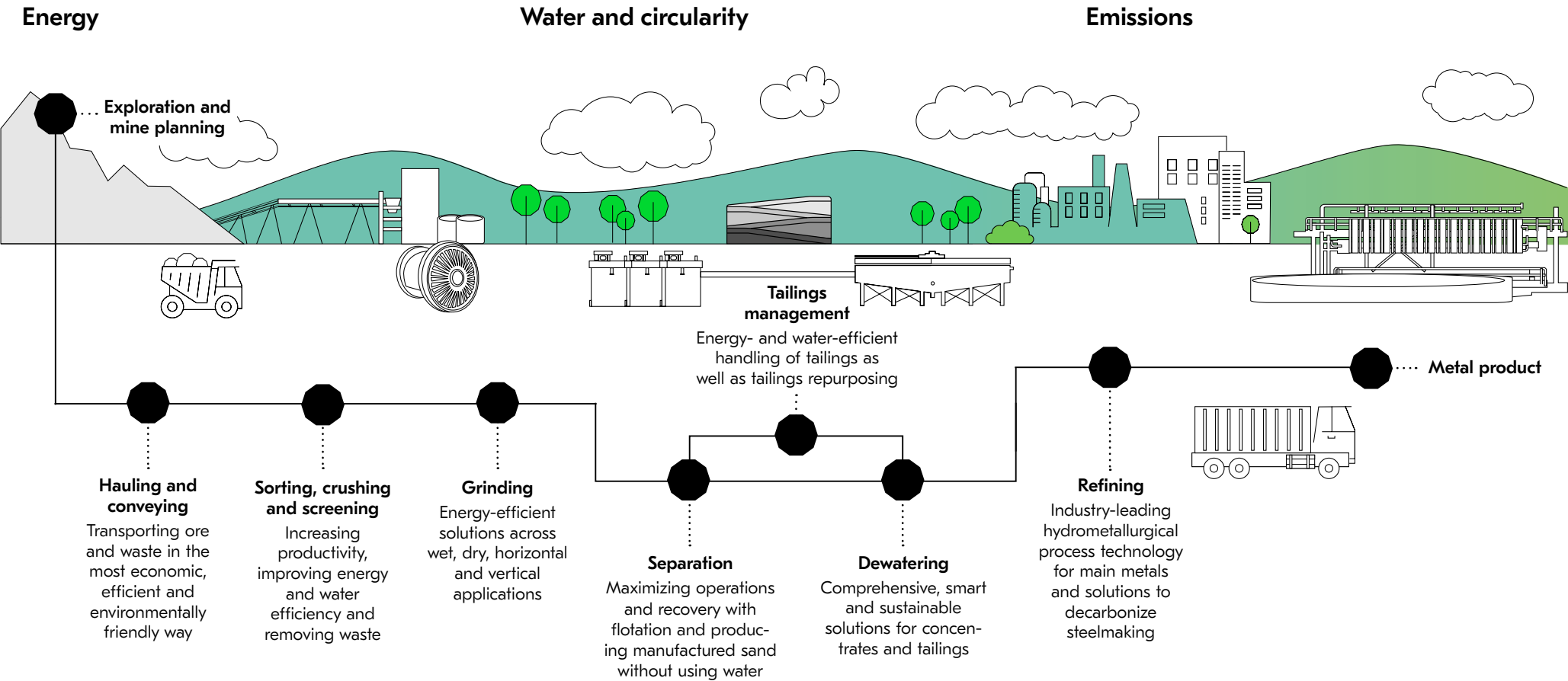
We can maximize our contribution to the climate change challenge by helping our customers reach their sustainability ambitions through the use of Metso Outotec's equipment and services, which offer increased energy and water efficiency and reduced emissions. This also includes our electric and digital solutions, as our customers' sustainability and digital strategies are closely linked. Digitalization plays a key role in maximizing productivity and reducing CO₂ emissions in our customers operations.

We accelerate sustainable development by sharing knowledge and by working together with our customers, partners and communities. Collectively with the resources industries, we help to ensure that Metso Outotec plays a role in limiting global warming to 1.5 degrees. In addition to environmental aspects, our technologies and services have a long history of helping our customers improve their safety performance.

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Sustainable minerals value chain offers significant opportunities



Planet Positive — we aim to make a significant impact together with our customers

Our Planet Positive offering is central to our sustainability efforts — we have over 100 products that are more energy and/or water efficient than the industry benchmark, help our customers cut their CO₂ emissions and achieve other sustainability priorities. In addition to direct reductions in our customers’ environmental footprints, Planet Positive products can also decrease the carbon emitted in manufacturing and delivering products. In addition, they offer potential for recycling materials. By using more sustainable and low-carbon materials our customers can achieve the same production output with less inputs. Planet Positive also supports the use of non-fossil fuels such as hydrogen.

Planet Positive qualification requirements are consistent with our customers’ own publicly stated climate change and other environmental targets, for example decreasing their carbon footprints.

Planet Positive services can improve our customers’ processes during modernizations and upgrades, as well as optimize 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. Previously, Planet Positive offering and sales comprised equipment and consumables only. In 2022, we included services.

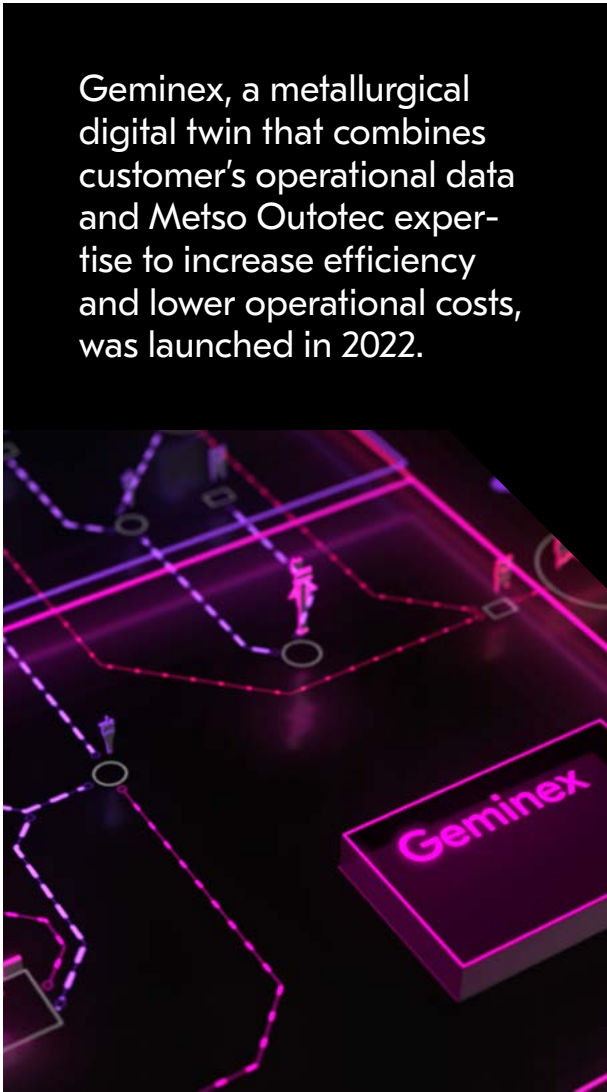
Digitalization plays a significant role in our sustainability offering. Large mining customers already use real-time sensors and data analytics to accelerate decision making and to optimize operations and logistics. Digital solutions can, for example, help to convert waste into valuable products and improve energy and water efficiency. We

already have several digital solutions to support our customers in their sustainability ambitions. Geminex, a metallurgical digital twin that combines operational data and expertise to increase efficiency and lower operational costs, was launched in 2022.

In 2022, our Planet Positive sales were EUR 1,338 million, growing 51 percent from 2021 when Planet Positive sales were EUR 886 million. The Planet Positive sales figure reported in the 2021 Annual report (EUR 592 million) included only equipment and consumables. During the year we received several large and mid-sized orders from all over the world with substantial Planet Positive elements, which helped us build the pipeline for future Planet Positive sales growth. Growing Planet Positive sales is also included in our management incentive plans.

We aim to continuously expand and improve our Planet Positive portfolio so that we can offer these products and services across our customers’ value chains. In 2022, we launched close to 30 products in our Planet Positive portfolio. These included new technologies, adapting existing offerings for new customer segments, as well as updating existing product families. To continue this growth, we target that 100% of our R&D project spend is for projects with sustainability targets (99.7% in 2022).

Geminex, a metallurgical digital twin that combines customer’s operational data and Metso Outotec expertise to increase efficiency and lower operational costs, was launched in 2022.



Our contribution to the climate change challenge

Around 3–5% of the world’s electricity is used in comminution, for 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 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

CO₂ 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, emissions savings from optimizing the shipping and improving the wear life of our products can also be substantial.

We are one of the industry pioneers in measuring avoided emissions in our customers’ operations. To estimate the amount of CO₂ emissions our customers have avoided by using Metso Outotec technologies, we compare our twenty most impactful technologies to industry baselines or alternative technologies. In 2022, this CO₂ emissions handprint was 10.5 million tonnes avoided CO₂ emission equivalents in the twenty technology areas measured. This figure gives an indication of

the scale of the potential impact we can have through our customers.

During 2022, we updated the 2019 logistics CO₂ emissions baseline to account for additional logistics emissions from United States deliveries that were previously excluded from the calculation. We also improved our logistics emissions calculation methodology and updated the historical figures for the period 2019–2021 to ensure consistency. This resulted in an increase in logistics CO₂ emissions for the comparison year 2021, from 97kt to 143kt. This change does not affect the logistics CO₂ emissions reduction target, which is still –20% by 2025 compared to 2019.



Examples of our Planet Positive energy-efficient offering



IN-PIT CRUSHING AND CONVEYING SOLUTIONS

Provide an integrated solution consisting of crushing, conveying and stacking equipment combined with planning and life cycle services. Reduce material handling costs, consumables and fossil fuel usage.

→ Up to 30% less energy used



BULK ORE SORTING SOLUTIONS

Increase the volume of mineable tons, rejecting waste. Offer higher resource availability, productivity and energy efficiency for the mining operation.

→ Up to 15% less energy and water used



HRC™ HIGH-PRESSURE GRINDING ROLLS

Offers an energy-efficient and high throughput solution while reducing operational costs.

→ Up to 15% more energy efficient

Percentages calculated against benchmark technology: a competing alternative technology in the market that is used for the same purpose.

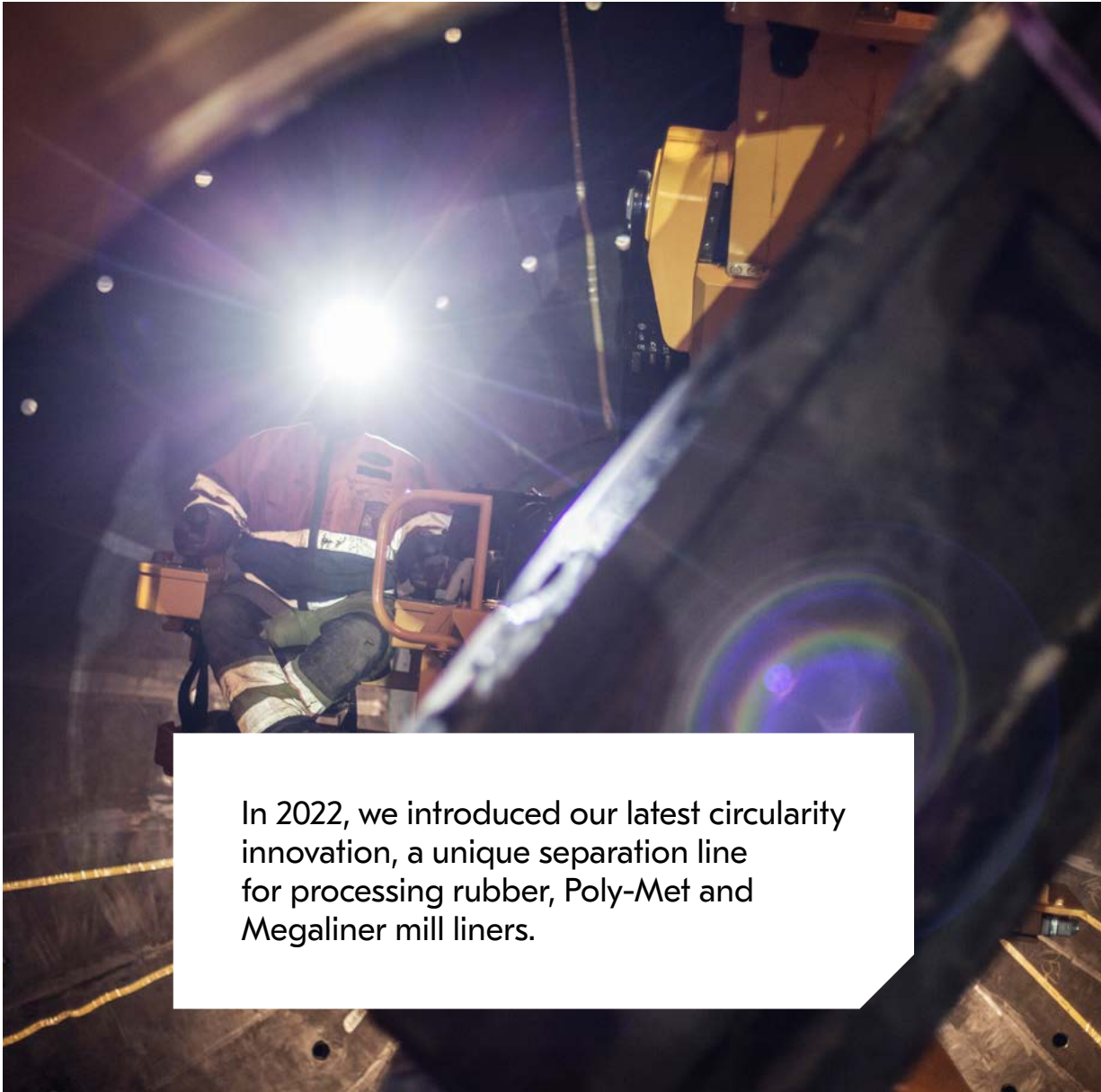
Circular economy solutions to support the 1.5-degree journey

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

We have 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.

Metso Outotec has been developing its sustainable mill lining recycling service for over a decade. In 2022, we introduced our latest circularity innovation, a unique separation line for processing rubber, Poly-Met™ and Megaliner™ mill liners. The liner components are separated and processed to be either reused or recycled. This recycling service concept has many benefits, including the recovery of reusable materials, reduced CO₂ 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 a landfill.

We also offer solutions for processing demolition waste and for waste recovery.



In 2022, we introduced our latest circularity innovation, a unique separation line for processing rubber, Poly-Met and Megaliner mill liners.

Improving water quality and efficiency with sustainable water management

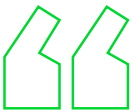
Water management is a growing challenge for mines because they are often located in water-scarce areas. In addition, energy transition and battery metals, such as copper, nickel and lithium, tend to be water-intensive to produce. As the demand for these metals grows, the demand for water will also increase.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

Metso Outotec has a range of solutions to address water-related environmental, health and safety risks in our customers' operations. 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 and 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.



As the demand for battery metals grows, the ability to access water can in some cases be at least as important as the quality and grade of the ore body.

Examples of our Planet Positive water-efficient offering



TAILINGS MANAGEMENT SOLUTIONS

Reduces water use, environmental impact, risks and costs. Using thickening, filtration and handling of tailings by conveying & dry stacking, while treating the produced water, enables reuse.

- Up to 20% less water used with tailings filters and tailings plants
- Up to 40% less water used with paste thickener and paste mixing units



BSE SERIES SCREENS

Eliminates the use and storage of water and reduces costs, including maintenance and the need to build tailings dams. The elimination of water processing helps to reduce the potential risk of contamination around the mine.

- Up to 100% less water used



LAROX® PRESSURE FILTER

Offers high capacity, efficiency and reliability. Lowers overall operating costs and improves inherent safety with fully automatic operation.

- Up to 90% less water used

Percentages calculated against benchmark technology: a competing alternative technology in the market that is used for the same purpose.

Improving lifetime sustainability with our aftermarket offering

Extending the lifetime of equipment and optimizing processes reduces their environmental impact. We already offer our customers the possibility to take new technology elements and deploy them into older equipment. This is often done through incremental improvements, where performance is optimized over time. In addition, our aftermarket offering is not limited to our own installed base. Our environmentally efficient services portfolio consists of:

- Upgrades and modernizations — incorporating new technology into existing older equipment for energy efficiency and safety improvements

- Life Cycle Services — optimizing processes over time through long-term service contracts to help our customers improve their operations and safety
- Process improvements — improving the utilization of assets, increasing effective capacity and reducing the carbon footprint of our customers' processes
- Repairing and extending the equipment life

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 processes and that the quest for improvements does not always involve the introduction of new technologies. Rather, incorporating sustainability targets in all our services contracts ensures that sustainability benefits will be

achieved with every services contract in the way that is most appropriate for each customer.

Our digital solutions give us the opportunity to advise customers on predictive maintenance. By monitoring operating equipment data, we can offer recommendations on maintenance inspections, spare and wear parts ordering, and best practices to maximize equipment performance.

Our wearparts also offer significant opportunities to improve sustainability. Using the right parts is critical to improve performance and protect equipment. In addition, our optimized wear part solutions help our customers lower their energy, water and fuel consumption, as well as minimize material waste and emissions. In addition, we have developed methods to separate rubber from steel to recycle wearparts.

Examples of our Planet Positive aftermarket offering



TRUCK BODY

A one-piece, lightweight hybrid haul truck tray that combines the best of high-strength steel and rubber. It lowers emissions, maintenance and costs, and maximizes payload, and offers a safer working environment. It is 20–30% lighter than a conventional steel-lined truck body.

- Up to 10% less energy used
- Up to 20% less embedded carbon



CHAMBER OPTIMIZATION FOR CRUSHERS

Provides mines and quarries with custom-designed crusher liners that can reduce emissions by reducing wear consumption and by increasing the energy efficiency of the crushing process.

- Up to 30% less energy used
- Up to 50% less embedded carbon



FLOATFORCE UPGRADE

New-generation mixing mechanism improves metallurgical performance and reduces operating costs. Quicker, simpler and more cost-efficient maintenance, as well as improved wear life.

- Up to 20% less energy used

Percentages calculated against benchmark technology: a competing alternative technology in the market that is used for the same purpose.

Driving sustainability in aggregates with electrification and a digital offering

Demand for solutions that help address climate change and offer other sustainability benefits is increasing, also 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. Around 50% of our aggregates portfolio is already electric. As a response to the growing demand for more sustainable crushing and screening equipment, we offer the hybrid electric-diesel Lokotrack® e-Power range. Electric equipment offers customers the option to use renewable grid power where it is available. In 2022, we announced that we are developing a comprehensive range of electrically driven track-mounted crushers and screens. 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, CO₂-free future. The possibility of switching between e-Power and diesel is especially valuable for those who operate in

urban areas or other circumstances that are regulated because the hybrid solution can reduce both noise and emissions. When there are several diesel-electric units operating together, it is possible to run an e-Power mobile screen from another Lokotrack crusher unit. This means replacing two diesel engines with one, further reducing the operating costs and CO₂ emissions.

The upgraded version of Metrics, introduced in 2022, 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 CO₂ tracker, 24/7 access to real-time data, a maintenance module, dashboards showing critical utilization data, and geolocation functionality.

Metrics helps aggregates customers link operations, product management and product development. We can now improve equipment performance and increase both uptime and overall machine life cycle at the same time. By combining the new 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 Outotec Metrics, and legacy equipment can, in most cases, also be modernized with a Retrofit Kit to integrate digital connectivity.

Hybrid equipment offers customers the option to use renewable grid power where it is available.





The STOP program in South America empowers our employees to decline a job at a client’s site if they feel that the work is not safe.

Responsible and trusted partner

We aim for zero harm

We have an uncompromising approach to health and safety for all our employees, partners, customers and other stakeholders, and a comprehensive agenda to continuously improve our safety performance. In 2022, our LTIFR was 1.1 (2021: 1.1) and TRIFR 2.8 (2021: 3.3).

Central to our health and safety approach in 2022 was the launch of a new program that aims to prevent fatalities and severe injuries. This fatality prevention program is designed for a harmonized and standardized approach to control the highest safety risks in the company and to also allow employees to make the right decision when facing those risks.

During 2022, as part of the new program, ten teams produced new safety directives that set out detailed health and safety requirements for our businesses. In addition, they developed ten non-negotiable Life-Saving Rules designed to prevent fatalities and severe injuries, especially in high-potential risk environments. Each team consisted of technical experts who work with critical risks

every day, QEHS professionals, and a senior executive as a sponsor. Directives and Life-Saving Rules were launched during the fourth quarter of 2022 with supervisor training. Full implementation will take place in 2023 with front-line training, localized materials and monthly communications packages.

In 2022, businesses and market areas initiated several safety campaigns and initiatives, including the STOP program in South America, which empowers our employees to decline a job at a client’s site if they feel that the work is not safe. The Consumables business area ran the Dare to Care campaign that focused on safety behavior. The Aggregates and Minerals business areas launched motivational programs encouraging employees to report risk observations more actively.

In 2022, we performed audits at 11 locations. In response to the audit findings and risk observations, over 90,000 corrective actions were implemented to improve the overall level of safety. 95% of the corrective actions were closed by year-end 2022. Despite these results, we recognize that we need to continue learning and developing our actions in 2023, especially in the areas of safety conversations and reported risk observations. We aim to do this through the implementation of the fatality prevention program and by continuing the Modus Operandi program that sets out clear expectations for safety behaviors for all levels of our organization.

Our people and culture

We aim to build a thriving culture that is courageous, compelling and caring. Our culture is created every day by our people, and it is the core of our company. We are building an inclusive environment that enables everyone to do their best and reach their full potential. The key building blocks for culture development are our values, leadership principles, diversity and inclusion, and a great employee experience. A strong performance culture enables our business to grow and succeed.

Our people and culture agenda is embedded in our business strategy. Our priorities are the well-being of our people, enabling a great employee experience, continuously developing our teams and ways of working, and inclusion. We value good leadership and invest in leadership development. We focus on building the right organizational capabilities, attracting, developing and engaging our current and future employees to grow and support the strategy execution. With these priorities, we believe we are on a journey of developing an engaging culture that people want to be a part of.

We focus on the growth of our people

The growth of our business goes hand in hand with the growth of our people. In line with our growth strategy, in 2022, we launched the Growth dialogue, a concept to better facilitate the growth of our people through employee-manager discussions and building on each employee's strengths and career aspirations. The aim is to ensure that our employees feel engaged and can develop



Our equality targets

Our aim is to increase the number of women in the company. However, our internal analysis has shown that the gender split in middle and senior management positions does not currently reflect the overall gender split at Metso Outotec. Thus, our priority is to increase the proportion of women in these positions.

Gender split

In 2022, the gender split for white-collar workers was 26% women and 74% men. The gender split in middle and senior management positions was 16/84. Our target is that the proportion of women in middle and senior management positions reflects the overall gender split at Metso Outotec.

their careers inside the company. In 2022, 32% of our open white-collar positions were filled with an internal candidate. We acknowledge the importance of feedback and linking each employee's personal targets with the business strategy. We create a sense of accomplishment through actionable targets that are set and followed up during the growth dialogue. In 2022, our people committed to over 23,000 performance- and development-related targets.

We invest in leadership development

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

We invest in leadership programs and training to support our leaders and line managers. In 2022, over

1,100 line managers participated in our key global program, Leaders4PositiveChange. In addition, we launched the Metso Outotec Strategic Leadership Program, a tailor-made program for our senior leaders. In 2022, the first 40 Metso Outotec leaders completed the program. The goal is to have a big proportion of our leaders to participate in the program in the coming years.

To complement the manager and leadership training programs, we also coach and mentor. In 2022, we launched a Women's mentoring program with a variety of mentors from around the organization, including Metso Outotec Executive team members. The goal of the program is to nurture and grow our female talent. We also have numerous local mentoring programs in many of our locations, aimed at all genders.

We promote diversity and inclusion

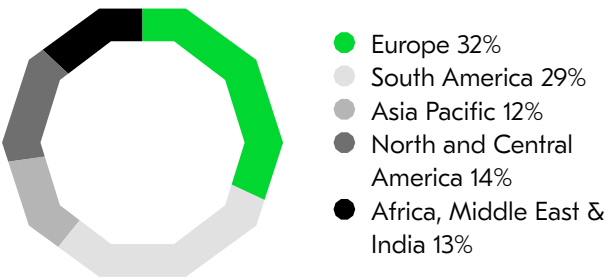
We consider diversity and inclusion to be one of the key building blocks in our culture journey and are committed to developing our company into a workplace where it is embedded, fostered and promoted.

Our aim is 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. The key diversity and inclusion actions in 2022 included a fair pay analysis and corrective actions, have started building inclusive talent acquisition practices, continuing the psychological safety training across the organization as well as launching the Conscious Inclusion training and Women's mentoring program.

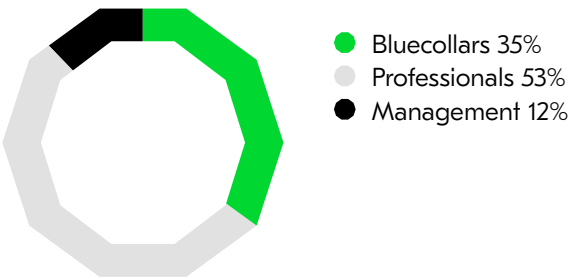
In 2022, there was a significant improvement in the inclusion score measured in the engagement survey. We are now in the top 25% of the market benchmark cohort. In the long term, we aim to be in the top 10%.

Our diverse group of professionals
We have over 16,000 employees and 90 nationalities working in close to 50 countries around the world.

Our people by geography



Our people by employee category



We acted on fair pay analysis findings

We initiated a global fair pay analysis with an external partner in 2021 with a technical data analysis, followed in 2022 by a thorough review of the findings. In the analysis, we investigated various aspects related to pay. The findings indicate that the salary development of our employees is typically unbiased over the course of their Metso Outotec careers. However, the analysis also identified a few individual cases where unexplained gender-related pay gaps existed. While not present in all countries, these salary differences originated mostly to decisions made at-hire.

In 2022, we made a one-time investment of EUR 2.2 million to correct the identified unexplained gender-related pay gaps. Exceptional pay increases were made for around 500 employees in some 20 countries. We continue to strengthen our recruitment process to ensure unbiased salary decisions are made for all people joining Metso Outotec across the globe.

We improved well-being

Our approach to well-being is to recognize that it consists of various building blocks. Some of them can be addressed by individuals themselves, in some the manager plays an important role, and some require support from the organization.

Psychological safety has a significant role in well-being. A safe environment where employees can speak up and ask for help without the fear of negative consequences is a prerequisite for high performance and for personal mental well-being. Psychological safety training kicked off in 2021 and continued throughout 2022.

On a global level, we offer training and webinars in various well-being areas, including in remote leadership and in physical and mental well-being. However, most concrete actions happen at a local level. We have seen great improvement in the well-being results of our engagement survey. In December 2022, we were in the top 5% of the external benchmark for health & well-being and mental well-being.



Metso Outotec has many actions to support employee wellbeing

In November 2021, we introduced the Auntie service for all our personnel in Finland. Auntie is a preventative mental health solution for situations when there are initial signs of someone not being well, but healthcare services are not yet needed. The service consists of confidential

meetings with mental health professionals and different exercises and materials. The results from the use of this service have been very positive. In the after-service survey, the users reported a 25% increase in their feeling of wellbeing, a 20% decrease in stress and an approximately 20% increase in their feeling of efficiency.

We engage with local communities

We want to create positive impact in the communities we operate in. In 2022, we continued to have many local community initiatives worldwide. Many of our employees have expressed their strong wish to do good in the communities surrounding our operations. Our policy on sponsorships, donations and memberships gives all our employees the opportunity to do three hours of voluntary work per year during their working time.

We adjusted our ways of working

Our organization consists of white- and blue-collar employees, and we are constantly adjusting our ways of working to ensure that everyone's work can be performed as smoothly as possible. In our production facilities, this means using a range of approaches to ensure our employees' health and safety. For our white-collar employees, the preference is a hybrid work model that suits the team's work, achieving the objectives and balancing work-life well-being. Our globally approved guidelines set a framework for the hybrid work model, but country-specific guidelines also take into consideration local labor market practices and labor law, and other specific needs.

We improved our employee engagement

We measure employee engagement four times a year with two full surveys of all our employees, and with two pulse surveys targeting our white-collar employees. Listening and acting on the findings is an important part of creating a great employee experience. At the end of 2022, our eNPS score had improved to 51, which is a 14-point improvement on December 2021 and places us in the top 10% industry benchmark.

All our priorities — inclusion, inspirational leadership, growth, workload and internal collaboration — are improving. We have taken the biggest leaps in growth and managing the workload.



Helping underprivileged youth in the Pescar Project in Sorocaba, Brazil

Metso Outotec in Sorocaba, Brazil, has been working with the Pescar Project for more than 20 years. The aim of the project is to work with socially vulnerable young people and to promote opportunities for their personal development and professional initiation. Metso Outotec volunteers give classes in various subjects such as logistics, administration, accounting, communications, IT, procurement, interpersonal

relationships, entrepreneurship, wellbeing and HSE. More than 500 people have already taken part in the Pescar Project. After graduation, all participants are ready to apply for a job and many of them have also joined Metso Outotec.

Partnering with Plan India to build school facilities in Alwar, Rajasthan

Metso Outotec India has been working with Plan India since 2013 in Alwar, Rajasthan. The project involves 25 government schools where

the key initiatives have included, for example, installing solar panels, providing furniture and sports equipment for students, and developing computer, science and math labs. There is also scholarship support for students to continue their education. In 2022, special emphasis has been placed in showing commitment towards the environment. The initiatives have included planting trees in school fields and around the community, Eco-clubs comprising of students and teachers, and awareness building on climate change.

Aiming for a smaller environmental footprint

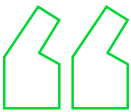
In addition to supporting our customers in their CO₂ emission reduction targets and other sustainability ambitions, decreasing the environmental footprint of our own operations' logistics and supply chain is a high priority. We have ambitious CO₂ emission reduction targets for our own operations as we target net zero emissions by 2030*. In logistics, we target a 20% reduction in CO₂ emissions by 2025*. We also aim to reduce our water consumption per employee by 15% in water-scarce locations and the volume of waste sent to a landfill by 90% by 2030**.

In 2022, we decreased CO₂ emissions in our own operations by 60% compared to 2019. To achieve this, we used a higher proportion of renewable energy sources and increased the energy efficiency of our processes and facilities. Almost all Finnish locations moved to green district heat; the Tampere plant is planning to switch to green power in 2023. We also made investments into our own energy generation, for example by building solar power systems and improving heat-treatment cooling processes at several sites.

Other examples of our environmental footprint reduction actions included changing to the use of electric equipment, e.g., electric forklifts, and investing in the insulation of our facilities to reduce the need for heating and cooling. In 2022, we completed almost 20 energy/CO₂ efficiency projects. We finalized a green-gas certificates initiative in Brazil, aiming to reduce CO₂ emissions from the use of natural gas. Going forward, we plan to expand the use of green-gas certificates in other countries as well.

* Baseline 2019 **Baseline 2021





We increased the internal electricity generation with solar panels by 80% from 2021.

In 2022, in addition to these energy-saving actions in our own operations, we introduced smart and digital water flow meters and improved wastewater management at several of our sites. We also initiated and completed a rubber scrap recycling project in Mexico with over 300 metric tons of waste being saved.

Optimized logistics can significantly reduce our environmental footprint. In 2022, we reduced our logistics CO₂ emissions by 12% compared to 2019. In 2022, we continued the work with service providers with whom we have aligned sustainability targets and increased visibility of actual CO₂ emissions in the supply chain. In addition, we

continued with strategic initiatives to improve and develop our 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.

Our internal audit process identifies environmental hazards that require corrective actions. We had no environmental incidents in 2022.

On the path to net zero



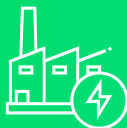
PURCHASE RENEWABLE ENERGY

- Green district heat where possible
- Renewable electricity
- Energy Attribute Certificates e.g. iREC, REC and GO



ENERGY & CO₂ EFFICIENCY ACTIONS

- Electrification
- New technologies and process efficiency
- Biofuels and lower carbon fuels



OWN GENERATION OF RENEWABLES

- Solar power systems



OFFSETTING AS A FINAL MEASURE

- Removal of residual CO₂ emissions

Responsible procurement ensures sustainable cooperation

Metso Outotec's procurement spend in 2022 was approximately EUR 4.1 billion. We have over 12,000 suppliers in around 80 countries, and we work closely together with them to support their sustainability practices and processes.

As part of engaging our suppliers on the 1.5-degree journey, we ask them to determine the carbon footprint of their own operations, suppliers and products. We ask suppliers to demonstrate continuous environmental improvement such as developing CO₂ emission reduction plans and setting their own CO₂ reduction targets. We encourage our suppliers to commit to the Science Based Targets initiative (SBTi). One of our sustainability targets is that 30% of procurement spend is with suppliers who have committed to SBTi by 2025. Our supplier engagement program started in 2020 and 19.6% of our suppliers were committed to SBTi by the end of 2022. 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 (1.5% in 2022).

To support our suppliers in this process, 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 Science Based Target (SBT) setting methodology for CO₂ emissions reduction and how our suppliers can contribute to reducing CO₂ emissions across the supply chain.

One of our biggest suppliers received Science Based Target initiative approval with a commitment to reduce scope 1 and 2 greenhouse gas emissions by over 45% by 2030.



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 2022, we conducted 131 supplier sustainability audits and 76.5% of the corrective actions from 2022 had been implemented by year-end. In 2022, we also started monthly meetings with the Heads of Procurement to discuss challenges, share good practices and define management actions regarding the performance of our suppliers.

Code of Conduct and human rights

Metso Outotec'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 early November; by the end of the year, 97.8% of employees had completed the training. The completion rate of the previous year's training was 96.9%.

In 2022, Metso Outotec published a new Human rights policy, which was approved by the Board of Directors. The Human rights policy sets out Metso Outotec's commitment to human rights. This year we also assessed our existing human rights due diligence process and identified areas for future focus.



Task Force on Climate-related Financial Disclosure

To provide investors with information on how companies are dealing with climate-related issues, the Task Force on Climate-related Financial Disclosures (TCFD) has created a voluntary framework to help businesses identify, measure and report their financial implications of climate change.

The following sections describe our climate change-related governance, strategy, and risk management practices, aligned with the TCFD recommendations, as well as our metrics and targets to measure the impacts.

Governance

Metso Outotec's Board of Directors oversees the effectiveness of Metso Outotec's sustainability governance and the impact of the sustainability agenda, including climate change-related matters. During the 2022 strategy review, the Board of Directors reviewed and approved the strategy and targets, including climate targets. One of Metso Outotec's four financial targets is directly linked to sustainability: progress in sustainability in alignment with the 1.5-degree commitment. The Board of Directors reviews the progress of the Group's strategy implementation on a quarterly basis, including progress on climate targets. In addition, the Board of Directors reviews and approves Metso Outotec's Statement of non-financial information, which includes the climate targets and KPIs.

The Metso Outotec Executive Team is the highest decision-making committee that regularly reviews and ensures the implementation of the sustainability agenda and makes decisions on corporate-level climate targets. Performance against climate targets is reported to the Metso Outotec Executive Team on a quarterly basis. The Chief Financial Officer, who is a member of the Metso Outotec Executive Team, has overall accountability for sustainability matters, including Metso Outotec's environmental agenda.

The Sustainability and QEHS team drives the sustainability agenda on the corporate level in cooperation with the businesses and corporate functions.

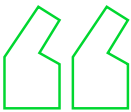
The Sustainability Steering Group includes selected leaders and subject matter experts from different business areas and functions. The Sustainability Steering Group meets twice per quarter; it reviews the progress of the

sustainability agenda and targets and provides guidance and input on sustainability governance and action plans. Responsibility for implementing the sustainability and climate change-related agenda and actions in day-to-day operations belongs to line management in each business area, market area and corporate function. Every business area has its own sustainability targets for the strategy period 2021–2024 and a more detailed plan for 2023.

Strategy

It is important for equipment and services suppliers like Metso Outotec to support the mining industry in the trend towards greater sustainability while being able to provide the increasing need for minerals, such as copper, to support global electrification. The minerals processing and metals refining industries have significant carbon footprints, since rock comminution and processing is energy intensive, consuming around 5% of the world's power. Reaching net zero, which is the goal for many leading mining companies, will require them to shift towards renewables-based electricity and to improve their energy efficiency. For this, significant technology innovation is needed: equipment must become more energy efficient and capable of operating effectively using renewable energy. Metso Outotec aims to be a leader in this space through its Planet Positive portfolio.

As a company with a global presence, the impacts of climate change on Metso Outotec's own operations as well as on its customers' and suppliers' operations will not be the same everywhere. Regional variations in climate change and the impacts on activities necessitate



Metso Outotec supports the mining industry towards greater sustainability while providing for the increasing need for minerals.

individual assessment of issues in order to address them correctly and effectively. A thorough assessment of climate change-related risks and opportunities across various time horizons is conducted as part of our regular corporate risk management process and is included in our strategy work. We consider a time horizon of 0–3 years to be the most relevant for assessing the short-term, 3–10 years the medium-term, and 10 years and beyond the long-term in assessing climate change impacts.

Among the significant risks and opportunities identified for Metso Outotec are the ability to develop suitable environmentally efficient products to meet future customer needs and the ability to operate in a changing business and natural environment. Additionally, environmental legislation, customer energy supply, the global regulatory environment, and political and social unrest are factors that we consider to be material. All climate change-related risks, with an estimate of their probability and possible impact relative to annual sales, are noted and assessed. The potential risks and opportunities identified based on the assessment and their estimated potential financial impacts are presented in the tables on the following page.

Climate change related risks

Category	Description	Financial impact	Time horizon
Transitional risks			
Technology	Future sustainability-related requirements will influence market expectations and lead to completely new or alternative technology solutions and processes. Inability to meet these requirements threatens business continuity in the long term.	High	Medium – Long
	Non-optimal choices in R&D expenditure may affect the speed and quality of the development of our product and services offering. Inability to develop the innovation needed for increasing commodity supply required for the energy transition.	Intermediate	Medium
Market	Climate change will impact the physical and business environment; emerging technologies and the transition to a lower carbon economy will change business models and customer demand. Shifts in customer demand and general market requirements will challenge companies to adapt to these changes. Inability to meet the new demand is a threat to business. Increased volatility may result in supply chain challenges.	High	Short – Medium
	An energy crisis will result in high prices and lack of access to power. As a result, there may be short-term closures of our own or customer facilities. This may also result in longer term mothballing of facilities.	Intermediate	Short – Medium
	Availability of energy, especially clean energy, will become increasingly important. The energy crisis may speed up the transition. However, affordable access to clean energy might be restricted, particularly in remote customer locations, and this can increase operating costs and decrease profitability.	High	Medium
Reputation	Stigmatization of the industry and a negative perception of companies may adversely affect our own or our customers' reputation and social acceptance.	Intermediate	Medium
	Negative reputation (our own or the industry's) can adversely impact investors' decisions. This may affect industry structures and Metso Outotec's ability to serve carbon-intensive segments.	Intermediate	Short
Policy & Legal	Climate change concern is likely to generate new, stricter regulations and legislation. Environmental and emission reporting obligations will increase.	Intermediate	Short
	Carbon policies influence economic growth and competitiveness through access to affordable energy, which can lead to cost and price pressures. The reaction to the energy crisis and greater regionalization will drive short-term policy trends.	Low	Short – Medium

Physical risks

Chronic	Customer's access to inputs, e.g. water, can be hindered by chronic changes in the environment. For some customers, this may mean reduced business and therefore decreased sales for us. Increasingly visible impacts of climate change may lead to social and political disruption, which may affect our customers' ability to operate.	Intermediate	Long
Acute	Increased frequency and severity of various natural hazards (floods, storms, heat waves, etc.).	Low	Short

Climate change related opportunities

Category	Description	Financial impact	Time horizon
Products and services	New services and products across the value chain will help the industry respond to a more volatile environment with increasing demand for sustainability solutions. This will create new business opportunities.	High	Medium – Long
	Continuous development of new Planet Positive products or services and optimizing existing products and services through R&D and innovation to meet customers' future needs.	High	Short – Medium
Resilience	Our global presence and strong business development capability will create a solid foundation to adapt to and profit from changes in the market environment.	Intermediate	Short – Medium
	Being the preferred partner with a good reputation and wide social acceptance will improve customer and investor confidence and financing opportunities.	Low	Medium
Energy source	Companies developing and offering clean energy solutions and demonstrating increased energy efficiency will have a competitive edge. The overall attractiveness of energy-efficient products and services offered will increase as a result of the energy crisis as well as medium-term market pressures.	Intermediate	Short – Medium
Markets	Demand for certain metals, such as copper and other battery metals, will grow, due to electrification, e.g. electric vehicles, which will strengthen the demand for minerals and hence the outlook of mining and our business.	Intermediate	Medium
	More stringent regulatory development may increase the demand for our Planet Positive solutions.	Intermediate	Medium
Resource efficiency	Environmental efficiency will become increasingly important and can add to the attractiveness of our solutions.	Low	Medium

To address the risks and opportunities described above, we are taking a proactive approach in our strategy and operations. We proactively monitor the changing physical and business environment and have ongoing collaboration with our stakeholders.

As part of the TCFD reporting, we analyzed our organization's strategy and resilience against different future scenarios: we tested our resilience against a future where the global average warming will be limited to 1.5 degrees, which is also our strategic target (the 'Right way' scenario), a scenario where we risk warming of 4 degrees, i.e. where little has been done to fight climate change (the 'No way' scenario), as well as a middle-of-the-road scenario describing a future between these two extremes (the 'Half way' scenario). The basis of our scenarios relies on the information and data provided by widely recognized organizations, such as the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the World Bank.

In the 'Right way' scenario, tighter regulation favors our market-leading solutions for customers, enabling them to retain their license to operate and to operate efficiently. Renewables and electrification create strong demand for copper and battery metals, and spending on infrastructure accelerates. In addition to this being the best realistic climate change outcome, the diversity of our businesses as well as our focus on and investment in enabling technologies is likely to result in increased business opportunities, and it is therefore considered to be the most desirable future outlook for us.

In the 'Half way' scenario, tighter regulations are still expected to create greater demand for water recycling and water efficiency solutions. Renewables and electrification also create demand for copper and battery



metals, although to a lesser extent than in the 'Right way' scenario. In addition, opportunities arise from an increase in spending on highways, railways, and elevations for buildings and roads.

By contrast, in the 'No way' scenario, significant spending on infrastructure is expected as a response to physical environmental hazards. Water scarcity may create difficulties, but at the same time it can also result in increased demand for water-efficient technologies. The risks set out in the 'No way' scenario are the most material for Metso Outotec, and additional measures and expenditure may be needed to ensure our resilience in this scenario. Due to the diversity of Metso Outotec's businesses, our technologies can provide solutions to tackle future challenges in these scenarios as well as maintain our resilience.

In 2022, we conducted a further assessment of two alternative outcomes where global warming significantly exceeds 1.5 degrees, due to a failure to implement the political and regulatory actions needed to incentivize the energy transition and a lack of the technological innovation required to enable the mining and aggregates industries to supply the commodities needed for the energy transition.

These two alternative scenarios may present challenges for us. While there is still a likelihood of investment in renewables and electrification resulting in increased demand for copper and battery metals, and tighter regulations that will create greater demand for water recycling and water efficiency solutions, there will also be a need for mitigating the effects of increasingly damaging physical

change. This is likely to result in some opportunities, for example, increased spending on infrastructure, which will require increased supply of commodities.

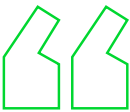
However, these opportunities are likely to be outweighed by the political and physical impacts of climate change exceeding 1.5 degrees. Our strategy focuses both on playing our part in making these outcomes less likely and on ensuring that Metso Outotec remains resilient in these scenarios. This includes continuing to invest in technology and innovation and maintaining a diversified business with a broad product range, diverse customer base and a global presence.

Risk management

The assessment of climate- and environment-related risks is part of Metso Outotec’s systematic risk management process. The risk assessment procedure is based on Metso Outotec’s Enterprise Risk Management policy.

The assessment includes regulatory, physical and other climate-related risks, and it covers all operations. In addition to assessing the probability and impact of these risks, opportunities are identified as well. The aim of this process is to minimize the adverse impacts of strategic, financial and operational risks, and to remove or mitigate hazards.

Risks are identified by a group of senior specialists across businesses and functions; potential impacts are evaluated and mitigation approaches are determined annually. Climate change and environmental risks are integrated and are part of the company risk register and risk assessment. The purpose of the risk assessment is to assess the probability and impacts of the risks and to define the need for and priority of actions to remove,



The assessment of climate- and environment-related risks is part of Metso Outotec’s systematic risk management process.

mitigate, restrict, retain or leverage the risks. The results are reported annually to Metso Outotec’s Board of Directors, Audit and Risk Committee, and Executive Team.

Certain sustainability risks are assessed on a sales project level in accordance with Metso Outotec’s global project risk management process. Business interruption risks are also assessed, and other audits of the main manufacturing sites are conducted regularly. Several climate-related risks, including natural events, are evaluated as part of these audits. Business impact plans take into account plans to mitigate possible business interruptions, and the annual risk management plan defines the activities and priorities for the coming year. Business line management is operationally accountable for managing the most relevant risks as part of its daily activities.

Metrics and targets

Our climate change-related actions include targets that have been approved by the Science Based Target initiative. Our Science Based Target (SBT) for our own

production (scope 1 and 2) is to reduce CO₂ emissions by 50% by 2030, to reduce emissions in logistics by 20% by 2025, and to reduce emissions in the product use phase of selected products by 20% by 2025. Additionally, we have set an SBT for supplier engagement: 30% of our direct procurement spend is with suppliers who have set their own SBT emissions targets by 2025. All our SBT targets have 2019 as their base year. In addition, we have further strengthened our commitment by setting a new net-zero target, aiming to reach net-zero CO₂ emissions by 2030 in our own operations.

The environmental impacts from our own operations are significantly less than those of our customers. At Metso Outotec, we have calculated our scope 1, 2, and 3 greenhouse gas emissions in line with the GHG protocol methodology. Close monitoring of environment-related indicators enables us to continuously improve their management and environmental performance. Emissions data, along with our other environmental metrics, are presented in our GRI Supplement in the ‘Key performance indicators’ section, and our path to net zero is described on page 37 of this report.

As part of our commitment to the 1.5-degree journey, Metso Outotec has set ESG metrics in its incentive plans to reward participants for the company’s positive impact. ESG metrics have been included in Metso Outotec’s long-term incentive plans for many years. In 2021, we set an ambitious multi-year target to decrease our CO₂ equivalent emissions in our own production and logistics. For 2022, we set a target to help our customers meet their sustainability priorities through our Planet Positive offering, which is a clear way for us to make a positive impact. Currently, Metso Outotec does not use internal carbon pricing mechanisms in its calculations.

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