Metso

2024

FINANCIAL REVIEW

Metso's Annual report 2024 consists of four sections.

Business overview

Metso in brief and our strategy

Financial review

Board of director's report including externally assured sustainability statement, financial statements and investor information

Corporate governance statement

Corporate governance, internal control and risk management systems

Remuneration report

Remuneration of the Board of Directors and the CEO

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BOARD OF DIRECTORS' REPORT

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Financial year 2024

Figures in brackets refer to the corresponding period in 2023, unless otherwise stated.

Operating environment

In 2024, market activity in Metso's customer industries was weaker than the previous year due to macroeconomic uncertainties and slower decision-making related to customer investments. In the Minerals segment, the number of requests for quotations related to new equipment investments remained high throughout the year, as customers actively planned to increase the production of metals related to the electrification of society. After a quiet start to the year, investment decisions increased towards the end of the year, positively impacting the number of orders received by Metso. Demand for services in the Minerals segment was good throughout the year, supported by high utilization rates of mines maintained by high metal prices. However, services related to production efficiency and equipment renewals experienced similar slowness as equipment investments.

In the Aggregates market, the year started actively, but activity slowed down as spring progressed and remained weak until the end of the year. Particularly, the mobile equipment markets in North America and Europe suffered from high financing costs and large inventory levels. Elsewhere in the world, such as in China and South America, activity was at a good level.

Key figures

EUR million	2024	2023	Change %
Orders received	5,140	5,252	-2
Orders received by services business	2,881	2,955	-3
% of orders received	56	56	–
Order backlog	3,046	2,951	3
Sales	4,863	5,390	-10
Sales by services business	2,824	2,891	-2
% of sales	58	54	–
Adjusted EBITA	804	887	-9
% of sales	16.5	16.5	–
Operating profit	727	805	-10
% of sales	15.0	14.9	–
Earnings per share, continuing operations, EUR	0.59	0.65	-9
Earnings per share, total, EUR	0.40	0.66	-39
Cash flow from operations	576	550	5
Gearing, %	44.9	33.8	–
Personnel at end of period	16,832	17,134	-2

Financial performance

The Group's annual orders received decreased by 2% and totaled EUR 5,140 million (EUR 5,252 million), primarily due to soft market activity in Aggregates and reduced investment activity in Minerals. Service orders declined 3%. With lower order backlogs, sales fell in both segments, leading to a 10% decline in the Group's total sales to EUR 4,863 million (EUR 5,390 million). The order backlog at the end of the year was EUR 3,046 million (2,951 million).

The Group's adjusted EBITA declined to EUR 804 million up from EUR 887 million in the previous year. Despite this decline, the adjusted EBITA margin remained stable at 16.5% from 16.5%. The resilient profitability was due to effective cost management and a favorable sales mix. Operating profit was EUR 727 million, or 15.0% of sales (EUR 805 million and 14.9%) including adjustments of EUR –11 million (EUR –18 million). Profit before taxes was EUR 648 million (EUR 724 million). The effective tax rate was 25% (26%). Earnings per share for continuing operations were EUR 0.59 (EUR 0.65).

Cash flow from operations was EUR 576 million (EUR 550 million), despite a one-off cash outflow of EUR 275 million in discontinued operations in the third quarter.

Impacts from currency and structural changes on orders received

EUR million, %	Aggregates	Minerals	Total
2023	1,274	3,978	5,252
Organic growth in constant currencies, %	-5	1	0
Impact of changes in exchange rates, %	-1	-3	-2
Structural changes, %	2	0	1
Total change, %	-3	-2	-2
2024	**1,231**	**3,909**	**5,140**

Impacts from currency and structural changes on sales

EUR million, %	Aggregates	Minerals	Total
2023	1,346	4,044	5,390
Organic growth in constant currencies, %	-12	-7	-8
Impact of changes in exchange rates, %	-1	-3	-2
Structural changes, %	2	0	1
Total change, %	-10	-10	-10
2024	**1,207**	**3,656**	**4,863**

Financial position

The Group's net interest-bearing liabilities were EUR 1,173 million at the end of December (Dec 31, 2023: EUR 884 million). Gearing increased to 44.9% (Dec 31, 2023: 33.8%) and the debt-to-capital ratio to 35.9% (Dec 31, 2023: 35.0%). The equity-to-assets ratio was 41.5% (Dec 31, 2023: 40.2%).

The Group's liquidity position remained solid. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 431 million (Dec 31, 2023: EUR 638 million), and there were no deposits or securities with a maturity of more than three months (Dec 31, 2023: EUR 0 million).

Metso has a committed syndicated revolving credit facility of EUR 600 million with a maturity in 2026. The facility includes sustainability performance targets impacting the cost of borrowing. At the end of the year, the facility was undrawn. The company has a EUR 600 million Finnish commercial paper program, with EUR 30 million outstanding at the end of December. At the end of December Metso had bonds outstanding EUR 892 million at carrying value (Dec 31, 2023: EUR 1,081 million).

During 2024, the company made several funding transactions:

- Draw-down of EUR 250 million two-year term loan during third quarter
- Signing EUR 50 million two-year term loan during third quarter and draw-down on fourth quarter.
- Signing a EUR 150 million three-year term loan during fourth quarter where EUR 75 million was undrawn at the end of the December 2024.

The average interest rate of total loans and derivatives was 3.8%, on December 31, 2024. The duration of total interest-bearing debt was 1.9 years and the average maturity 3.3 years.

Sustainability KPIs in Metso's sustainability-linked bond issued in 2023 are scope 1 and 2 emissions (original sustainability-linked bond baseline year 2022: 48,944 tCO_2e), as well as spend with all suppliers that have committed to science-based emissions targets or have an equivalent verifiable emissions reduction target. In 2024, scope 1 and 2 emissions were 33,799 tCO_2e, a decrease of 31% from the original bond baseline and spend with all suppliers having the aforementioned target reached 31.1%.

At the end of December, Metso had a 'BBB' long-term issuer credit rating with stable outlook from S&P Global Ratings and a 'Baa2' long-term issuer rating with stable outlook from Moody's Investor Service.

Reporting segments: Aggregates

Key figures

EUR million	2024	2023	Change %
Orders received	1,231	1,274	-3
Orders received by services business	431	442	-3
% of orders received	35	35	–
Order backlog	439	453	-3
Sales	1,207	1,346	-10
Sales by services business	419	434	-3
% of sales	35	32	–
Adjusted EBITA	198	232	-14
% of sales	16.4	17.2	–
Operating profit	179	214	-16
% of sales	14.8	15.9	–

Orders received decreased 3% to EUR 1,231 million, due to European market. Low order backlog affected sales, which declined to EUR 1,207 million (EUR 1,346 million). Adjusted EBITA was EUR 198 million (EUR 232 million), corresponding to a margin of 16.4% (17.2%). The negative volume impact was actively mitigated by cost management.

Reporting segments: Minerals

Key figures

EUR million	2024	2023	Change %
Orders received	3,909	3,978	-2
Orders received by services business	2,450	2,513	-3
% of orders received	63	63	–
Order backlog	2,607	2,498	4
Sales	3,656	4,044	-10
Sales by services business	2,405	2,458	-2
% of sales	66	61	–
Adjusted EBITA	640	707	-10
% of sales	17.5	17.5	–
Operating profit	548	627	-13
% of sales	15.0	15.5	–

Orders received saw a 2% decline year-on-year, due to lower equipment orders in the first half of the year. Services orders declined 3%, as activity related to rebuilds and modernizations was lower year-on-year. Sales declined 10% to EUR 3,656 million, as a result of a lower order backlog. Equipment sales declined 21% and services sales were flat. Adjusted EBITA was EUR 640 million with the adjusted EBITA margin unchanged at 17.5% (EUR 707 million and 17.5%). The margin was supported by cost management and higher proportion of services in sales mix.

Capital expenditure and investments

Gross capital expenditure excluding right-of-use assets was EUR 198 million in 2024. This consisted of various small investments at manufacturing sites as well as new service centers.

Research and development

R&D expenses including investments were EUR 103 million, or 2.1% of sales. Battery minerals play a significant role in the current R&D and customer raw material test work.

Inventions and patents

Pieces	2024	2023
Invention disclosures	175	235
Patent applications (including utility models)	2,116	2,096
Individual granted patents in force, as of December 31	7,924	7,829
Inventions protected by patents, as of December 31	1,058	1,031

Corporate governance and remuneration

Metso Annual General Meeting 2024

The Annual General Meeting (AGM) was held on April 25, 2024, in Helsinki. The AGM resolved to approve the Board of Directors' proposal to pay a dividend of EUR 0.36 per share from the financial year 2023 in two installments. The first dividend installment of EUR 0.18 per share was paid on May 7, 2024, and the second installment of EUR 0.18 per share was paid on November 1, 2024.

Metso Board composition and remuneration

The AGM resolved to elect nine members to the Board of Directors. All current members of the Board, Brian Beamish, Klaus Cawén, Terhi Koipijärvi, Niko Pakalén, Ian W. Pearce, Reima Rytsölä, Emanuela Speranza, Kari Stadigh, and Arja Talma were re-elected for the term ending at the closing of the Annual General Meeting 2025. The AGM resolved to re-elect Kari Stadigh as the Chair of the Board of Directors and Klaus Cawén as the Vice Chair of the Board of Directors for the term ending at the closing of the Annual General Meeting 2025.

The AGM resolved that the members of the Board of Directors will be paid the same fixed annual remuneration as in the previous term as follows:

- Chair: EUR 171,000
- Vice Chair: EUR 87,000
- Other members: EUR 70,500 each

and the additional remuneration to be paid for the members of the Board of Directors that are elected as members of the committees of the Board will be also unchanged as follows:

- EUR 25,500 for the Chair of the Audit & Risk Committee
- EUR 10,700 each for the other members of the Audit & Risk Committee
- EUR 13,000 for the Chair of the Remuneration and HR Committee
- EUR 5,350 each for the other members of the Remuneration and HR Committee.

As a condition for the annual remuneration, the Board members are obliged, directly based on the AGM's decision, to use 20 or 40 percent of their fixed total annual remuneration for purchasing Metso shares from the market at a price formed in public trading. These purchases were carried out on April 29, 2024.

The AGM also resolved to approve the following meeting fees, unchanged from the previous term: EUR 900 for meetings requiring travel within the Nordic countries, EUR 1,800 for meetings requiring travel within a continent, EUR 3,000 for meetings requiring intercontinental travel, and EUR 900 for meetings with remote attendance.

Authorized public accounting firm Ernst & Young Oy was re-elected as Auditor for a term ending at the closing of the Annual General Meeting 2025. Ernst & Young Oy has appointed Mikko Järventausta, APA, as the principally responsible auditor. The remuneration to the Auditor was decided to be paid against the Auditor's reasonable invoice approved by the company.

The AGM approved the Board's proposals, which related to authorizing the Board to decide on the repurchase of an aggregate maximum of 82,000,000 of Metso's own shares (corresponding to approximately 9.9 percent of all shares) and authorizing the Board to decide on the issuance of shares and the issuance of special rights entitling to shares.

Appointments of President and CEO and Metso Leadership Team

On October 24, 2024, Metso's Board of Directors appointed Sami Takaluoma (b. 1973, M.Sc. (Eng.)) President and CEO of Metso Corporation as of November 1, 2024. Takaluoma joined Metso in 1997 and has been a member of the Leadership Team since 2017. His predecessor, Pekka Vauramo, retired from the company at the end of 2024.

On November 4, 2024, Metso changed its organizational structure and Leadership Team to accelerate business growth and improve operational efficiency.

Metso's Leadership Team consists of the following members:

Sami Takaluoma, President and CEO
Eeva Sipilä*, CFO
Markku Simula, President, Aggregates business area
Piia Karhu, President, Minerals business area
Heikki Metsälä, President, Services business area
Saso Kitanoski, President, Consumables business area
Claudia Genin, Chief Growth Officer
Carita Himberg, Chief People Officer
Nina Kiviranta, General Counsel
* will leave Metso in April 2025 at the latest, as announced earlier

On January 7, 2025, Metso appointed Pasi Kyckling as the company's Chief Financial Officer (CFO) and a member of the Metso Leadership Team. Kyckling will start in his role in July 2025 at the latest.

Personnel

Metso had 16,832 employees (17,134 employees) at the end of December 2024.

Personnel by area

Share, %	2024
Europe	33
North and Central America	14
South America	25
Asia Pacific and Greater China	14
Africa, Middle East and India	14
Total	**100**

Other main events in 2024

Conveyance of own shares based on the long-term incentive plans

On March 20, 2024, a total of 984,288 treasury shares were conveyed without consideration to 144 key persons and executives from the Performance Share Plan 2021–2023. The Board of Directors had decided on the conveyance on February 15, and the directed share issue was based on an authorization given by the Annual General Meeting 2023.

Annual report for 2023

On March 20, 2024, the Annual report for 2023 was published. The report consists of five sections: Business overview, Financial review, Corporate governance statement, Remuneration report and GRI supplement.

Largest service center opened in Australia

On March 21, 2024, Metso opened its largest service center globally in Karratha, Western Australia. The center supports the growing demand from mining and aggregates customers by delivering more sustainable, state-of-the-art services. Located in Pilbara, a region that is a very significant global supplier of iron ore and lithium, the center provides comprehensive maintenance and repair solutions.

Metso Lokotrack® EC range

On May 16, 2024, Metso launched the first diesel-electric Lokotrack EC range units. Metso's Lokotrack® EC range brings a new diesel-electric power line to the aggregates market. All the process functions of the range are electric, significantly reducing the use of hydraulic oil needed in crushing operations. All Lokotrack EC range units can be powered with external electricity.

Aggregates technology center investment

On June 3, 2024, Metso announced an estimated EUR 150 million investment in a modern aggregates technology center in Tampere, Finland. Metso plans to gradually move its current operations in Tampere to this new Lokomotion technology center.

Acquisition of Jindex

On July 22, 2024, Metso announced it will to acquire Jindex Pty Ltd, a privately owned Australian company specializing in valves and process flow control. Combining Metso's extensive experience and offering in slurry handling, hydrocyclones and minerals processing equipment solutions with Jindex's valve offering will further strengthen Metso's capacity to provide more comprehensive slurry handling solutions for the mining industry. The acquisition was completed on August 1, 2024.

Termination of waste-to-energy business and related settlement

On September 4, 2024, Metso completed the termination of its waste-to-energy business and settled the related legal processes concerning historic Outotec projects. As a result, Metso booked a one-time expense of EUR 250 million in the third-quarter results of its discontinued operations. The cash flow impact of this expense was EUR 275 million in the third quarter.

Acquisition of Diamond Z and Screen Machine Industries

On September 25, 2024, Metso signed an agreement to acquire Diamond Z and Screen Machine Industries from Crane Group, a family-owned investment company based in Ohio, USA. Diamond Z increases Metso's offering in mobile equipment for the organic recycling markets. Screen Machine Industries broadens Metso's portfolio in the North American mobile crushing and screening markets. The acquisition was closed on October 1, 2024.

Acquisition of Swiss Tower Minerals

On October 2, 2024, Metso signed an agreement to acquire the outstanding shares of its long-term partner Swiss Tower Mills Minerals AG (STM). Previously, Metso had a 15% minority ownership in the company. The acquisition is expected to close in the first half of 2025.

Composition of the Shareholders' Nomination Board and its proposals

On November 20, 2024, Metso's Shareholders' Nomination Board published its proposals to the Annual General Meeting, planned to be held on April 24, 2025. The Nomination Board proposes that the Board of Directors would have nine members and that Brian Beamish, Klaus Cawén, Terhi Koipijärvi, Niko Pakalén, Reima Rytsölä, Kari Stadigh, and Arja Talma would be re-elected. Ian W. Pearce and Emanuela Speranza have announced that they are not available for re-election. The Nomination Board will propose that Anders Svensson and Eriikka Söderström be elected as new members of the board. Their resumes are attached to this release. The Nomination Board will also propose that Kari Stadigh would be re-elected Chair of the Board and Klaus Cawén Vice Chair.

All the Board member candidates have given their consent to be elected and have been assessed to be independent of the company and its significant shareholders, except for Reima Rytsölä, who has been assessed to be independent of the company but not independent of its significant shareholders.

The Nomination Board will propose fixed annual remuneration to the Board members as follows (current remuneration in brackets):

- Chair EUR 176,500 (EUR 171,000)
- Vice Chair EUR 88,300 (EUR 87,000)
- Other members EUR 71,500 (EUR 70,500)

An additional remuneration will be proposed to be paid to the Board members that are elected as members of the Audit & Risk

Committee and the Remuneration and HR Committee as follows (current remuneration in brackets):

- Chair of the Audit & Risk Committee EUR 26,300 (EUR 25,500)
- Members of the Audit & Risk Committee EUR 10,850 (EUR 10,700)
- Chair of the Remuneration and HR Committee EUR 13,200 (EUR 13,000)
- Member of the Remuneration and HR Committee EUR 5,430 (EUR 5,350)

The Nomination Board will propose that, as a condition for the annual remuneration, the Board members should be obliged, directly based on the Annual General Meeting's decision, to use 20% or 40% of their fixed total annual remuneration to purchase Metso shares from the market at a price formed in public trading and that the purchase be carried out within two weeks from the publication of the interim report for January 1 – March 31, 2025.

The Nomination Board will propose the following meeting fees to be paid for attending the meetings of the Board and its committees:

- EUR 900 for meetings requiring travel within the Nordic countries
- EUR 1,800 for meetings requiring travel within a continent
- EUR 3,000 for meetings requiring intercontinental travel
- EUR 900 for meetings with remote attendance

Metso's Board of Directors will include all the above-mentioned proposals in the notice of the Annual General Meeting of 2025.

Metso's Shareholders' Nomination Board consists of:

- Annareetta Lumme-Timonen (Investment Director, Solidium Oy) as Chair
- Philip Ahlgren (Partner, Cevian Capital Partners Ltd.)
- Risto Murto (President and CEO, Varma Mutual Pension Insurance Company)
- Mikko Mursula (Deputy CEO, Ilmarinen Mutual Pension Insurance Company)
- Kari Stadigh (Chair of Metso's Board of Directors)

The Shareholders' Nomination Board consists of the representatives of the four largest registered shareholders of the company based on the ownership situation as of August 15 annually, as well as the Chair of Metso's Board of Directors.

Kari Stadigh did not participate in the decision-making concerning the remuneration of the Board members.

Conveyance of own shares based on the long-term incentive plan

On December 2, 2024, a total of 38,851 of Metso Corporation's treasury shares was conveyed without consideration to 18 key persons based on the Restricted Share Plan 2021–2023. The transfer of shares is based on the authorization given to the Board by the Annual General Meeting held on May 3, 2023, and the board decided on the transfer on February 16, 2024. The shares were conveyed on December 2, 2024, after which the company holds 1,621,110 of its own shares.

Metso announced the long-term incentive plan in a stock exchange release issued on July 1, 2020.

Commencement of new plan periods in long-term incentive plans targeted to Metso management and key employees

On December 17, 2024, the Board of Directors of Metso Corporation has approved the commencement of a new plan period 2025–2027 in the following share-based long-term incentive programs: The Performance Share Plan (also "PSP") and the Restricted Share Plan (also "RSP").

Metso originally announced the establishment of the PSP and the RSP structure on July 1, 2020.

Short-term business risks and market uncertainties

The uncertainty in the global markets may affect Metso's market environment. While central banks have eased monetary policy as inflation has moderated, macroeconomic risks continue to pose uncertainty for global economic growth and may affect both Metso's customers and suppliers. High financing costs may continue to have a negative impact on customers' capex decision-making. There are also other market and customer-related risks that could cause on-going projects to be postponed, delayed, discontinued or terminated.

Geopolitical tensions and related trade barriers may impact global supply chains and may affect Metso's ability to deliver on time and/or on budget. The financial position of suppliers may be at risk, due to working capital requirements and increased funding costs, which could also lead to challenges with on-time deliveries. If suppliers are unable to deliver and the company is unable to find alternative sources in the time required, it may lead to contractual penalties and/or obligations.

Uncertain market conditions could adversely affect our customers' payment behavior and increase the risk of lawsuits, claims and disputes taken against Metso in various countries related to, among other things, Metso's products, projects and other operations.

Even though currency exposure of firm delivery and purchase agreements is hedged, exchange rate fluctuations may impact the company's financial position.

Information security and cyber threats could disturb or disrupt Metso's businesses and operations.

Disputes related to delivery execution and resulting in extra costs and/or penalties are a risk for Metso. In contracts related to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. Even though provisions are provided for in accordance with accounting principles, the possibility of additional liabilities materializing cannot be excluded.

Metso is involved in some disputes that may lead to or are in litigation and arbitration. Differing interpretations of international contracts and laws may cause uncertainties in estimating the outcome of these disputes. The enforceability of contracts in certain market areas may be challenging or difficult to foresee.

Market outlook

According to the company's disclosure policy, Metso's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

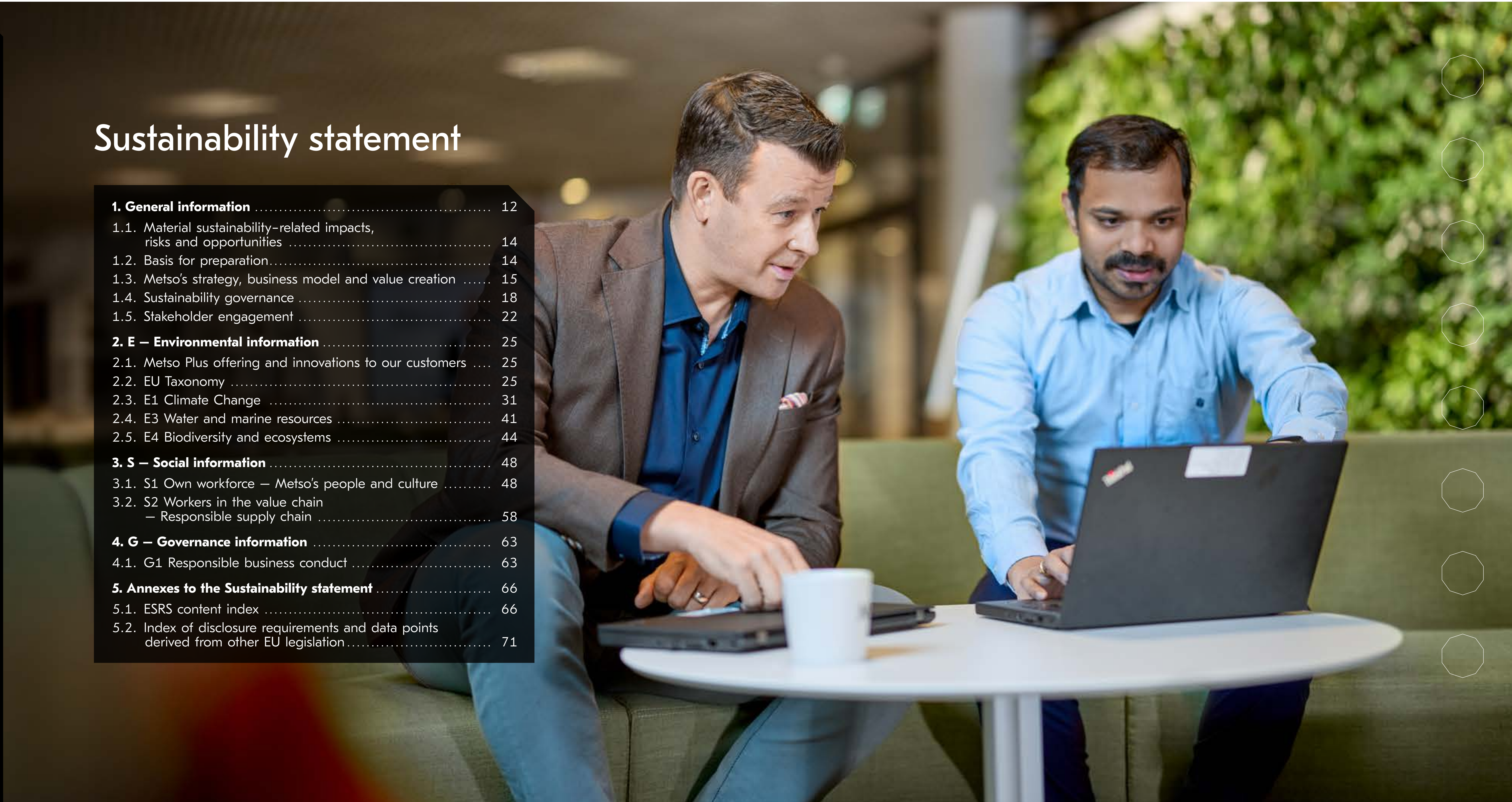
Metso expects that the market activity in both Minerals and Aggregates will remain at the current level.

Corporate governance statement

Metso has published a separate Corporate governance statement for 2024 that complies with the recommendations of the Finnish Corporate Governance Code for listed companies and covers other central areas of corporate governance. The statement is available on our website, separately from the Board of Directors' report.

BOARD OF DIRECTORS' REPORT

Sustainability statement



BOARD OF DIRECTORS' REPORT

1. General information

Metso, headquartered in Finland, has a global presence in around 50 countries and delivers sustainable technologies, end-to-end solutions and aftermarket services, including consumables, for the aggregates, minerals processing, and metals refining industries. Metso has defined sustainability as a strategic priority. Specifically, Metso has committed to contribute to limiting the increase in global average temperatures to 1.5 °C aligned with the Paris Agreement. This is reflected in Metso's sustainability agenda that focuses on the key sustainability topics, as assessed in a 2023 double materiality assessment and reviewed in 2024. More details about the double materiality assessment are available in section *1.1. Material sustainability-related impacts, risks and opportunities* of this statement.

Metso's sustainability agenda comprises the following focus areas: Metso Plus offering and innovations for our customers, people and culture, environmental efficiency in own operations, and responsible supply chain. Responsible business conduct is the foundation of Metso's sustainability approach.

Metso is in the process of cascading its new sustainability agenda based on a double materiality assessment through the organization and is evaluating the local impacts of climate change adaptation on its own operations and the biodiversity impacts on its own and customers' operations. This may result in new Metso policies and programs for biodiversity and climate change adaptation during 2025–2026.

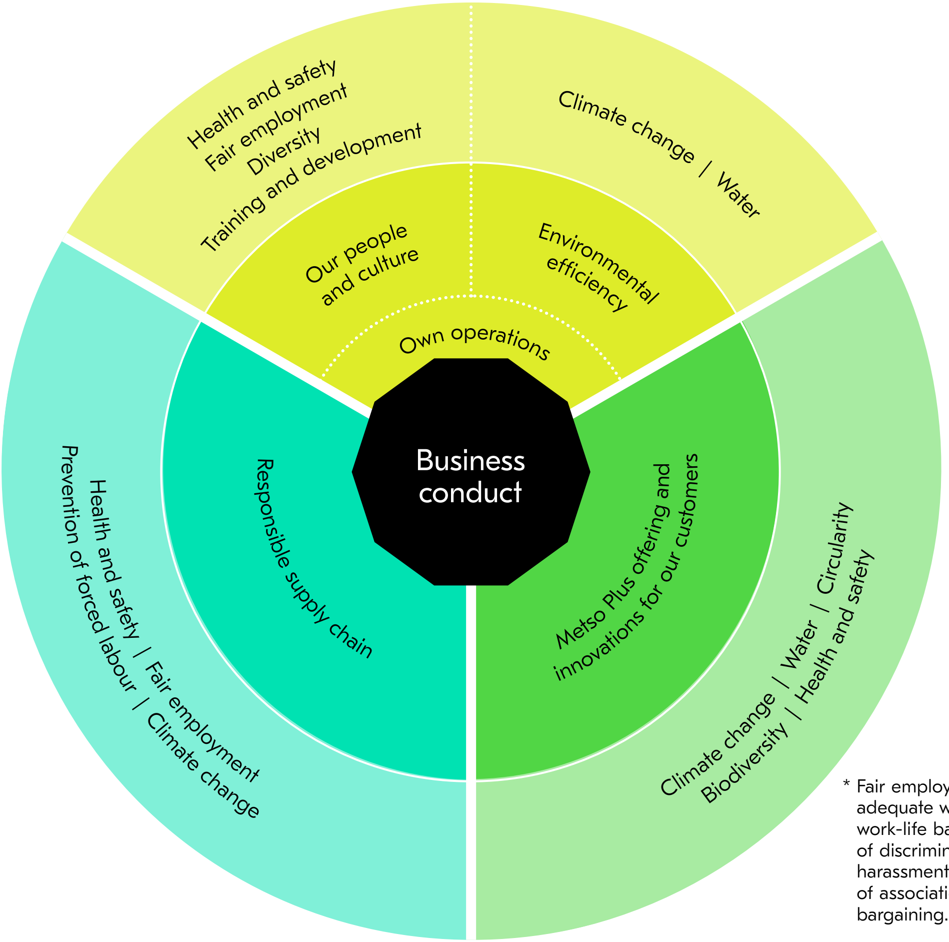
In 2024, Metso's sustainable offering portfolio, previously known as Planet Positive, was renamed Metso Plus. This change reflects Metso's proactive and compliant approach to regulatory changes in the EU regarding green claims. The criteria and KPIs for Metso Plus remain unchanged from the Planet Positive approach. Metso's focus continues to be on driving development of more sustainable solutions across industries in collaboration with customers. The method of measuring and providing proof of the sustainability efficiencies of Metso's offerings also remain the same, as it has proven to be a useful framework for customers and other stakeholders. The new name strengthens this approach by focusing on the potential value to customers from using Metso's products and services across the value chain and adhering to stricter standards of environmental claims and their verification.

Metso's overriding priority in sustainability is on working together with its customers, suppliers and communities to make aggregates and minerals processing more sustainable industries. In particular, offering solutions that advance the energy transition is at the core of Metso's innovation.

Legislation and stakeholder expectations to reduce carbon emissions are driving the energy transition, which will require large investments in renewable power generation, transmission infrastructure and battery technologies. This, in turn, will need large and rapid increases in the supply of metals such as nickel, copper, lithium, zinc and manganese. Therefore, Metso's focus on supporting its customer industries in achieving significant and needed productivity improvements also support their sustainability agendas. This includes technological innovations such as offering equipment that is more energy and water efficient and capable of operating reliably using renewable electricity. Additionally, Metso focuses on retrofitting and incorporating new technologies into existing flowsheets for processing minerals and aggregates and decreasing the carbon footprint and use of virgin materials in consumables. However, circularity and reducing the use of virgin materials as well as supporting means to capture carbon are essential. In this regard, Metso focuses on providing technology and solutions, for example, on efficient recycling of e-waste and construction waste.

Metso is committed to the Science Based Targets initiative (SBTi) approved greenhouse gas emissions reductions, aiming to substantially decrease the carbon footprint of its own operations and supply chain. In addition to the SBTi approved targets, Metso aims for net-zero CO_2 emissions in its own operations by 2030.

This Sustainability statement presents Metso's approach and performance on material sustainability topics, organized according to the ESRS reporting structure in sections 2–4 (Environmental, Social and Governance) and outlined in the table below. In addition to the ESRS topics and subtopics, Metso has included information on the entity-specific topic of Metso Plus offering and innovations for customers.



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

Material sustainability topics

Metso agenda theme	ESRS topic	ESRS subtopic	Materiality	Value chain element	Target set
Environmental efficiency in own operations Metso Plus offering and innovations for our customers	E1 Climate change	Climate change adaptation	Impact and financial	Own operations Supply chain and Customers	Yes
		Climate change mitigation	Impact and financial		Yes
		Energy	Impact and financial		Yes
Environmental efficiency in own operations Metso Plus offering and innovations for our customers	E3 Water and resources	Water (in own operations)	Impact	Own operations and Customers	Yes
		Water (in customer operations)	Impact and financial		No
Metso Plus offering and innovations for our customers	E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss: Land-use change, fresh water-use change, sea-use change	Impact	Customers	No
		Impacts on the extent and condition of ecosystems	Impact		No
		Impacts and dependencies on ecosystem services	Impact		No
Metso's people and culture	S1 — Own workforce	Working conditions: • Health and safety	Impact and financial	Own operations	Yes
		• Working time	Impact		Yes
		• Discrimination and harassment	Impact		Yes
		• Freedom of association and collective bargaining	Impact		Yes
		Equal treatment and opportunities for all: • Diversity	Impact		Yes
		• Training and skills development	Impact		Yes
Responsible supply chain	S2 — Workers in the value chain	Working conditions: • Health and safety	Impact	Supply chain	Yes
		• Working time	Impact		Yes
		• Adequate wages	Impact		Yes
		• Secure employment	Impact		Yes
		• Work-life balance	Impact		No
		• Discrimination and harassment	Impact		Yes
		• Forced labor	Impact		Yes
		• Freedom of association and collective bargaining	Impact		Yes
Responsible business conduct	G1 — Business conduct	Corporate culture	Impact and financial	Own operations and Supply chain	Yes
		Corruption and bribery • Prevention and detection, including training • Incidents	Impact and financial		Yes
		Protection of whistle-blowers	Impact		Yes
		Management of relationships with suppliers, including payment practices	Impact		No

1.1. Material sustainability-related impacts, risks and opportunities

Metso updated its sustainability agenda through a double materiality analysis conducted in 2023. The aim of the analysis was to understand the changing operational environment of customers and to assess stakeholder expectations, covering impacts, risks and opportunities across the entire supply chain and all Metso's global operations. The assessment addressed both financial materiality (environmental and societal impact on Metso's financial performance and value) as well as impact materiality (Metso's impact on people, environment and society) within its value chain. Surveys, interviews, meetings and reviews of current sustainability trends and relevant sustainability frameworks were part of this assessment. The stakeholders interviewed included Metso's employees, customers, investors, suppliers of goods and services, and NGOs. Metso also included in its assessment the conclusions from a range of peer-reviewed and publicly available climate change impact studies, as well as results of the high-level human rights impact assessment. Based on the material collected, the impacts, risks and opportunities were prioritized in workshops that included specialists from across Metso.

The financial materiality of risks and opportunities to Metso's business was assessed based on potential financial impact, as defined through Metso's risk management process, as well as on their likelihood over short- (less than one year), medium- (1—5 years), and long-term (over 5 years) horizons. Additionally, impact materiality was assessed considering the scale, scope, remediability and likelihood of an event. Leverage — i.e., the possibility to influence a topic — was also factored into scoring impacts, risks, and opportunities.

Topics with the highest scores were selected as the most material sustainability topics for Metso, forming the basis of Metso's sustainability reporting and agenda. Descriptions of impacts, risks and opportunities (IRO) are provided in this statement under each relevant standard topic. IRO tables present Metso's impact assessment for all material topics and, additionally, risks and opportunities for financially material topics. While the assessment focused on individual risks, it should be noted that the diversity of Metso's businesses and its global presence add resilience to Metso's overall business, as risk impacts are expected to balance naturally between Metso's different businesses.

For the Metso Plus offering and innovations for customers, Metso considers climate change, water, and health and safety in customer operations to be financially material. Climate change, health and safety, prevention of corruption and bribery, and corporate culture are the financially material topics in Metso's own operations. Currently, Metso has not identified financially material topics in its supply chain.

It should be noted that supporting the circular economy is an important element in Metso's sustainable Metso Plus offering and innovations. This includes, e.g., recycling and reusing materials, providing equipment and services to extend product lifetimes, and developing technologies to support the upcycling of waste materials. However, circularity itself was not identified as a standalone material topic in the latest assessment. Metso will follow the developments in this field and will regularly review its stance on the topic's materiality.

The outcome of the double materiality assessment review in 2024 did not result in any significant changes in the previously identified material topics for Metso. The assessment results have been reviewed by the Metso Leadership Team and approved by the Board of Directors.

In addition, Metso has conducted a high-level evaluation of its activities in order to identify pollution- and circularity-related impacts, risks and opportunities and no consultation was undertaken with local communities.

1.2. Basis for preparation

The scope of consolidation of this Sustainability statement is the same as for Metso's financial statements. The figures in this Sustainability statement are in line with Metso's Consolidated financial statements 2024 and are based on the data prepared in accordance with IFRS Accounting Standards. A more detailed description of environmental data coverage is found in the *E1 Reporting principles*. The Sustainability statement is published annually. The reporting period is the same as for financial reporting, from January 1 to December 31, 2024, and the information is published simultaneously with the financial information. This report is a group sustainability statement, commonly referred to in the report as a sustainability statement. Metso discloses regional figures where applicable, and these are presented following the metrics related to specific topics. However, Metso does not disclose business area-specific environmental or employee figures. All Metso subsidiaries are included in this reporting.

Discontinued operations are not included in the Metso Plus sales or in the EU taxonomy KPIs, and comparative figures for 2023 have been restated accordingly. Other figures in this statement, such as environment, H&S and HR, include discontinued operations.

Additionally, in compliance with ESRS 1 requirements, Metso has included the disclosures pursuant to the EU Taxonomy regulation as a separately identifiable section in this Sustainability statement under section *2.2. EU Taxonomy.*

The ESRS 2 standard is relevant to Metso's multiple sustainability topics. It is therefore used as a guide for the structure of sections *1.3. Metso's strategy, business model and value creation, 1.4. Sustainability governance, and 1.5. Stakeholder engagement.* References to cross-cutting topics and their locations in this statement are provided in the *ESRS index.*

This Sustainability statement also describes Metso's climate change-related governance, strategy, and risk management practices, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Metrics and targets for measuring impacts are included.

Furthermore, Metso's sustainability reporting incorporates Global Reporting Initiative (GRI standards) indicators and industry-specific indicators from the Sustainability Accounting Standards Board's (SASB) Industrial Machinery & Goods Standard. The GRI and SASB information, along with any deviations and omissions from requirements, are indicated in the GRI and SASB indexes published separately but simultaneously with the report on the Metso website. These indexes provide further details about the indicator-specific information.

Ernst & Young, an independent third party, has externally assured (limited assurance) this Sustainability statement and related sustainability claims. The assurance process followed international standards (ISAE 3000 Revised). The scope of assured information is outlined in *the independent assurance report.* GRI indicators or the GRI index are not within the scope of this sustainability reporting assurance.

1.2.1. Disclosures in relation to specific circumstances

1.2.1.2. Time horizons

Metso assesses material impacts, risks and opportunities over the short, medium and long term when feasible. Sustainability-related matters often unfold gradually, and their predictability depends on various factors. For climate change (E1), Metso uses a standard set of time horizons. For E3, E4, S1, S2, and G1, time horizons are presented, where possible and relevant, considering the probability and impact scope.

For topics other than climate change, Metso defines time horizons in this Sustainability statement according to ESRS guidance as follows:

- Short term: 1 year
- Medium term: 1—5 years
- Long term: Over 5 years

In assessing climate change risks and opportunities, Metso follows TCFD guidance and has based its assessment of the following time horizons:

- Short term: 0—3 years
- Medium term: 3—10 years
- Long term: Over 10 years

1.2.1.2. Metrics and estimations of uncertainty

The reporting principles for metrics related to each standard and material topic are described under the relevant sections (Environment, Social and Governance), including accuracy levels and planned actions for improvement. Specific indicator scopes are provided in the Reporting Principles section under each relevant standard. Metso's entity-specific metrics that address impacts, risks and opportunities in Metso's customers' operations are identified in Targets and Progress in Targets tables. The ESRS index sets out any deviations, omissions, and relevant explanations about the indicator-specific information.

In this statement, a number of metrics are based on estimates, averages and assumptions. Data is sourced from internal records and external data vendors. There is a risk of error in the data, particularly in the completeness of data and where several data sources have been combined or where there is manual processing of data. Metso has not identified any metrics that are subject to high level of measurement uncertainty. Metso's sustainability data is subject to continuous improvement. As sustainability-related regulations evolve, standardized data availability will improve. Metso is committed to transparency and will disclose relevant changes in underlying data or assumptions in its future Sustainability statements.

1.3. Metso's strategy, business model and value creation

Metso's purpose is to enable sustainable modern life. Metso's products and services are used in the aggregates, minerals processing and metals refining industries producing critical raw materials. Metso's vision is to be the customers' number one choice for sustainable use of earth's natural resources through the sustainable Metso Plus offering and innovations, environmentally efficient own operations, and responsible supply chain management. This is particularly important, as the operations of Metso's customers in the aggregates and mining industries are energy- and water-intensive and typically have significant land footprints, often in environmentally sensitive areas where land disturbance and pollution can impact habitats and species, i.e. biodiversity.

Metso recognizes the rapid rate of change in its customer industries and has identified several megatrends impacting its strategy and business model:

- Urbanization: Drives demand for more aggregates, minerals and metals to build modern societies.
- Electrification: Is essential for Metso's customer industries to achieve their climate targets.
- Sustainability: Calls for energy and water efficiency, emissions reduction, green transition, safety, responsible operations, and minimizing social impacts on people and communities.
- Resource scarcity: Necessitates recycling of minerals, metals, aggregates and waste through circular economy practices, emphasizing responsible processing of precious natural resources.
- AI & digitalization: Advances new business models, enhances efficiency and improves safety.

Metso's strategy aims to adapt and build on these trends, as set out in more detail below in section *1.3.1. Strategy.*

1.3.1. Strategy

Metso is committed to building a Tier-1 company through four strategic priorities aligned with stakeholder needs:

- Sustainability in alignment with the sustainability agenda.
- Customer success: In the short term, Metso prioritizes improving customer responsiveness, on-time delivery rate and quality. In the long term, Metso aims to create customer value through long-term partnerships, optimized solutions, positive customer experiences and digital capabilities.
- Performance culture: Metso's performance culture drives business success and strong financial results. Guided by Metso values of High ambition — always; Customer in center; Getting it done — together; and Open and honest, Metso aims to foster a diverse and inclusive culture. Inspirational leadership plays a key role in culture building, developing leaders who embody Metso's leadership principles and drive the business agenda while developing their teams. Metso aims to build an organization with industry-leading capabilities by retaining existing people and offering them growth opportunities and also by attracting new talent globally.
- Financial performance: Financial performance is at the core of Metso's strategy execution, emphasizing continued growth and profitability driven by value-adding innovations. Metso is committed to delivering a strong financial performance, enabling investments in business growth and competitive dividends to shareholders. Metso's financial targets are:
  - Adjusted EBITA margin of >17% 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

During recent years, Metso has successfully strengthened its profitability and de-risked the business. The further improvement of Metso's profitability towards the 17% EBITA target involves a resilient product- and aftermarket-focused business model, organic and acquired growth in the aftermarket offering, and continuous enhancements in productivity, operational efficiency across the businesses, as well as strengthening of supply chain resilience. A strong balance sheet enables growth and development of Metso's business, as well as investments and acquisitions. To secure its investment-grade credit rating, Metso continues to focus on improving both profitability and working capital efficiency over the cycle.

1.3.2. Business model

Metso has two reporting segments: Aggregates and Minerals. These segments are further organized into business areas and market areas. In the reporting year, significant business events for Metso's segments are discussed under *Reporting segments*. The reporting segments' financial performance in the reporting year is discussed in the *Notes to consolidated financial statements, especially under Segment information.*

Metso's business areas are accountable for their performance in terms of orders and sales, operating profit and capital employed, and they contribute to the company's profitable growth strategy, including the sustainability agenda, through business-specific initiatives. The business areas, together with market area teams, are responsible for managing customer relationships, and information on customer satisfaction is regularly gathered to further improve customer processes and relationships. Metso's seven market areas — North and Central America, South America, Europe and Central Asia, Africa, Middle East and India, Greater China, and Asia Pacific — facilitate effective cooperation between global and local activities, guided by clear roles and governance. Metso has a multichannel approach to its markets, with sales channels tailored for specific regions, customer industries and customer types. Metso's direct sales teams and experts provide competence in technologies and processes. Additionally, Metso works with distributors to enhance local presence and maintains digital sales channels for accessibility and ease of doing business.

Metso has a deep understanding of customer processes, product design and technology, and a comprehensive service portfolio ranging from spares and wears to advanced lifecycle services. Metso's value chain encompasses upstream procurement and logistics, own operations and downstream customers. Metso's global manufacturing and logistics network includes both in-house and outsourced warehouses, as well as production facilities across the main customer markets. Key figures for 2024 include:

- Close to 17,000 people in around 50 countries (the number of employees per country is described under *S1 — Own workforce).*
- Around 3,700 service experts
- Around 140 repair and service locations, including three Performance Centers
- Around 40 research and development or testing locations geographically distributed across main markets
- 5 own foundries and several selected partner foundries
- 8 rubber and Poly-Met parts factories
- 8 pump factories
- Two filtration technology centers and one ceramics plate factory
- 5 aggregates equipment factories for the Metso brand and 9 for other brands

Metso operates in an environment significantly impacted by changing regulations, particularly given the energy-, carbon-, and water-intensity of its customer industries. Metso's sustainability agenda and related action plans, targets and long-term goals are therefore also aligned with the UN Sustainable Development Goals (SDGs). Five SDGs have been identified as the most relevant areas where Metso aims to demonstrate its impact during the 2025–2027 strategy period. This Sustainability statement also outlines Metso's progress toward these goals.

In line with the SDGs, Metso's offering helps its customers to operate more sustainably by improving resource efficiency and adopting cleaner and more environmentally efficient technologies (SDG 9), including actions to combat climate change (SDG 13) through the use of Metso's technologies. Metso addresses wastewater production in line with SDG 6 by increasing the efficiency of water use through the reduction of the amount of freshwater needed in Metso's operations and through increased recycling and the safe re-use of water.

Metso provides employment opportunities for individuals of all genders, all ages as well as for people with disabilities, and has standard employment practices in all locations. Furthermore, Metso is committed to achieving equal pay for work of equal value, safeguarding labor rights, and promoting a safe and secure working environment for all employees (SDG 8).

A significant portion of Metso's manufacturing is outsourced, emphasizing the importance of responsible procurement practices. By advocating sustainable practices across the supply chain, Metso also promotes the wider adoption of responsible management practices and the reduction of waste generation (SDG 12).

Climate change, urbanization, electrification and infrastructure investments continue to drive long-term commodity demand. Despite continued geopolitical and economic uncertainty, the market fundamentals in Metso's customer industries present growth opportunities. Sustainability offers further opportunities within Metso's current and extended product portfolio. Raw material availability and costs increase the need for sustainable and circular solutions. Within this broad context, Metso's Minerals and Aggregates reporting segments have clear strategic priorities aimed at further improving financial and sustainability performance. Metso is well-positioned in the fastest growing metals and critical minerals, such as nickel, copper lithium, zinc and manganese, with a comprehensive equipment and aftermarket offering and strong capabilities in full flowsheet offering.

In Minerals, the focus is on technology leadership in processing and smelting, especially through Metso's sustainable equipment and aftermarket offering — Metso Plus. Metso serves a diverse range of mining customers, including large global miners, major and mid-sized regional operators, and junior miners. Metso's offering and process expertise cover the entire end-to-end mining process — from professional testing and piloting to early project support, to solutions across the flowsheet, including crushing and grinding, separation and filtration solutions, and advanced tailings management. Additionally, Metso's minerals offering includes material handling equipment and slurry pumps as well as an extensive selection of spare and wear parts and services.

Metso also provides comprehensive solutions and services for maintaining and optimizing processes and equipment performance with advanced digital solutions, intelligent automation and control systems. In the rapidly growing battery industry, Metso is well positioned to offer sustainable technology and equipment, covering e.g. lithium and nickel production, with project scopes ranging from equipment packages to plant deliveries and from mine to battery materials, as well as black mass recycling.

For metals refining customers, Metso offers a comprehensive portfolio of modern smelting solutions for the treatment of primary and secondary raw materials. For example, the Metso Plus flash smelting process is currently the most widely used copper smelting method globally, resulting in high metal recovery with the lowest total cost of ownership.

In the Aggregates segment, Metso serves large international companies and numerous smaller, more regional or local customers 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. Research and development activities concentrate on crushing technology, electrification of aggregates production, and environmental performance. 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 Diamond Z, Jonsson, Lippman, McCloskey, McCloskey Environmental, MWS Equipment, Screen Machine Industries, Shaorui, Tedd Engineering and Tesab brands.

Metso places strong emphasis on the aftermarket and services, with a focus on customer experience and new digital capabilities to support both organic and inorganic growth. Key growth areas include products with high aftermarket potential, sustainable Metso Plus offering, automation and digitalization. These are built on extensive expertise and the reliability of Metso's products with additional gains from synergies across this broad portfolio of services. Across its customers' industries there is a large installed base of Metso equipment, and by offering new digital services, Metso can even better serve the customers and offer new efficiency solutions for the existing installed base. Metso's strategy leverages its aftermarket capacity to offset the inherent cyclicality of its customer industries and expansion into third-party installed bases.

Metso has differentiated sustainability-related goals for its business and market areas, taking into account the growth potential and possible risks to the business. Specific goals within each area contribute to achieving group-level objectives. Safety targets are established globally, serving as common benchmarks that guide the more detailed target-setting process within each business area and market area. Targets are related to Key Performance Indicators, such as Lost Time Incident Frequency and Total Recordable Injury Frequency. In addition, Metso sets targets related to specific initiatives, for example the work done during 2023–2024 to analyze and address gaps in the Group's safety management systems. Metso also sets individual role-based targets, such as risk observation training and reporting targets for all employees without subordinates, and safety conversation training and reporting targets for managers and supervisors with subordinates.

1.3.3. Value creation and value chain

Sustainability is an important value creation element for Metso. Metso's sustainability agenda, presented under *1. General information*, focuses on supporting the electrification and decarbonization of the mining and aggregates industries, while ensuring rapid increase in the production of energy transition minerals. Metso continuously develops its portfolio to meet its customers' growing needs for energy and emissions reductions, water resources management, resource efficiency, circularity and safety.

Fundamental to Metso's value creation are its strong technological know-how, global operations and aftermarket footprint, as well as the competitive product offering, strong brand and continuous innovation. Digitalization serves as an additional key driver, enabling the development of new business models, improving efficiency and enhancing safety. Leveraging data and analytics enables Metso to optimize customers' equipment, processes and flowsheets, which can lead to significant productivity gains, cost savings and minimizing environmental impacts.

Metso's sustainable Metso Plus offering to customers, as well as innovations to further develop this offering, creates value both for Metso's customers and for other stakeholders. The customer-focused Metso Plus portfolio includes more than 100 products that are meaningfully more sustainable than a market benchmark product or similar products of a previous technological generation, based on factors that also drive total lifetime cost of ownership, e.g., energy and water efficiency. Therefore, they typically also offer commercial benefits both for Metso and its customers.

Metso's technology strategy and R&D prioritize the development of products and services that can help customers achieve their own sustainability targets, e.g. carbon, energy or water efficiency. Metso Plus drives the R&D efforts through a commitment to add to this portfolio. This work is built on the deep know-how of Metso's close to 17,000 employees and around 40 locations with research and development or testing capabilities as demonstrated by 7,879 national technology patents. A more detailed explanation of the various environmental and sustainability benefits of Metso' offering is presented under each relevant section *E1 — Climate change, E3 — Water, and E4 — Biodiversity*.

Metso's Research and Development (R&D) model is driven by a business area-level Technology Strategy, which guides the business area R&D plans. Each business area defines its R&D operating structure with dedicated R&D functions that manage the R&D and productization portfolio, Intellectual Property Management, research teams in test centers, and harmonization of engineering practices. Metso has a company-wide R&D process in place with associated tools to plan, execute and monitor the fulfillment of sustainability requirements associated with R&D.

R&D activities also take place within business lines and product groups, which own the strategy, product portfolio, technology and product roadmaps as well as product engineering, support, and test centers. This operating model ensures a focus on long-term research and the continuous release of new sustainable products.

In addition, Metso collaborates closely with customers for testing and joint development. Research and test services include e.g. ore deposit evaluation, mineralogical characterization, feed material testing, sampling, materials selection, analytical chemistry and flowsheet development.

For aggregates customers, R&D efforts focus on electrifying mobile crushing and screening equipment. In minerals processing, the emphasis is on energy- and water-efficient solutions for preconcentration, comminution, separation, and tailings management. Additionally, Metso prioritizes the development of smart and connected equipment and processes. The development of metals-related sustainable technologies is focused on solutions for batteries, low-carbon production of steel, circular economy, and copper processing technologies.

Metso's procurement spend was approximately EUR 3.1 billion in 2024. Over 18,000 suppliers in around 100 countries benefit from long-term partnerships and Metso's responsible business practices. Metso also contributes to local communities through cooperation with universities and other research institutes, as well as by participating in local community corporate social responsibility initiatives. In 2024, Metso paid EUR 1,069 million in wages, EUR 162 million in taxes (on accrual basis), and EUR 298 million in dividends to its shareholders.

1.3.4. Revenue breakdown

Metso's total sales in 2024 were EUR 4,863 million. Minerals' sales account for 75% while the remaining 25% came from Aggregates. Services businesses accounted for 58% of sales. In 2024, Metso's regional sales split was as follows:

- Europe: 18%
- Asia Pacific: 21%
- North and Central America: 22%
- South America: 23%
- Africa, Middle East and India: 15%

Metso is involved in activities related to chemicals production (including manufacture of other rubber products) and in 2024 the sales were approximately EUR 275 million. Metso does not operate in the weapons manufacturing or tobacco cultivation and production sectors.

Metso continues to serve customers in the coal industry, for both brown- and greenfield projects and for thermal as well as metallurgical coal. However, Metso's R&D pipeline does not include developing new coal-related products or services. Metso acknowledges that the coal industry is entering a prolonged ramp-down and phase-out in response to climate change action. Metso's sales to the coal industry are less than 5% of total revenue, and the emissions and impacts associated with this equipment are negligible in comparison with the emissions and impacts of sales to mining and aggregates industries.

Metso is committed to supplying the best available equipment and services during the coal ramp-down phase so that that the coal industry has access to safe and environmentally responsible technologies and solutions. A safe and profitable ramp-down of the business is a socially responsible business approach that follows appropriate government guidelines and recognizes that profits from the coal industry will be directed back to communities to support their transition to alternative industries, such as renewables. Metso's sales from the fossil fuels sector — encompassing coal, oil, and gas — are not significant at less than 5% of revenue and therefore not reported. Metso's approach to the coal, oil and gas industry is reviewed annually.

1.4. Sustainability governance

This Sustainability statement provides information about Metso's sustainability governance and outlines the overarching governance processes, controls and procedures implemented to monitor and manage sustainability matters at Metso. Further information about the general duties, composition, diversity and experience of the administrative and supervisory bodies, as well as the processes of internal control, internal audit and risk management, is available in the Corporate governance statement and Remuneration report published simultaneously with this statement.

Metso's administrative, management and supervisory bodies include:

- Metso's Board of Directors: The Board oversees the company's activities, and its two permanent Committees regularly report on their work to the Board.
  - Audit and Risk Committee (ARC): Responsible for addressing audit and risk-related matters, including sustainability reporting
  - Remuneration and HR Committee (RHRC): Focuses on remuneration and human resources topics
- Metso Leadership Team: Comprises the President and CEO, business area presidents, Chief Financial Officer (CFO), and corporate function heads, i.e. Chief Growth Officer, Chief People Officer and General Counsel

The Sustainability Steering Committee includes leaders and subject matter experts from different business areas and corporate functions that provide expertise for the ARC and make proposals for supervisory bodies' review. Chaired by the Chief Growth Officer, the cross-business Sustainability Steering Committee meets twice a quarter to assess overall progress related to the sustainability agenda, to review performance against targets, and to offer guidance to business areas and market areas on sustainability matters, governance and action plans.

1.4.1. Roles and responsibilities

Metso's Board of Directors, as the highest governing body for the Group, oversees Metso's sustainability governance and sustainability agenda execution. The Board approves the sustainability agenda, double materiality analysis, sustainability targets and policies, and the yearly sustainability report. In addition, the Board oversees Metso's overall enterprise risk management, and health and safety. Metso's Board consists of non-executives and doesn't include representation of employees and other workers. The Board has delegated supervision of sustainability risks and opportunities, including climate-related and environmental risks, as well as following the preparation of sustainability reporting to the Audit and Risk Committee.

At their meetings, the Board of Directors and Board Committees regularly discuss reviews related to different areas of sustainability, presented by sustainability and QEHS (Quality, Environment, Health, and Safety) specialists. The reviews offer Board members information about the company's material sustainability impacts, risks and opportunities, and of the progress made in the company's sustainability targets. The reviews also ensure that the Board's understanding and competence is up to date in sustainability matters. Metso's sustainability targets are taken into account in the Board of Directors' decision-making on matters such as investments.

Metso's Board approves all major investments, acquisitions and mergers, as well as major divestments. Additionally, the Board of Directors reviews and approves significant sales transactions of over EUR 100 million and high-risk contracts valued above EUR 50 million that may involve, e.g., new technologies, first-time applications, or significant country or customer risks. Trade-offs are carefully considered by the Board when planning future sustainability-related actions and assessing their impacts, risks and opportunities.

The Audit and Risk Committee (ARC) reviews Metso's annual sustainability reporting before submission to the Board for final approval. In addition, the ARC monitors Metso's human rights-related actions and sustainability risks identified in Metso's enterprise risk management framework. The ARC's duties concerning sustainability reporting are defined in the ARC charter, including:

- Reviewing Metso's key policies and principles as well as changes in policies and practices relating to sustainability reporting
- Reviewing internal controls and monitoring the effectiveness of Metso's procedures for internal controls over sustainability reporting
- Monitoring the assurance of the annual sustainability reporting and reviewing the results of the assurance with the sustainability reporting assurance provider
- Reviewing Metso's annual sustainability reporting before submission to the Board for final approval, focusing particularly on:
  – Areas that require judgment calls
  – Significant adjustments resulting from sustainability reporting assurance findings
  – Compliance with sustainability reporting standards
  – Compliance with the requirements of applicable laws, regulations and stock exchange rules

The Remuneration and Human Resources Committee (RHRC) assists the Board in reviewing the programs related to key people development, succession planning and talent development. These programs, linked with the development of diversity and inclusion, mental wellbeing and fair employment, are part of Metso's sustainability agenda, described in more detail in section *3.1 S1 Own workforce – Metso's people and culture.*

In addition, the RHRC prepares the Remuneration Policy and Remuneration report, evaluates the performance and compensation of the President and CEO, and, together with the Chair of the Board, prepares and makes proposals to the Board on the appointment and compensation of the CEO. Based on the recommendation of the CEO, the Committee also makes a proposal to the Board on the appointments of Metso Leadership Team members. The RHRC also assists the Board in setting and reviewing management incentive targets, including ESG-related metrics, which have been in use since 2021.

The Shareholders Nomination Board (Nomination Board) is a body comprised of the representatives of Metso's major shareholders and is elected in accordance with its charter that is available on Metso's website. The Nomination Board must ensure that the Board of Directors has a sufficient level of competence and expertise for Metso's needs, and for this purpose prepares proposals for the Annual General Meeting on the election and remuneration of the members of the Board of Directors.

The President and CEO, assisted by the Metso Leadership Team, is responsible for delivering on the Board-approved sustainability targets across the Group in accordance with applicable laws and regulations. Additionally, the President and CEO provides regular reports to the Board on material sustainability-related impacts, risks, and opportunities.

On October 24, 2024, Metso announced that its Board of Directors had appointed Sami Takaluoma as Metso's new President and CEO. He assumed his duties on November 1, 2024. Metso's previous President and CEO, Pekka Vauramo, continued with the company as per his contract until the end of 2024, ensuring a smooth transition of responsibilities.

The Chief Growth Officer is responsible for sustainability at the Group level and chairs Metso's cross-business Sustainability Steering Committee. The Chief Growth Officer and the Sustainability team steer Metso's Group-level approach to material sustainability issues in cooperation with the businesses and other Group functions. This includes the development of the overall sustainability agenda, sustainability practices and sustainability communications, as well as the implementation of sustainability-related corporate policies. The Sustainability team contribute to sustainability-related training, risk assessment and management, as well as external reporting in cooperation with other Group functions. The team is also responsible for the proactive management of internal and external stakeholders' expectations.

The Sustainability Steering Committee is responsible for supporting business areas in their initiatives and strategic plans, including considering sustainability impacts, risks and opportunities. The Internal Audit function ensures that sustainability risks are managed according to the company's overall risk management framework. Further information on the governance of sustainability risks can be found in section *1.4.6 Risk management systems and policies* as well as under *specific ESRS topics for environmental information (E1, E3 and E4), social information (S1 and S2), and governance information (G1).*

The Metso Leadership team (MLT) is responsible for executing Metso's overall strategy and ensuring that the strategy addresses sustainability impacts, risks and opportunities. The MLT oversees the implementation of the sustainability agenda, regularly reviewing sustainability targets and monitoring the development of the Metso Plus portfolio, including sales of Metso Plus solutions and services. Based on the Group's sustainability targets, each business area's management team aligns their sustainability targets with the Group's objectives and reports performance against these targets to the Metso Leadership Team on a quarterly basis.

Business area presidents are responsible for the strategy, financial development and position, operational performance, operating environment development, customer service, and competitive situation of their respective business areas. They are also responsible for implementing Group initiatives, policies and guidelines within the business areas, and for collaborating across business areas. The business area presidents are accountable for sustainability matters within their domains. Metso's extended leadership team includes the market area presidents. Day-to-day implementation of the sustainability agenda falls to line management in the business areas, market areas, and corporate functions. All business areas have set sustainability targets for the strategy period 2025–2027.

1.4.2. Sustainability expertise of the Board, its committees and the Metso Leadership Team

According to the diversity principles defined by the Nomination Board, several factors influence the composition of Metso's Board. The overall aim is to ensure that the Board collectively possesses the necessary knowledge and experience related to business, social and cultural conditions in the markets most significant to Metso.

Furthermore, the members of the Board shall jointly have sufficiently diverse professional and educational backgrounds, strong industry knowledge, strong experience in international business, strategy development and implementation skills, experience in company leadership in various development phases, capital market understanding, knowledge of ESG development, balanced geographical and nationality backgrounds, sufficiently diverse age and gender distribution, an appropriate balance of decision-making capability, skills and experience, as well as other personal capabilities, such as innovation and constructive questioning, and sufficient time available for Board work.

Metso's Board includes specific sustainability expertise. For instance:

- One member of Metso's Board of Directors is an experienced sustainability professional who serves on the Board of another listed company as well as in the Board and its ESG committee for a non-listed impact investing company.
- Another member of the Board holds several executive positions that include sustainability responsibilities.
- Several Board members have experience in the mining industry, including dealing with the sustainability challenges faced by the industry.

Metso's Board and its committees and the Metso Leadership Team may occasionally seek assistance from internal or external subject matter experts. Preparatory sessions involving a broader group of stakeholders may precede discussions, reviews, and decisions within the Board's committees. However, the Board primarily relies on Metso's internal sustainability expertise, as explained in section *1.4.5. Internal controls over sustainability* and *1.4.6. Risk management systems and policies* and it has not engaged external experts other than the sustainability assurance provider for sustainability matters in 2024 .

The Metso Leadership Team reflects a diverse profile in terms of gender, backgrounds, and capabilities. In 2023, Metso 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 the end of 2030. In 2024, the ratio was 18/82%.

Sustainability-related expertise within the Metso Leadership Team includes:

- Expertise and responsibility for social and people-related topics – Chief People Officer
- Governance expertise and responsibility – General Counsel
- Environmental, health and safety expertise and responsibility – Chief Growth Officer

Management diversity

Category		2024	2023	2022
Board of Directors	Non-executive members	9	9	9
	Independent of the company	100%	100%	100%
	Women to men ratio	0.5 : 1	0.5 : 1	0.5 : 1
Leadership Team	Executive members	9	9	9
	Non-executive members	0	0	0
	Women to men ratio	1.25 : 1	0.8 : 1	0.8 : 1

1.4.3. Sustainability focus areas in 2024

In 2024, the sustainability-related activities of the Board of Directors and its committees included:

- Following up on strategy execution, including progress of financial and sustainability targets and KPIs
- Monitoring safety performance and related improvement initiatives
- Ensuring compliance with regulatory developments, including the Corporate Sustainability Reporting Directive
- Following up on sustainability reporting capability development at Metso
- Monitoring compliance, Code of Conduct and anti-corruption activities
- Following up on employee engagement and culture building actions

In 2024, the Metso Leadership Team's sustainability-related activities focused on the following:

- Progress made at sites with safety challenges
- Metso's approach for safety conversations and risk observations, including the process for follow up on high-risk near misses
- Approval of Metso Plus as the new name for the sustainable offering portfolio (previously Planet Positive)
- Customer engagement activities through NPS development
- Approval of new sustainability targets

Safety and people topics are a standing agenda item in all Metso Leadership Team meetings.

1.4.4. Integration of sustainability-related performance in incentive schemes

The Board of Directors is responsible for determining and overseeing Metso's variable pay schemes, including both short-term (STI) and long-term incentive (LTI) plans. These plans are aligned with the company's Remuneration Policy. Additionally, the Board sets and assesses the performance metrics for the STI and LTI programs for the President and CEO, as well as other leadership team members. Approximately 200 Metso executives and key employees, including the President and CEO and the leadership team, participate in the rolling 3-year LTI program.

Metso's LTI performance metrics are based on the company's share price development, profitability and sustainability. Currently, Metso's STI programs do not incorporate ESG metrics.

The targets for the Performance Share Plan (PSP) 2021–2023 plan were absolute total shareholder return (50% weight), adjusted earnings per share (40% weight) and an ESG metric (10% weight). The ESG metric set was a CO_2-equivalent emissions reduction in own operations and logistics, with a threshold of 24 percent reduction against the 2019 baseline. The reward of this plan was paid out in 2024 based on the performance against these metrics. In 2022, Metso decided to incentivize the 'sales growth of the Metso Plus offering (previously known as Planet Positive) as an ESG metric.

Metso incorporates ESG metrics into its long-term incentive plans to support its sustainability aspirations. This ESG metric incentivizes the development of a broader and more sustainable product and services offering for customers. It measures the share of the Metso Plus portfolio's overall sales and aims for a significant increase in this metric. The threshold for this metric is set at +3 percentage points higher than the Group's total sales growth, targeting to increase the share of sales coming from the Metso Plus portfolio. For the PSP 2022–2024, where Metso Plus sales growth is set as a target, the first possible reward payment is in 2025.

The LTI payment made in 2024 to the President and CEO for PSP 2021–2023 was 118,026 shares, and the aggregated total for the other Leadership Team members was 199,892 shares.

Metso's remuneration principles and the overall remuneration of the President and CEO are described more in detail in the Remuneration report.

1.4.5. Internal controls over sustainability

The governance model for internal control is described in Metso's Corporate governance statement, published simultaneously with this Sustainability statement. Defining and adopting a full governance model and documented control framework for sustainability reporting is an ongoing development area.

Metso's Internal Control Policy, applicable across the organization and approved by the Board of Directors, aims to ensure an adequate and effective internal control environment in all Metso's operations. This includes corporate standards, policies, guidelines and instructions. The President and CEO, the Metso Leadership Team and the management of the business areas and market areas are responsible for compliance and maintaining an effective and efficient control environment. These measures ensure that management directives are effectively executed and that all necessary actions are taken to address sustainability risks. Additionally, Metso's sustainability reporting adheres to Group-level principles and processes for statutory reporting, risk management and internal control.

Metso's Code of Conduct, Supplier Code of Conduct, Anti-Corruption Policy, Human Rights Policy, and Donation & Sponsorship Policy, as well as the Quality, the Environment, Health and Safety (EHS), and Biodiversity Policies, as well as HR processes, described in more detail in section *3.1.4.1 People and culture*, define the basic requirements for meeting Metso's environmental, social and economic responsibilities. Detailed information about these policies and their relevance can be found under each relevant standard: *E1 Climate change, E3 Water, E4 Biodiversity, S1 Own employees* and *S2 Workers in the value chain*.

Metso's Code of Conduct is the key corporate standard outlining the fundamental principles that are then fleshed out in the company's policies and guidelines. With the Code of Conduct, Metso commits to proper business conduct, sustainability, and compliance across all operations. It summarizes in a single document the topics that are important in terms of health and safety, human rights, sustainability, anti-corruption anti-bribery, trade compliance, information disclosure and other relevant compliance areas. It aims to ensure that the same values and principles are followed wherever Metso has operations and that Metso's business partners follow the same principles. By adhering to these shared values and principles, Metso strengthens its corporate culture, employee engagement, and reputation. Everyone at Metso is expected to take ownership of compliance, ensuring that all business decisions and actions align and comply legally and ethically with Metso's Code of Conduct.

Metso's Anti-Corruption Policy underlines Metso's zero tolerance towards bribery and corruption. It commits the Group to proper business conduct and integrity in all business interactions. This policy applies to all Metso employees regardless of their position, responsibilities or location. Furthermore, Metso expects third parties to adhere to similar principles and share Metso's commitment to ethical business behavior.

The Metso Compliance Program seeks to ensure compliance with governance principles and the Code of Conduct within Metso units. The program is designed to create a coherent control environment by implementing appropriate internal control principles for business processes and sharing best practices related to internal control.

Metso also places significant emphasis on safe operational practices and fair employment standards within its supply chain. Ensuring continuous due diligence, risk identification and mitigation, and supporting the implementation of various climate change actions taken by suppliers are among Metso's top priorities. In general, responsible suppliers, from Metso's perspective, prioritize and take action in alignment with Metso's Supplier Code of Conduct. Metso's approach to its supply chain is based on a systematic and risk-based due diligence process, which assesses partners' and suppliers' adherence to the Supplier Code of Conduct.

The sustainability reporting control environment reflects management's commitment to sustainable and responsible business conduct. The accuracy and completeness of information as well as the timing of the reporting have been identified as risks. Possible sources of data errors in sustainability reporting have been identified, and they are monitored during the process. They relate e.g. to data classification, weak estimates, faulty or outdated conversion factors, IT system integrations, and undocumented processes. Existing controls for data accuracy include e.g. indicator and time-based comparisons, IT system validation fields, data completion reviews, as well as documentation and training. The sustainability reporting process includes several layers of control in order to address these risks and to ensure that the disclosed information is accurate, complete, and timely.

The Sustainability team, coordinates sustainability reporting and reports on the process to the Audit and Risk Committee on a quarterly basis. Specialists in sustainability reporting, regulation, data, finance, and communications contribute to producing accurate and comprehensive sustainability reporting at Metso.

For sustainability reporting, indicators and key performance indicator owners at the Group level have been identified. Each indicator has a named process owner who oversees and is responsible for data collection. Systems used in data collection have built-in controls that enhance data integrity and thus the accuracy and completeness of reporting. Reporting is often based on several data sources, including manual data input and calculations. Therefore, indicator owners have a key role in ensuring the accuracy and completeness of the information. In addition to reviews performed by indicator owners, there are multiple review steps at the Group level to ensure the accuracy and completeness of disclosed information.

Metso will continue to improve its management of sustainability matters and ensure that it implements regulatory changes to enhance its sustainability control framework.

1.4.6. Risk management systems and policies

The sustainability-related risks in this statement have been identified in accordance with the Finnish Accounting Act and are distinct from the financial risks identified in *note 4.1. of the Consolidated financial statements.*

Operating responsibly and promoting sustainability throughout the value chain is a high priority for Metso. Environmental, social or governance misconduct can significantly impact the company's reputation and lead to long-term financial and other consequences, including business interruptions and lost work hours. Metso takes a systematic approach to managing sustainability-related risks. This includes implementing the appropriate policies, risk management practices, due diligence processes, and a risk-focused governance system and organization, as well as considering potential risks in mergers and acquisitions, investments and divestments.

The assessment of sustainability-related risks is part of Metso's systematic risk management process. This assessment encompasses, for example, regulatory, physical and other climate-related risks across all operations. Risk prioritization is done based on assessed severity and likelihood. In addition to evaluating the probability and impact of these risks, the assessment also identifies opportunities. The aim of this process is to minimize the adverse impacts from strategic, financial and operational risks, and to remove or mitigate hazards and capitalize on opportunities.

A team of senior specialists across businesses and Group functions identifies risks, evaluates potential impacts, and determines mitigation strategies annually. Sustainability risks are then incorporated in the company's overall risk register and risk assessment. The results are reported annually to the Metso Leadership Team, the Audit and Risk Committee and Metso's Board of Directors.

Certain sustainability risks are assessed at the sales project level in alignment with Metso's global project risk management process. Regular audits of Metso's main manufacturing sites evaluate business interruption risks, including climate-related factors such as natural events. Business continuity plans incorporate strategies to mitigate potential business interruptions, while the annual 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 their day-to-day activities.

1.4.7. Due diligence at Metso

Metso aligns its internal control practices with the risk management framework approved by the Board of Directors. An audit framework, including for example quality, environmental and health and safety audits, as well as supplier audits, is in place to support risk management by assessing compliance and facilitating continuous business development. The Internal Audit function annually assesses the effectiveness of Metso's operations and the adequacy of risk management, and reports risks and weaknesses related to internal control processes to management and to the Audit and Risk Committee. Metso's integrated management system adheres to international standards, with key units certified to ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (health and safety).

The company's due diligence approach aligns with the UN Guiding Principles for Business and Human Rights. Sustainability due diligence is embedded in Metso's governance, strategy, and business model. It encompasses the following aspects:

- Identifying, preventing, mitigating and accounting for potential negative impacts on people and the environment, particularly those of a systemic nature, integrating findings across functions and processes to take appropriate corrective action.
- Informing administrative, management and supervisory bodies about possible adverse sustainability impacts and corrective actions taken or planned.
- Incentive schemes related to sustainability matters.
- Evaluating the effect of sustainability impacts, risks and opportunities on strategy and the business model.

Metso uses various screening and assessment methods as part of its due diligence, covering the full value chain. This includes suppliers, logistics, own operations, business relationships, as well as Metso's products and services. Due diligence activities involve audits and inspections, conducted either as desktop assessments or on-site physical inspections, which often include a visit to the production facilities by Metso or a third party. Descriptions of Metso's due diligence practices can be found under each relevant standard in this statement.

1.5. Stakeholder engagement

Continuous interaction with stakeholders – entities or individuals that have an impact on Metso's business or are affected by Metso's activities, products and services – is important in defining and adapting Metso's approach to sustainability. Active dialogue with stakeholders aligns social, environmental and governance practices, enhancing decision-making and accountability for all parties involved. Metso's Chief Growth Officer, supported by the Sustainability team, is responsible for the proactive management of internal and external stakeholders' expectations. Metso's CFO is responsible for managing investor relations.

Metso has a systematic approach and processes for collecting, evaluating and processing employee, customer and investor feedback. As part of the double materiality analysis conducted in 2023, Metso redefined its key stakeholders, and the views of these stakeholders informed the definition of material topics. In 2023, this process led to the inclusion of biodiversity as a material topic for Metso. These views are also an important input into the annual strategy development cycle, in particular by helping to define investment priorities for reducing Metso's environmental impact and developing value propositions that address customers' sustainability challenges. Going forward, Metso will continue engaging with external stakeholders and considering their views as potential drivers for changes to the Group's strategy. This collaboration will improve the systematic identification and active engagement of key stakeholders, as well as the collection and processing of stakeholder feedback.

The Audit and Risk Committee is informed about the views of Metso's most important stakeholders, and these views are taken into account when sustainability-related issues are considered. The Board is informed about the views of stakeholders when the business areas present their strategies once a year.

Metso is committed to long-term value creation for its shareholders, and its sustainability performance is an important contributor to this. Metso follows the principle of equality in its investor communications by providing accurate, sufficient, and timely information, including sustainability-related information, to all market participants. The company's Disclosure Policy, approved by the Board of Directors, complies with the Market Abuse Regulation (MAR) and ensures consistent and reliable information dissemination.

Metso has active discussions with many of its customers to support them in reaching their sustainability targets and works with customers to make improvements to their processes, products and own operations. Metso regularly connects with its supplier base to support, advise and educate them on sustainability. Metso's supplier base includes direct suppliers, indirect suppliers, field service suppliers, logistics suppliers and IT suppliers.

Regarding media strategy, Metso aims to provide easy access to clear, accurate information, case studies, and expert views through various channels. Metso also collaborates with several non-governmental organizations (NGOs). Community projects are based on local needs, defined through discussions with local communities, and aim to integrate volunteer work. Metso also collaborates with its customers on co-funded community projects. Metso also engages with authorities, regulators and governments, and emphasizes cooperation with universities and research institutes as a vital aspect of its sustainability and innovation approach.

Metso's engagement with key stakeholders in 2024

How we engage?	Key topics and concerns discussed in 2024	Actions in 2024
CUSTOMERS		
Metso has active discussions with many of its customers to support them in reaching their sustainability targets and works with customers to make improvements to their processes, products and own operations. Metso collaborates with customers in developing new sustainable technologies. More details about engagement are available under each relevant standard *(E1 Climate Change, E3 Water* and *E4 Biodiversity).*	• Supply chain emissions • Supplier (Metso's suppliers) sustainability performance • Code of conduct and human rights-related topics • Products and services with sustainability benefits • Health and safety at Metso and in the supply chain, as well as product safety	2024 key actions are described in detail under each relevant standard *(E1 Climate change, E3 Water* and *E4 Biodiversity).*
SUPPLIERS		
Metso's approach to responsible supply chain management is rooted in due diligence. Key to this effort are the signed Supplier Code of Conduct and frequent internal and third-party supplier sustainability audits, especially in ESG high-risk regions, and encouraging suppliers to set their own ambitious climate targets. More details about engagement under sections *3.2.5.-3.2.7. Responsible supply chain processes, remediation, metrics and actions.*	• Climate change-related initiatives • Logistics and supply chain emissions • Scope 3 emissions data collection • Human rights through audits • Health and safety	In 2024, Metso renewed its Supplier Code of Conduct and put more focus on the topic of human rights in the supply chain. Key actions are described in more detail under section *3.2.7. Responsible supply chain metrics and actions.*
EMPLOYEES		
Metso engages actively with employees locally through various formal and informal channels: townhall meetings between management and employees, various union and works council meetings in various countries, European works council meetings, etc. All employees have the opportunity to also give anonymous feedback to the company through the employee engagement survey. More details about engagement under *S1 Own workforce.*	• Safety, health and wellbeing at work • Diversity and inclusion • Proportion of women in the workforce • Psychological safety • Inclusive talent acquisition • Safety culture • Developing Metso's leaders • Internal collaboration • Scarcity of talent in particular expertise areas • Blue-collar engagement	Metso conducted four employee engagement surveys in 2024: two full surveys for all employees, and two shorter pulse surveys for white-collar workers. The results are discussed, and actions agreed within teams quarterly. Key actions in 2024 are described in more detail in sections *3.1.7-3.1.8. Metso's people and culture,* and *Health and safety actions.*
SHAREHOLDERS		
Metso follows the principle of equality in its investor communications by providing accurate, sufficient, and timely information to all market participants through releases, in conference calls, meetings and Capital Market Days. This includes sustainability-related information.	• Metso's strategy • Organic and inorganic growth opportunities • Competitive environment • Financial and sustainability performance • Sustainable offering and value to customers • Shareholder returns	Key actions in 2024 included releases, interim reports, analyst calls, investor roadshows and other meetings, investor seminars and conferences, site visits and investor website.

How we engage?	Key topics and concerns discussed in 2024	Actions in 2024
MEDIA		
Regarding media strategy, Metso aims to provide easy access to clear, accurate information, case studies, and expert views through various channels. The company focuses on trade media for press coverage and maintains both local and global interactions with media representatives and established trade media outlets. Metso's experts regularly meet trade press representatives at exhibitions and conferences.	• Metso's strategy and sustainability initiatives • Product offering and expansion of service and manufacturing capabilities	2024 actions included e.g. CEO interviews with Finnish and international media, subject matter interviews with trade media and local media, as well as media visits to Metso locations.
NON-GOVERNMENTAL ORGANIZATIONS		
Metso collaborates with several non-governmental organizations. Metso's sponsorships and donations primarily focus on environmental protection and conservation, safety programs, and natural disaster relief. These priorities are set in the Sponsorships and Donations Policy.	• Green steel	2024 actions included actively working to assess the technical viability of green steel and to help the development of this new sector, including engagement with steel mills and customers. Metso's participation in the Climate Leadership Coalition continued in 2024.
LOCAL COMMUNITIES		
As a responsible corporate citizen Metso works closely with local communities around its operating sites and creates social value to local communities by providing employment opportunities and supporting corporate social responsibility projects that bring measurable benefits to them. Community projects are based on local needs, defined through discussions with local communities, and aim to integrate volunteer work. Metso also collaborates with its customers on co-funded community projects.	• Education for children and vocational education • School partnerships • Volunteer work • Support for local communities and indigenous people	Metso is committed to being socially accountable in the areas where it operates. In 2024, Metso had various corporate social responsibility (CSR) programs and Metso Volunteers activities ongoing around the world, managed and sponsored by Metso's local organizations.
AUTHORITIES, REGULATORS AND GOVERNMENTS		
Research and development collaboration with stakeholders occurs primarily through EU programs, Business Finland, and the EIT Raw Materials Knowledge and Innovation Community.	• Sustainable minerals and aggregates processing • Green energy transition and electrification • Resource efficiency • Automation and digitalized process optimization • Safety	
UNIVERSITIES AND RESEARCH INSTITUTES		
This collaboration takes various forms, including projects, school visits, apprenticeship training, internships, and dissertation positions.	Tightening collaboration with select technical universities; university and student collaboration is seen important in tackling talent challenges such as: • Shortage of workforce • Acquiring new diverse skills • Increasing gender diversity	2024 actions centered around identifying the main universities for collaboration in key talent markets and creating global guidelines for university and student collaboration.

2. E — Environmental information

2.1. Metso Plus offering and innovations to our customers

Metso's most significant environmental impacts result from customer use of its products and processes. The Metso Plus offering and innovations are important in managing these impacts. It is essential for equipment and services suppliers like Metso to support the mining and aggregates industries in the transition towards more sustainable operations and decarbonization while enabling increased production of minerals, such as copper, lithium and nickel, to support global electrification.

Metso's customer industries will always have an environmental impact. The mining, metals processing, and aggregates industries face increasing demands to reduce their use of energy and water resources, and to mitigate dust, noise and biodiversity impacts, as well as to comply with increasingly stringent environmental legislation. Developing innovative solutions that are more energy efficient is one of the key priorities for the mining industry where the comminution process, consisting of crushing and grinding, is the most energy-intensive stage of minerals production. Given the decreasing grade of ore bodies, which requires even more processing of ore to achieve the same volume of metal, improving processing efficiency is vital. Improvements in comminution efficiency and ore pre-sorting solutions can result in significant energy savings, reduce plant operating costs, increase resource efficiency, and reduce greenhouse gas emissions.

A portfolio of products that are more energy, carbon and water efficient than benchmark technologies also enables cost and resource efficiencies. Metso's products, processes and services are designed to help customers operate safely, achieve higher productivity, and reduce their resource intensity. The Metso Plus offering includes solutions that offer improvements in reducing energy and carbon intensity, water use, pollution, and embedded carbon compared to an industry baseline or benchmark technology. In addition, these products are required to perform at the same or preferably higher level than the industry benchmark in terms of their health and safety, pollution, and biodiversity impact. Electric solutions are an important part of the portfolio; Metso's offering for the mining and metals industries allows customers to choose renewable energy sources. For example, Metso's offering in aggregates is currently around 45% electric and includes dual power source products such as the Lokotrack EC range launched in 2024.

Metso Plus sales in 2024 were EUR 1,261 million, which represents 26% of total sales. Metso aims to grow Metso Plus sales faster than overall sales and to have a Metso Plus product in every part of the customer value chain where Metso operates. To achieve this, Metso targets to spend 80% of its R&D spend on the sustainable Metso Plus portfolio by 2030 and 100% of its annual R&D project spend on projects with sustainability targets for energy efficiency, emissions reductions, water efficiency, circularity, or safety improvements. In 2024, Metso Plus sales development was also part of Metso's long-term management incentive plans.

Metso's R&D program is the basis for future growth and competitive advantage — turning technology breakthroughs into new or improved products. It also enables Metso to further support customers in achieving their sustainability objectives, since these often require new technologies. In 2024, Metso spent EUR 103 million on R&D in-house, in addition to participating in a number of joint technology ventures with customers and external research partners, e.g. the below-mentioned DRI smelting pilot. In 2024, altogether 24 new Metso Plus solutions were launched as a result of R&D work done in previous years.

The Metso Plus offering related to the material environmental topics of climate change, water and biodiversity is discussed in more detail in sections *E1 Climate Change, E3 Water* and *E4 Biodiversity*.

KEY ACTIONS IN 2024 RELATED TO THE METSO PLUS OFFERING AND INNOVATIONS FOR CUSTOMERS INCLUDED:

- EUR 8 million investment in a direct reduced iron (DRI) Smelting Furnace pilot facility in Pori, Finland. This facility aims to test, develop and validate the technology further with customers, demonstrating the applicability and results of industrial-scale DRI smelting. The new processing route can replace traditional blast furnaces used in iron and steel making, which generate most of the CO_2 emissions in steel production. The furnace can handle a high level of slag, unlike current scrap furnaces, allowing the use of a wide range of raw materials. This is an optimal solution for primary steel producers aiming for a significant reduction in their CO_2 emissions with minimal changes to the rest of the steel plant.
- Launch of the Metso pCAM plant. This solution is for the manufacturing of precursor cathode active material, essential for lithium-ion battery production. Metso's pCAM plant integrates advanced technology and decades of know-how to ensure an energy-efficient process.
- Launch of Metso's first diesel-electric Lokotrack EC range units. The Lokotrack® EC range introduces a new diesel-electric unit to the aggregates market. All process functions are electric, significantly reducing the use of hydraulic oil needed in crushing operations. The units can be powered with renewable electricity and feature a new modular architecture, reducing the number of components and providing scalable solutions that are adaptable to different applications and capacities. Using renewable energy reduces emissions from rock crushing.
- Expansion of Metso's innovative mill lining recycling circularity solution for the Megaliner™ and Poly-Met™ rubber liner offering to the Chilean market. This solution enables efficient separation of different mill liner materials, allowing valuable rubber and steel components to be either reused in the manufacturing of new products or recycled. Expansion to the North American market is ongoing.

2.2. EU Taxonomy

The EU Taxonomy is a classification system that translates the EU's climate and environmental objectives into criteria for assessing economic activities for investment purposes. Companies that fall under the scope of the Corporate Sustainability Reporting Directive (CSRD) must disclose to what extent their activities meet the criteria set out in the EU Taxonomy. This system gives an indication of the extent to which Metso is succeeding in providing environmentally beneficial offerings to its customers, and the resources Metso has allocated to this area.

The EU Taxonomy includes six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Economic activities that make a substantial contribution to at least one of the Taxonomy's environmental objectives are recognized environmentally sustainable, as long as they do not significantly harm any of the other environmental objectives and they meet minimum social safeguards.

Metso, as a technology company serving the aggregates, minerals processing and metals refining industries, aims to support its customer industries' energy transition towards net zero and decarbonization in line with the overall Taxonomy objectives. More specifically, Metso has assessed which of its activities are included in the EU Taxonomy and have the potential to contribute to climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems objectives. For the 2024 reporting period, the share of Taxonomy-eligible and Taxonomy-aligned activities (revenue, capex and opex) as well as qualitative information for these objectives are disclosed.

2.2.1. Assessment of Taxonomy eligibility

For the eligibility assessment, Metso's products mainly fall under the Taxonomy activities for Climate mitigation '3.6 Manufacture of other low-carbon technologies' (mining and aggregates machinery), '3.9 Manufacture of iron and steel' (consumables), '8.2 Data-driven solutions for GHG emissions reductions' (digital solutions), and '9.1 Close to market research, development and innovation' (test work and technical services). In addition, some of Metso's products fall under the Taxonomy activities for Circularity '3.3 Demolition and wrecking of buildings and other structures' and '5.1 Repair, refurbishment and remanufacturing'. However, some services provided by Metso, whilst enabling process optimization and lifetime extensions through modernizations and upgrades, fall outside the scope of activities included in the EU Taxonomy and are therefore classified as non-eligible. When Metso sells parts purchased from a subcontractor without altering or modifying them in any way or without owning the design of those parts, those parts also fall outside of the scope of the EU Taxonomy.

2.2.2. Substantial contribution

In 2024, Metso assessed whether its eligible products meet the Taxonomy alignment criteria regarding 'substantial contribution', 'do no significant harm' (DNSH) for Climate mitigation and Circular economy, as well as 'minimum social safeguards'. The conclusion was that many of Metso's products have the potential to substantially contribute to the climate change mitigation objective of the EU Taxonomy. These products are considered to be enabling activities, as they enable GHG emission reductions in other sectors of the economy (mining sector) (products in activity 3.9 being transitional).

'Substantial contribution' was assessed on a product or product group level, while the DNSH criteria and 'minimum social safeguards' were assessed on a Group level (with some exceptions where DNSH criteria were assessed on a product level). The 'substantial contribution' assessment of the share of Taxonomy-aligned economic activities for each eligible activity was based on the Taxonomy technical screening criteria.

The alignment assessment of eligible products in activity '3.6 Manufacture of other low-carbon technologies', which requires a life-cycle calculation of GHG emission was completed for several Metso Plus products and will be extended in 2025. In 2024, Metso also concluded that some of its products falling into activity '5.1 Repair, refurbishment and remanufacturing' also substantially contribute to the 'Circular economy' objective. The results of this assessment are shown in the tables below. In 2024, 21% of Metso's products and services in terms of revenue were assessed as EU Taxonomy-aligned activities.

2.2.3. Do no significant harm

Metso also assessed whether its eligible products that substantially contribute to Climate change mitigation and Circular economy objectives meet the DNSH criteria and has concluded that its activities are in line with the criteria laid out in the EU Taxonomy. Specifically, Metso has established and implemented procedures to minimize any adverse impacts of its operations on the environment, and the company complies with all relevant environmental requirements applicable to its operations. Key units of Metso are certified to the ISO 14001 (environment) standard, and all required sites also have permits that comply with national legislation.

With regards to outsourced products, compliance with the criteria was justified based on Metso's Supplier Code of Conduct, where Metso's suppliers are encouraged to have a systematic approach to protecting the environment and to continually look for ways to minimize waste, emissions and discharge from their operations, products and services, and to using energy and raw materials resources efficiently, including water especially in water scarce regions, and preventing deforestation. Environmental practices and compliance with laws and regulations are covered by Metso's third-party supplier audits, supplier self-assessments and Metso's internal supplier sustainability audits. Metso will continue to increase its understanding of its compliance with the DNSH criteria for outsourced products in the coming years.

2.2.4. Minimum social safeguards

Metso has reviewed the EU Taxonomy's 'minimum social safeguards' concerning human rights, corruption, taxation and fair competition, and concluded that it meets the principles of each of the EU Taxonomy's 'minimum social safeguards'. Specifically, Metso supports and operates according to the principles described in the OECD Guidelines for Multinational Enterprises. In addition, 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. Metso's Code of Conduct, Supplier Code of Conduct, Human Rights Policy and Anti-Corruption Policy are the key policies that define the required measures for Metso's employees, customers, agents, suppliers, distributors and other business partners. More information about human rights, bribery and anti-corruption is provided in other sections of this Sustainability statement.

2.2.5. Revenue, Capex and Opex

Identification of Taxonomy-eligible and Taxonomy-aligned revenue was based on Group-level reporting, and capital expenditure (capex) and operating expenditure (opex) are allocated as a percentage of sales of that business area. In addition, revenue related to each aligned activity is based on reported external revenue and is presented as relevant under only one contribution criteria and taxonomy activity to avoid double counting. Metso recognizes revenue from contracts with customers and reports under two segments: Minerals and Aggregates. Revenue for 2024 was EUR 4,863 million, of which EUR 3,656 million is attributable to Minerals, and EUR 1,207 million attributable to Aggregates. The reported figures are in line with Metso's 2024 Consolidated financial statements and have been prepared in accordance with International Financial Reporting Standards (for further details, see note *1.2. Sales in the Consolidated financial statements*).

Capex includes investment in intangible assets and property, plant and equipment (EUR 198 million), as well as in right-of-use assets (EUR 51 million). Taxonomy-aligned capex for 2024 includes additions of EUR 3.9 million in intangible assets, EUR 19.4 million in property, plant, and equipment, as well as EUR 5.3 million in right-of-use assets. Various investments in manufacturing sites and new service centers resulted in increased capex during the reporting period. For the Taxonomy eligibility assessment, the capex of each business area is allocated according to the eligible percentage of sales of that business area. In addition, for the Taxonomy alignment assessment, the capex of each business area is allocated according to the aligned percentage of sales of that business area. Metso has not identified any capex that would fall under categories c) or b) of section 1.1.2.2 in the Delegated Acts, and therefore all Taxonomy-eligible capex is classified as a) "investments in assets or processes associated with Taxonomy-eligible or Taxonomy-aligned economic activities". The reported figures are in line with Metso's Consolidated financial statements 2024 and are based on data prepared in accordance with IFRS Accounting Standards (for further details, see *notes 3.1. Goodwill and intangible assets, 3.2. Property, plant, and equipment, and 3.3. Right-of-use-assets in the Consolidated financial statements).*

Opex is defined as expenses related to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment as well as right-of-use assets that are necessary to ensure the continued and effective functioning of such assets. All indirect costs, such as oil, electricity, real estate tax, have been excluded. For the Taxonomy eligibility assessment, the opex of each business area is allocated according to the eligible percentage of sales of that business area. In addition, for the Taxonomy alignment assessment, the opex of each business area is allocated according to the aligned percentage of sales of that business area. Taxonomy-aligned opex for 2024 includes EUR 81.7 million in research and development expenditure, and EUR 17.4 million in other opex disclosed previously. Increased research and development in copper and battery minerals mainly contributed to the change in opex during the reporting period. Metso has not identified any opex that would fall under categories c) or b) of section 1.2.3.2 in the Delegated Acts; therefore, all Taxonomy-eligible opex is classified as a) "expenditure related to assets or processes associated with Taxonomy-eligible or Taxonomy-aligned economic activities". The reported figures are in line with Metso's Consolidated financial statements 2024 and are based on data prepared in accordance with IFRS Accounting Standards.

Proportion of turnover from products and services associated with Taxonomy-aligned economic activities

2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Absolute turnover (EUR million)	Proportion of turnover (%)	Climate change mitigation (Y; N; N/EL)	Climate change adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y; N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Taxonomy Aligned (A.1) or Eligible (A.2) proportion of turnover, 2023 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [1]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM3.6	357.8	7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8%	E	
Manufacture of iron and steel [2]	CCM3.9	436.0	9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10%		T
Close to market research, development and innovation	CCM9.1	236.2	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Repair, refurbishment and remanufacturing [3]	CE5.1	2.3	0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	NA		
		1,032.0	**21%**	**21%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**20%**		
Of which enabling		**594.0**	**12%**	**12%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**11%**	**E**	
Of which transitional		**438.3**	**9%**	**9%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**10%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM3.6	3,179.3	65.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								67.0%		
Manufacture of iron and steel [2]	CCM3.9	34.2	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Close to market research, development and innovation	CCM9.1	29.9	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Demolition and wrecking of buildings and other structures [3]	CE3.3	0.3	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing [3]	CE5.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.2%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,243.8**	**67.0%**	**67.0%**	**0%**	**0%**	**0%**	**0.0%**	**0%**								**69.0%**		
Total (A.1 + A.2)		**4,276.0**	**88.0%**	**88.0%**	**0%**	**0%**	**0%**	**0.0%**	**0%**								**89.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		586.6	12%														11%		
Total (A+B)		**4,862.5**	**100%**														**100%**		

[1] Includes products where Metso owns the design of the products, although the products might be manufactured by subcontractors.

[2] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso included products where steel was manufactured in electric arc furnaces or in induction furnaces, which is a more energy-efficient technology than an electric arc furnace, and where the steel scrap input relative to product output is not lower than 70% to produce high-alloy steel.

[3] Details not reported due to sensitivity of information.

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Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Absolute CapEx (EUR million)	Proportion of CapEx (%)	Climate change mitigation (Y; N; N/EL)	Climate change adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y; N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Taxonomy aligned (A.1) or eligible (A.2) proportion of CapEx, 2023 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [1]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	6.9	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
Manufacture of iron and steel [2]	CCM 3.9	15.8	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10%		T
Close to market research, development and innovation	CCM 9.1	5.8	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Repair, refurbishment and remanufacturing [3]	CE5.1	0.1	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	NA		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**28.6**	**11%**	**11%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**13%**		
Of which enabling		**12.7**	**5%**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**3%**	**E**	
Of which transitional		**15.9**	**6%**	**6%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**10%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	134.7	54%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								43%		
Manufacture of iron and steel [2]	CCM 3.9	1.2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Close to market research, development and innovation	CCM 9.1	0.7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Demolition and wrecking of buildings and other structures [3]	CE3.3	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing [3]	CE5.1	0.0	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**136.7**	**55%**	**55%**	**0%**	**0%**	**0%**	**0%**	**0%**								**44%**		
Total (A.1 + A.2)		**165.3**	**66%**	**66%**	**0%**	**0%**	**0%**	**0%**	**0%**								**57%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		84.6	34%														43%		
Total (A+B)		**249.9**	**100%**														**100%**		

[1] Includes products where Metso owns the design of the products, although the products might be manufactured by subcontractors.

[2] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso included products where steel was manufactured in electric arc furnaces or in induction furnaces, which is a more energy-efficient technology than an electric arc furnace, and where the steel scrap input relative to product output is not lower than 70% to produce high-alloy steel.

[3] Details not reported due to sensitivity of information.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Absolute OpEx (EUR million)	Proportion of OpEx (%)	Climate change mitigation (Y; N; N/EL)	Climate change adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y; N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of OpEx, 2023 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [1]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	72.2	46%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	38%	E	
Manufacture of iron and steel [2]	CCM 3.9	18.9	12%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8%		T
Close to market research, development and innovation	CCM 9.1	7.9	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%	E	
Repair, refurbishment and remanufacturing [3]	CE5.1	0.1	0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	NA		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**99.1**	64%	64%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**52%**		
Of which enabling		**80.1**	51%	51%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**44%**	**E**	
Of which transitional		**19.0**	12%	12%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**8%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	38.7	25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								42%		
Manufacture of iron and steel [2]	CCM 3.9	1.0	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Close to market research, development and innovation	CCM 9.1	0.2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Demolition and wrecking of buildings and other structures [3]	CE3.3	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing [3]	CE5.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**39.9**	26%	26%	0%	0%	0%	0%	0%								**43%**		
Total (A.1 + A.2)		**138.9**	**89%**	**89%**	0%	0%	0%	0%	0%								**95%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		16.6	11%														5%		
Total (A+B)		**155.5**	**100%**														**100%**		

[1] Includes products where Metso owns the design of the products, although the products might be manufactured by subcontractors.

[2] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso included products where steel was manufactured in electric arc furnaces or in induction furnaces, which is a more energy-efficient technology than an electric arc furnace, and where the steel scrap input relative to product output is not lower than 70% to produce high-alloy steel.

[3] Details not reported due to sensitivity of information.

In addition to the activities listed in the previous tables, Metso also has products in Taxonomy activity '8.2 Data-driven solutions for GHG emissions reductions'. These products are often sold as part of another product, and their sales are therefore not recorded or reported separately.

Form 1 for the economic activities of certain energy sectors — Nuclear energy- and fossil gas-related activities

	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to the research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

2.3. E1 Climate Change

Metso's transition plan to net zero is directly linked to the company's purpose of enabling sustainable modern life by creating manufacturing operations that have low or zero carbon emissions and by gradually paving the way for products and solutions that make it possible for Metso's customers to reduce or eliminate carbon in their operations. This ambition is in line with Metso's strategic target of supporting progress in sustainability in alignment with the Paris Agreement 1.5-degree commitment, as described in more detail in section *1.3. Metso's strategy, business and value creation*.

Metso aims to continuously reduce the environmental impacts of its operations and has set science-based (SBT) CO_2 emission reduction targets to achieve this ambition. Metso aims to halve the emissions from its own production by 2030, reduce emissions from logistics by 20% by 2025, reduce scope 3 GHG emissions from the use of sold products by 20% by 2025, and work with suppliers to encourage them to set their own science-based CO_2 emission targets. The Science Based Targets Initiative has validated these climate targets (All SBT targets have 2019 as their base year). In 2021, Metso further strengthened its commitment by setting a new target to reach net-zero CO_2 emissions in its own operations by 2030 (non SBT target).

For Metso's own operations, achieving net-zero CO_2 emissions by 2030 will mainly result from equipment electrification, using renewable energy sources, and optimizing the energy, water consumption and waste efficiency of individual production processes. For Metso's value chain, net-zero CO_2 emissions by 2050 will mainly come from supplier engagement around climate change mitigation actions, working with logistics service providers on transportation mode optimization towards decarbonization, and from helping customers to decarbonize their production processes through the development and commercial availability of sustainable products and solutions.

2.3.1. Material impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
CLIMATE CHANGE MITIGATION			
Future sustainability-related requirements will influence market expectations and lead to completely new or alternative technology solutions and processes. Metso and Metso's customer industries create CO_2 emissions and have an environmental impact.	Inability to meet these requirements threatens business continuity in the long term.	New services and products across the value chain will help the mining and metals industries respond to a more volatile environment with increasing demand for sustainability solutions. This will create new business opportunities for Metso.	• Metso Plus offering — over 100 products and services that are more energy-efficient than an industry benchmark or a previous-generation product in the market. Metso aims to keep expanding and improving this offering to have the sustainable alternative in every part of its customers' value chain. • All Metso's R&D projects must have sustainability targets. Furthermore, 80% of R&D spend should be on products that are likely to be included in the Metso Plus portfolio.
Climate change will impact the physical and business environment; emerging technologies and the transition to a lower carbon economy may change business models and customer demand. Shifts in customer demand and general market requirements may challenge companies to adapt to these changes. Metso provides solutions for this transition.	Inability to meet the new demand is a threat to business. Increased volatility may result in supply chain challenges.	Electrification will increase the demand for certain metals, such as copper and other battery metals, which will strengthen the demand for minerals and hence the outlook for mining and Metso's business.	
CLIMATE CHANGE ADAPTATION			
	Access to water, responding to higher temperatures, and heatwaves will require adaptations in Metso's own operations and therefore additional resources. Increasing levels of CO_2 emissions will lead to increasing temperatures in Metso's locations globally.		A high-level analysis of direct climate impacts on Metso's manufacturing locations as well as the Group's ability to adapt to changes now and in the coming 5–10 years.
CLIMATE CHANGE ENERGY			
Metso uses energy and its production generates greenhouse gas emissions (Scope 1 and Scope 2).	Availability of energy, especially clean energy, will become increasingly important. However, affordable access to clean energy might be restricted, particularly in remote customer locations, and with significant differences between countries. This can increase operating costs and decrease profitability.	Companies developing and offering clean energy solutions and demonstrating increased energy efficiency will have a competitive edge in countries that are still developing their green energy sectors.	• Metso has a net-zero target and a transition plan to achieve the target, as described in more detail in section *2.3.5. Environmental efficiency in own operations.* • Metso has solutions to track and reduce energy consumption of Metso's products in customer operations.

Climate change-related impacts, risks and opportunities, as well as their potential financial impacts are described in more detail in section *2.3.7. Anticipated financial effects – risks and opportunities*.

2.3.2. Processes to identify and assess material impacts, risks and opportunities

Material impacts, risks and opportunities related to climate change have been identified in a double materiality assessment. The materiality assessment is discussed in section *1. General information*.

2.3.3. Targets and progress on targets

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
CO_2e emissions: Scope 1 & 2 (market based)	Decrease CO_2e emissions by 72% compared to 2019 baseline	Net zero by 2030	40,978 tCO_2e	40,140 tCO_2e	2% (–66%[2])
CO_2e emissions: Scope 1 & 2 (market based), with use of GAS-RECs	Decrease CO_2e emissions by 72% compared to 2019 baseline	Net zero by 2030	33,799 tCO_2e	31,463 tCO_2e	7% (–72%[2])
CO_2e emissions: Logistics	Decrease CO_2e emissions by 20% compared to 2019 baseline	Decrease CO_2e emissions from logistics by 20% by 2025	152,000 tCO_2e	168,000 tCO_2e	–10% (–13%[2])
Suppliers with CO_2 targets	25% of direct procurement spend is with suppliers that have set an SBTi approved CO_2 emission target [3]	30% of direct procurement spend is with suppliers that have a science-based CO_2 emission target (SBTi-approved) by 2025	31.6%	24.3%	Above target
Metso Plus portfolio[1]	Grow sales of Metso Plus portfolio faster than overall sales	Grow sales of Metso Plus portfolio faster than overall sales	EUR 1,261 million	EUR 1,515 million	Below target
R&D projects with sustainability targets[1]	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	97.5%	99.8%	Below target
R&D spend on Metso Plus portfolio development[1]	80% of R&D product development spend on Metso Plus portfolio	80% of R&D product development spend on Metso Plus portfolio by 2030	78.1%	79.0%	In progress

[1] Entity specific disclosures.
[2] Compared to 2019 baseline.
[3] % of procurement spend for all suppliers that have committed to SBT target was 29.5% and to SBT or equivalent target was 31.1% in 2024.

Metso's net-zero target for Scope 1 and 2 was set in 2021, and the Scope 3 targets were set in 2020. Internal stakeholders, such as business area representatives, were consulted when setting the ambition level for these climate targets.

2.3.4. Policies

Metso's policies on Quality, on Environment, Health and Safety (EHS), and on Biodiversity define the basic requirements for meeting Metso's environmental responsibilities, including climate change. Metso's EHS Policy states that Metso protects the environment throughout the value chain, aiming to minimize pollution, protect biodiversity, and reduce the use of natural resources and energy. The policy outlines Metso's commitment to compliance with applicable laws and regulations and strives to exceed these by:

- Clear target setting for EHS
- Continuously developing management systems and ways of working to decrease Metso's environmental impact
- Active consultation with employees regarding environmental topics and encouraging employees' regular participation in environmental activities
- Thoroughly managing hazards and reducing risks to provide environmentally efficient working conditions in the value chain

While the President and CEO and the Metso Leadership Team are ultimately responsible for implementing the EHS Policy, all employees work to apply it. By empowering everyone to speak up and take action, Metso aims to ensures that the policy is fully met. The full EHS Policy is available on the Metso website.

2.3.5. Environmental efficiency in own operations

Metso has committed to reach net zero in its own operations by 2030 for Scope 1 and 2, and progress is closely monitored through key performance indicators (KPIs) as set out in section *2.3.3. Targets and progress on targets*.

To reach this net-zero goal, Metso is actively pursuing decarbonization initiatives across its operations. These efforts primarily involve reducing reliance on carbon-based energy sources within Metso's own facilities by:

- Optimizing processes at its manufacturing sites by reducing energy consumption and improving overall efficiency
- Electrification of equipment, especially by choosing cleaner energy alternatives
- Purchasing energy from low-carbon or carbon-free sources

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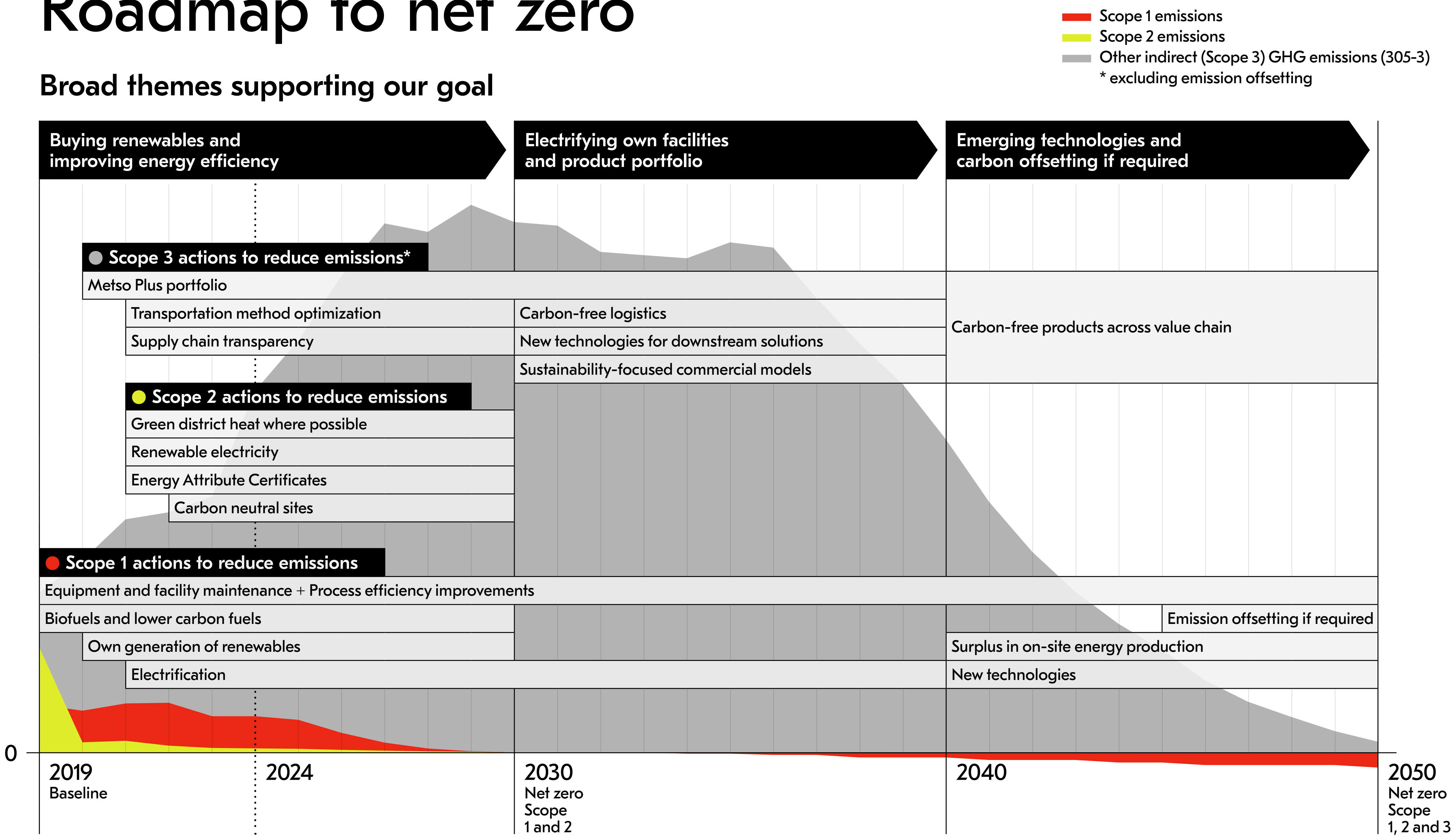
Roadmap to net zero

Broad themes supporting our goal



Metso's scope 3 commitment is to reach net zero by 2050 Reaching this target will involve making progress in three main areas: reducing carbon embedded in products procured by Metso, reducing the carbon footprint of logistics, and reducing the carbon emissions from Metso equipment used by customers. Reducing embedded carbon is pursued largely through engaging with suppliers and encouraging them to set their own science-based targets.

Metso aims to reduce logistics-related CO_2 emissions by 20% by 2025. Therefore, Metso works closely with its logistics service providers to reduce the CO_2 emissions generated through upstream and downstream logistics. This will primarily result from optimizing transportation methods, thoughtful packaging design, and supply chain streamlining.

Equipment-related Scope 3 decarbonization actions are tied to Metso's energy- and carbon-efficient Metso Plus offering as well as to Metso's collaboration with its customers and other stakeholders in developing new technologies. The Metso Plus offering and approach to innovations for the decarbonization of Metso's customer industries are described in section *2.1. Metso Plus offering and innovations for our customers*.

When new decarbonization solutions emerge — such as those related to logistics and supply chains — Metso is committed to promptly investigating their feasibility and aims to have the time and resources in place to investigate the possibilities to implement them. However, Metso is dependent in this regard on policymakers and energy market development in individual countries where Metso's customers operate and where it has suppliers.

Currently, Metso tracks progress in this area through KPIs for the proportion of direct spend on suppliers with science-based targets and for Metso's logistics carbon footprint.

2.3.6. Actions

Metso aims to allocate sufficient resources to deliver its Scope 1 and 2 decarbonization actions. In 2024, Metso invested over EUR 0.6 million in capital projects to reduce its CO_2 emissions and expects to spend another EUR 4 million during 2025–2030. In 2024, operational costs associated with climate change mitigation was around EUR 275,000.

The achieved GHG reductions from actions implemented are presented below. As of 2024, the company remains on track with its decarbonization transition plan. Key Performance Indicators as required under the Commission Delegated Regulation (EU) 2021/2178 are available in section *2.2. EU Taxonomy*.

Reduction of GHG emissions

Accumulated reduction of GHG emissions, tCO_2e	2024	2023	2022
Reduction of emissions Scope 1, tCO_2e	16,641	15,301	9,059
Reduction of emissions Scope 1, tCO_2e with use of GAS-RECS	23,820	23,979	10,547
Reduction of emissions Scope 2, tCO_2e	60,723	70,181	88,333

Business area- and market area-specific environmental roadmaps were approved in 2024; going forward, these plans and budgets will be reviewed annually to ensure that that timelines are met.

Metso's most significant planned investments in decarbonizing its own operations focus on electrifying foundries and metal casting processes within its facilities in China and India.

SPECIFIC ACTIONS COMPLETED IN 2024 INCLUDE:

- Electrification of a smelting furnace in Quzhou, China
- Installation of solar panels at manufacturing locations in Australia, China, India and Mexico
- Change from diesel to electric forklifts and company vans in Australia, China and Finland
- Installation of air-cooling pumps for improved air-cooling efficiency in Finland
- Surplus heat re-use from compressor room to other processes in China

2.3.7. Anticipated financial effects — risks and opportunities

Climate change affects many aspects of Metso's business, and the company regularly analyzes climate change-related risks and opportunities and their potential impact on the business. Transitional and physical risks and opportunities resulting from climate change are reported in this Sustainability statement, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

As a company with a global presence, the impacts of climate change on Metso'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 operations require individual assessment of issues to address them correctly and effectively. An assessment of climate change-related risks and opportunities across various time horizons is conducted as part of Metso's regular corporate risk assessment process and is included in Metso's strategy work. In assessing climate change impacts, Metso considers 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. All climate change-related risks, with an estimate of their probability and possible impact relative to annual sales, are noted and assessed.

The most significant risks and opportunities identified for Metso include the ability to develop environmentally efficient products to meet customers' future needs and the ability to operate in a changing business and external environment. Additionally, environmental legislation, customer energy supply, the global regulatory environment, and political and social unrest are considered material factors. The potential risks and opportunities identified based on the assessment and their estimated potential financial impacts are presented in the following tables.

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. The 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 Metso's product and services offering. Inability to develop the innovations needed for the increasing commodity supply required for the energy transition is a risk.	Intermediate	Medium
Market	Climate change will impact the physical and business environment. Emerging technologies and the transition to a lower-carbon economy may change business models and customer demand. Shifts in customer demand and general market requirements may challenge companies to adapt to these changes. The inability to meet the new demand is a threat to business. Increased market volatility may result in supply chain challenges.	High	Short—Medium
	The Metso Plus portfolio may be more sensitive to the business cycle than the overall portfolio, which may result in loss of value during industry downturns.	Intermediate	Short—Medium
	The availability of energy, especially low-carbon energy, will become increasingly important. However, access to affordable low-carbon energy might be restricted, particularly in remote customer locations and with significant differences between countries. This can increase operating costs and decrease profitability.	Intermediate	Medium
Reputation	Stigmatization of the industry and a negative perception of companies may adversely affect Metso's or its customers' reputation and social acceptance.	Intermediate	Medium
	Metso's or the industry's negative reputation can adversely impact investors' decisions. This may affect industry structures and Metso's ability to serve carbon-intensive segments.	Intermediate	Medium
Policy & Legal	Climate change concerns are likely to generate new, stricter regulations and legislation. Environmental and emissions reporting obligations will increase.	Intermediate	Short
PHYSICAL RISKS			
Chronic	Customers' access to inputs, e.g. water, can be hindered by chronic changes in the environment. For some customers, this may result in reduced business and, consequently, decreased sales. The increasingly visible impacts of climate change may lead to social and political disruption, which may affect Metso's customers' ability to operate.	Intermediate	Medium—Long
	Chronic risks, e.g. access to water, responding to higher temperatures and heatwaves, will require adaptations in Metso's own operations.	Low	Short—Medium
Acute	Increased frequency and severity of various natural hazards (floods, storms, heatwaves, etc.), including the follow-on social impacts. May cause disruption at Metso locations.	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 mining and metals industries respond to a more volatile business environment with increasing demand for sustainability solutions. This will create new business opportunities.	High	Medium
	Continuous development of new environmentally efficient products or services, and optimizing existing products and services for increased energy, carbon and/or water efficiencies through R&D and innovation to meet customers' future needs.	High	Short—Medium
Resilience	Global operations, with sufficient presence in all key regions, and strong business development capabilities enable 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 in countries that are still developing their green energy sectors.	Low	Short—Medium
Market	Electrification will increase the demand for certain metals, such as copper and other battery metals, which will strengthen the demand for minerals and, consequently, the outlook for the mining industry and Metso's business.	High	Short—Medium
	More stringent regulatory development may increase the demand for Metso Plus solutions.	Intermediate	Medium
Resource efficiency	Environmental efficiency, for example low-carbon raw materials and/or a small footprint in own operations, will become increasingly important and can add to the attractiveness of Metso's technologies.	Low	Medium

The previous tables largely highlight short- and medium-term risks and opportunities. To form a better perspective on the long term, and as part of the TCFD reporting, Metso also analyzed the organization's strategy and resilience against different future scenarios:

- a future where the global average warming will be limited to 1.5 degrees, which is also Metso's 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)
- a middle-of-the-road scenario describing a future between these two extremes (the 'Half way' scenario)

The initial analysis was conducted in 2021 and was updated in 2023 and 2024. The scenarios are based 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 Metso's solutions for customers, enabling them to retain their license to operate and to operate efficiently. Renewables and electrification would create strong demand for copper and battery metals, and spending on infrastructure accelerates. In addition to this being the best climate change outcome, the diversity of Metso's businesses as well as its focus on and investment in enabling technologies would likely result in increased business opportunities, and it is therefore considered to be the most desirable future outlook for Metso. This also enables Metso to adjust or adapt its strategy and business model to climate change.

In the 'Half way' scenario, tighter regulations are still expected to create greater demand for water recycling and water efficiency solutions. Renewables and electrification would also create demand for copper and battery metals, although to a lesser extent than in the 'Right way' scenario. In addition, opportunities would arise from an increase in spending on highways, railways, and elevations for buildings and roads. As discussed in more detail below, in this scenario adapting to the impacts of climate change becomes an important driver of strategy.

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

Finally, given the reality of climate change that is already happening, Metso conducted a high-level analysis of direct climate impacts on its manufacturing locations as well as of its ability to adapt to changes now and in the coming 5–10 years. Based on external databases and interviews with local HSE managers, the most relevant impacts of current and future climate change were identified. Thirty manufacturing locations were included in this assessment, which started in 2023 and was finalized in 2024.

Key hazards that were identified as likely to become significant issues in the future included:

- Heatwaves – several Metso locations are experiencing consequences of increased and prolonged heatwaves. Mitigation actions and plans to cope with this hazard are already in place.
- Flooding (caused by increased precipitation) – several locations are in areas prone to flooding, and action plans are in place.
- Water scarcity – several locations are in water scarce areas.
- Wildfires – wildfires are also relevant for several of Metso's locations, though the impacts are not direct.

Additionally, several of Metso's locations have already experienced the effects of climate change and have implemented effective upgrades to manage related risks, such as increased heat stress and heatwave risks. More information on adaptation pathways will be available in 2025–2026.

This assessment identified potential gaps in Metso's current management systems if climate change goes beyond 1.5 degrees. Metso is in the process of integrating these findings into its risk management system to develop plans for climate change adaptation.

2.3.8. Integration of sustainability-related performance in incentive schemes

Metso's LTI performance metrics currently include measurements related to share-price development, profitability and sustainability. The sustainability element of the current plan aims to incentivize the development of a broader and more sustainable product and service offering for our customers and to ensure that the share of overall sales that comes from the Metso Plus offering increases. For the 2023–2025 PSP, the performance threshold for the Metso Plus portfolio has been set at Group sales growth of +3 percentage points. Detailed information on the sustainability-related performance in incentive schemes is provided in section *1.4.4. Integration of sustainability-related performance in incentive schemes*.

2.3.9. Metrics

Energy consumption and mix

Energy consumption and mix	2024	2023	2022
(1) Fuel consumption from coal and coal products (MWh)	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	40,721	44,339	43,739
(3) Fuel consumption from natural gas (MWh)	117,585	131,595	151,495
(4) Fuel consumption from other fossil sources (MWh)	Not applicable	Not applicable	Not applicable
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	30,417	27,769	29,344
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	188,724	203,704	224,578
Share of fossil sources in total energy consumption (%)	52%	51%	51%
(7) Consumption from nuclear sources (MWh)	10,179	18,533	22,191
Share of consumption from nuclear sources in total energy consumption (%)	3%	5%	5%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	1,865	7,920	6,924
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	155,894	164,563	178,482
(10) The consumption of self-generated non-fuel renewable energy (MWh)	6,384	5,177	3,906
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	164,143	177,660	189,312
Share of renewable sources in total energy consumption (%)	45%	44%	43%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	363,046	399,897	436,081

Energy intensity based on net revenue

	2024	2023	% Change
Energy intensity based on net revenue[1], MWh / EUR million (associated with activities in high climate impact sectors)	87.6	78.6	11%

[1] See note *1.2. Sales in the consolidated financial statement.*

Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestone and target years		
	2024	2023	2019	% Change	2025	2030	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions tCO_2e	37,670	36,912	37,870	2%	Decrease Scope 1 & 2 CO_2 emissions by 76% compared to 2019	Net Zero Scope 1 & 2	13%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO_2e)	75,652	76,956	78,483	-2%	Not applicable	Not applicable	Not applicable
Gross market-based Scope 2 GHG emissions (tCO_2e)	3,308	3,229	83,338	2%	Decrease Scope 1 & 2 CO_2 emissions by 76% compared to 2019	Net Zero Scope 1 & 2	13%
Significant scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	4,012,000	4,064,000	2,551,000	-1%	Not applicable	Not applicable	Not applicable
Purchased goods and services	746,000	821,000	688,000	-9%	Not applicable	Not applicable	Not applicable
Fuel energy-related activities (not included in Scope 1 or Scope 2)	30,000	30,000	19,000	0%	Not applicable	Not applicable	Not applicable
Business travel	27,000	27,000	29,000	0%	Not applicable	Not applicable	Not applicable
Upstream transportation	94,000	124,000	127,000	-24%	Decrease logistics CO_2 emissions by 20% compared to 2019	Not applicable	3%
Downstream transportation	58,000	44,000	47,000	32%	Decrease logistics CO_2 emissions by 20% compared to 2019	Not applicable	3%
Use of sold products	3,057,000	3,018,000	1,641,000	1%	Not applicable	Not applicable	Not applicable
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2e)	4,125,322	4,177,868	2,667,353	-1%	Not applicable	Not applicable	Not applicable
Total GHG emissions (market-based) (tCO_2e)	4,052,978	4,104,140	2,672,208	-1%	Not applicable	Not applicable	Not applicable

GHG intensity per net revenue

GHG intensity per net revenue	2024	2023	% Change
GHG intensity based on net revenue[1] tCO_2e / EUR million (location-based)	848	775	10%
GHG intensity based on net revenue[1] tCO_2e / EUR million (market-based)	834	761	10%

[1] See note *1.2. Sales in the consolidated financial statement.*

2.3.10. Reporting principles

Environmental data has been collected through Metso's HSE24 reporting system. The principle applied in defining the scope for which environmental data is collected is financial control, and leased assets are included in the reported figures.

This data is available for Metso's largest business units and has been collected from all our manufacturing units, research centers, service centers, assembly shops and warehouses with more than 50 employees. It includes energy use, water use, waste, and VOC emissions. In addition, energy data is collected from offices with more than 100 employees.

Metso's smallest offices, typically with fewer than 100 employees, and the smallest service centers, assembly shops and warehouses with fewer than 50 employees, are not included in the environmental reporting. This is because they are often located in large office facilities together with other companies. They typically pay a monthly lump sum to the office space providers, and therefore it is not possible to determine their specific electricity, heat or water consumption. We have estimated that the impact of these locations is not material for Metso's total figures.

Metso has calculated its Scope 1, 2, and 3 greenhouse gas emissions in line with the GHG protocol methodology. Close monitoring of environment-related indicators enables Metso to continuously improve its management and environmental performance. The percentage average annual reduction is calculated using the target year 2025 as a reference, compared to the 2019 baseline

In Metso's case, the term 'high-impact sector' refers to the manufacturing sector. NACE codes were utilized to allocate revenue from this 'high-impact' sector. For 2024, 85.3% of Metso's total revenue originates from the high-impact sector. The total sales number was used as the overall revenue figure.

2.3.10.1. Scope 1 and 2 emissions

Calculated in accordance with the GHG Protocol. Reported emissions are based on invoicing and are converted from MWh to CO_2e emissions using standard conversion factors (SI). The source for emission factors is the IEA "CO_2 Emissions from Fuel Combustion" 2023 edition. In calculations for Scope 2 market-based emissions, we used supplier-specific emission factors. Savings from renewable gas certificates are included for Scope 1 (if specifically stated), and savings from renewable energy certificates and guarantees of origin are included for Scope 2. Baseline 2019 is aligned with the SBTi commitment. Reduction of CO_2e emissions includes accumulated emission savings from environmental actions.

2.3.10.2. Other indirect (Scope 3) GHG emissions

Metso has conducted an analysis of all Scope 3 emission categories. Based on that analysis, six material emission categories were identified: purchased goods and services, fuel- and energy-related emissions, upstream transportation, business travel, downstream transportation, and use of sold products.

Metso has assessed its Scope 3 emissions based on the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard.

Purchased goods and services Scope 3 emissions cover direct and indirect spend and are calculated using a weight-based approach, or a spend-based approach when weight information is not available. The weight-based analysis is based on the weight and material of purchased goods using emissions factors from the Ecoinvent 3.7 database. The spend-based emissions are based on the monetary value of purchased goods and services by supplier type and country and is carried out using the environmentally extended input-output matrices from Exiobase.

Fuel- and energy-related Scope 3 emissions include emissions that are not included in Scope 1 or Scope 2 (production of fuels and energy purchased: diesel, LPG, natural gas, electricity, steam, district heating). Coverage is 100% and the emission factor source is: **www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2016**

Upstream transportation emissions are based on CO_2 data provided by logistics service providers (LSPs), the distance provided by the LSPs and gross weight. Coverage of data received from service providers is 60%, and the remaining share is estimated based on extrapolation of this data. Upstream transportation CO_2 emissions take into account transportation between Tier-1 suppliers and own operations, and transportation between Metso units.

Metso currently monitors and reports Scope 3 emissions stemming from business travel, covering 99.5% of the workforce.

Downstream transportation emissions are based on CO_2 data provided by logistics service providers (LSPs), the distance provided by the LSPs and gross weight. Coverage of data received from service providers is 60% and extrapolation using spend is made for the remaining share. Downstream transportation CO_2 emissions take into account transportation of products from Metso units to customers and transportation from suppliers to customers. See above for upstream emissions.

Use of sold products: Equipment emissions are based on annual hours of operation and baseline operating conditions. Adjustments are made for energy sources (by country for electricity) and materials (steel, rubber, ceramic). Emissions from the use of sold products for 2024 and 2023 include the following products: crushing equipment (Pebble Crushing, Ore Sorters and Conveyor solutions), grinding equipment (HRC™e, Vertimill®, SMD, HIGmill®, AG mills, Pebble mills), separation equipment (FloatForce™ mechanism, SkimAir®, Dry LIMS) and ceramic filters. Emissions from the use of sold products for 2023 included also Lokotrack. For 2019 the use of sold products emissions included the following products: HRC, VTM, SMD and HIGmill. The country-specific or other emission factors used were retrieved from the Ecoinvent 3.8 database in 2024 and 2023 (national electricity values were Ecoinvent 3.9) and from the GaBi database in 2019. The use phase emissions are based on previous reporting year.

Our Scope 3 emissions are reported as rounded figures to reflect the uncertainties associated with the data sources and calculation methodologies for these emissions.

2.3.10.3. Metso Plus offering

Metso Plus products and services need to meet the criteria set by Metso. The products and services included in the Metso Plus portfolio are distinctive from a sustainability point of view, address Metso's customers' sustainability needs, and build on our competitive advantages. Metso Plus products are demonstrably more energy or water efficient than the industry benchmark or Metso's previous generation of the product in the market, help our customers cut their CO_2 emissions, and/or achieve other sustainability priorities such as managing pollution.

Metso defines the required level of performance to qualify as a Metso Plus product or service. Metso Plus qualification requirements and threshold levels for qualifying have been defined by looking for such performance improvement level that would be consistent with Metso's customers achieving their own publicly stated climate change and other environmental targets, e.g. for reducing their carbon footprint. Metso compares all Metso Plus products with industry benchmarks and uses concrete data as evidence of the sustainability performance and related performance claims such as energy-efficiency improvements. This evidence includes one or several of the following:

- Specific improvements compared to an industry benchmark or a previous generation product in the market
- Performance analytics and simulations
- Comparisons using product calculators

To qualify for the Metso Plus label, a product must fulfill at least one of the following criteria, all relative to a market benchmark level of performance:

- Minimum above threshold level % more energy efficient
- Minimum above threshold level % reduction in use phase or total life cycle CO_2 emissions
- Minimum above threshold level % less embedded carbon in the product (further information about the metrics below)
- Minimum above threshold level % reduction in water usage or pollution
- Electric products where the market standard is non-electric
- Digital products – minimum above threshold level % improvement across the metrics listed above

Embedded carbon in a product can be minimized in multiple ways, and the following factors are included in the Metso Plus assessment:

- Less raw material for the same performance (% reduction)
- Increase in output for constant raw materials (% improvement)
- Decreased carbon raw material for the same performance (% reduction)
- Extending equipment life (% increase in average life)
- (%) recycled materials used as input (% compared to market average)
- Enabling recycling of waste output (% recycled)
- Lower logistics emissions (% reduction)
- % of embedded carbon that is offset

The Metso Plus designation for Services follows the same logic as for capital equipment and consumables. When using services to improve existing equipment, it is an ongoing process to make incremental improvements, i.e. there are many opportunities to progressively accumulate benefits over the lifetime of the flowsheet. In addition, by implementing sustainable upgrades to existing equipment we can reduce waste.

Additionally, a Metso Plus piece of equipment or consumable needs to be as good as, or preferably better than, the industry benchmark product(s) in terms of health and safety, pollution, and biodiversity impact.

Metso does not yet have metrics to measure and verify biodiversity its performance. High-level biodiversity assessment, conducted in 2024, as well as collaboration with customers in identifying products and solutions in the Metso Plus portfolio that may have a biodiversity risk-reducing impact will help inform the definition of appropriate metrics and targets for biodiversity going forward. More information is available in *2.5.5. Environmental efficiency in own operations – actions and 2.5.6. Metso Plus offering and innovations to customers – actions*.

If a product or solution applies for Metso Plus, the following steps are taken:

- R&D project manager fills in the Metso Plus assessment in the R&D reporting tool.
- R&D project manager notifies the sustainability team contact so that a review process can start.
- Sustainability team and project manager together with the team go through the case and evidence.
- Calculations are completed to confirm that the threshold levels for Metso Plus are met.
- Metso Plus product is sent for approval to the Technology board.
- Technology board approves the new Metso Plus product.

Metso Plus sales are recorded as part of Metso's sales reporting. For the Metso Plus sales from those projects that include parts that are not classified as Metso Plus, the Metso Plus part of the sales is taken into account using estimations based on product prices or costs.

The results and the Metso Plus Performance Claims are based on average performance across multiple use cases, and as such are intended as guidance only and not guaranteed. The Metso Plus Performance Claims may not be appropriate to specific configurations in some use cases, or the base data may have become out of date. There may be external factors or circumstances impacting the actual operation of the Metso Plus product or service in any individual use which are unrelated to the technical properties which the Metso Plus Performance Claim is based on. Some Metso Plus products or services may have limited availability or may not be available in some countries.

2.4. E3 Water and marine resources

Metso's activities can affect water resources, both directly at its manufacturing sites and indirectly through its equipment when used by customers. Water management is a growing challenge for mines and quarries because they are often located in water-scarce areas. In addition, energy transition and battery metals tend to be water-intensive to produce. Finally, water quality is also important where mines return surplus water to the environment. Water quality can also impact the recovery and grade of the metal concentrate produced. Using lower quality water resources can create challenges for mineral processing. Therefore, technologies are needed to adapt the water treatment process to ensure that commercially viable and sustainable mineral processing targets are achieved.

2.4.1. Material impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
WATER USE IN METSO'S OPERATIONS			
Several of Metso's locations are situated in water-scarce areas in India, China, Chile and Mexico, which increases demand for local water resources. Restrictions on water usage may affect production.			• Eight of Metso's locations are located in water-scarce areas. Metso's operations are designed to minimize water withdrawal. Each location has water management action plans in place to decrease water consumption. • Process development and the adoption of new technologies reduces water use and increases water recycling in the production process, decreasing the need to withdraw more raw water.
WATER USE AT CUSTOMER SITES			
Customers' access to inputs, e.g. water, can be hindered by chronic climate changes in the environment.	For some customers, this may mean reduced business and therefore decreased sales.	Water scarcity may result in increased demand for water-efficient technologies.	• The Metso Plus offering has around 40 solutions that address water-related challenges and that are considered better than the market benchmark or previous-generation product. Metso aims to keep expanding and improving this offering to be able to offer water-efficient technologies to its customers. • All Metso's R&D projects must have sustainability targets, and Metso targets 80% of the R&D spend is on Metso Plus portfolio development by 2030.
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.		
Mines located in areas subject to heavy rainfall and flooding are at risk of leakage from tailings ponds. Leakage from tailings ponds may cause environmental issues and damage to the surrounding areas. This may damage Metso's reputation, if Metso equipment is used in those mines.			• Metso offers water- and energy-efficient products for dry tailings stacking and tailings dewatering by filtration. • Metso water treatment solutions help to keep process and effluent waters free of toxic elements.

2.4.2. Processes to identify and assess material impacts, risks and opportunities

The material impacts, risks and opportunities related to water have been identified in a double materiality assessment. Marine resources have not been found to be material to Metso's own operations. For further details, the materiality assessment is explained in section *1. General information*.

2.4.3. Targets and progress on targets

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
Water use index	To reduce annual water consumption per employee by 5% in water-scarce locations, compared to 2021 baseline (34.4m^3 per employee)	To reduce annual water consumption per employee by 15% in water-scarce locations, compared to 2021 baseline (34.4m^3 per employee)	26.8	24.0	12% (–22%[1])

[1] Compared to 2021 baseline.

2.4.4. Policies

Metso's policies on Quality, on Environment, Health and Safety (EHS), and on Biodiversity define the basic requirements for fulfilling the company's environmental responsibilities.

The EHS Policy requires that Metso protects the environment throughout the value chain, aiming to minimize pollution, protect biodiversity, and reduce the use of natural resources, including water and energy. Metso consistently emphasizes high EHS standards when interacting with customers, suppliers and other stakeholders, setting clear expectations for them to adhere to the same standards. Further information about the EHS Policy is available in section *2.3.4. Policies.* In the upcoming years, Metso aims to extend its EHS and Biodiversity policies to more thoroughly address water treatment as well as prevention and abatement of water pollution.

Metso is committed to ensuring its products meet all water-related customer requirements, regardless of whether it's a standard product or a customer-specific combination of technologies and/or services. Legal requirements, standards and directives, such as EN ISO, OSHA and CE, underpin the approach to product development that takes into account regulations, customer requirements, Metso's product specifications, and water 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, including those in water-scarce areas.

2.4.5. Environmental efficiency in own operations – actions

Metso is committed to reducing water consumption in its own operations in water-scarce locations and to fulfilling all local environmental legislation requirements for water consumption and effluent quality management in accordance with local environmental permits. Metso's definition of water-scarce areas comes from the Aqueduct water risk atlas, which identifies high-risk and extreme-risk regions. Metso uses this information to guide its water management efforts. Metso does not currently hold consultations with affected communities where it operates. Internal stakeholders have been involved in setting the water targets.

As a result of water efficiency measures, water consumption was reduced by approximately 55,000 m^3 in Metso's operations in 2024.

KEY ACTIONS IN 2024 INCLUDED:

- Rainwater collection and reuse in India (water-scarce area)
- Recycling of process water in Quzhou, China and Ahmedabad, India
- Water sensor installation to proactively identify water leaks in Brazil and Sweden
- Oil and water separation equipment for machine pit to prevent environmental contamination in Shaoguan, China
- Water pipeline reconstruction in China
- Modification of pipe inlets in process water tank to recirculate more process water and reduce freshwater intake in China

2.4.6. Water-efficient offering to customers – actions

Metso's products can help customers manage their water footprint, and water efficiency is one of the qualifying criteria for the Metso Plus products and services portfolio. Metso defines the level of performance needed to qualify to ensure that designated products and services in this portfolio can make a meaningful contribution to customers' efforts towards reaching their climate and other environmental targets, including water conservation. Metso's water-efficient solutions can address environmental, health and safety, and societal risks in customer operations involving water. Water efficiency, increasing recoveries and decreasing pollution can be managed by digitalization using sensors, analytics and optimization.

2.4.6.1. Tailings management solutions

Traditional tailings storage poses long-term environmental risks, including dam failures and water contamination. Metso's technologies can help de-risk tailings storages by minimizing water usage, and thereby transforming existing mining operations. Metso Tailings Management Solutions integrate dewatering, safe and sustainable slurry transportation, material handling and reprocessing of existing tailings.

Metso's tailings filtration portfolio and approach emphasizes dry stacking as an ecologically promising approach, challenging conventional cost assumptions with filtered tailings and stacking. Reprocessing older tailings facilities can yield significant residual mineral production. This approach can transform tailings ponds from liabilities into revenue-generating assets, often more cost-effectively than from processing virgin material. Metso' s dewatering technologies, such as paste thickening and filtration, can enhance water recovery from tailings. The same applies to technologies that change the way the ore is processed, such as Metso's ore sorting and separation processes that reduce the proportion of fine tailings.

Metso's solutions can reduce the industry's water-related liabilities and minimize the financial risks associated with potential environmental damage and costly cleanup efforts.

2.4.6.2. Filtration solutions

High-pressure filtration can reduce water content in tailings, decreasing storage volume and environmental impact. Metso's larger filters increase material processing capacity and therefore increase overall productivity. Metso's filtration expertise ensures reliable, efficient systems with minimal downtime and maintenance costs. The thickener and clarifier feed system ensures low flocculant usage, bringing additional environmental and cost efficiencies to customer operations. Water efficiency can also be improved by reducing the amount of waste that is in contact with water. Metso offers a range of technologies to achieve this, such as dry processing alternatives across many elements in plant production facilities.

KEY ACTIONS IN 2024 INCLUDED:

- Launch of the new version of the Larox® PF 60 series filter that improves safety, process efficiency and dewatering capacity in mining and other process industry applications. Advanced features can reduce water and oil usage by up to 90% and 75%, respectively.
- Launch of the Cross Flow Rotary Cooler, an innovative solution designed to decrease water consumption and improve energy-efficiency in pyro processing plants. Its simplified cooler shroud design reduces the plant's overall water consumption and is suitable for special applications such as oxidation, fouling or scaling. The solution utilizes the indirect heat exchange principle, where heat is transferred into a secondary air stream. The recovered heat can be used in other plant processes, thereby reducing the carbon footprint and enhancing the sustainability of processing plants.
- Order for the delivery of tailings dewatering technology to a copper mine operating in Africa. Metso's scope of delivery consists of the engineering and supply of a copper tailings dewatering plant unit, including high-rate thickeners and filters, as well as auxiliaries with the latest-design hole-less filter cloths and single polymer plates to lower operating costs. The filters include anti-corrosive elements to handle the highly corrosive tailings slurry.

2.4.7. Metrics

Water consumption

	2024	2023	2022
Total water consumption, m^3	322,231	372,823	381,932
Total water consumption in areas at water risk, including areas of high water stress, m^3	122,057	109,096	121,198
Total water recycled and reused in m^3	49,637	41,361	41,022
Water intensity based on net revenue[1], m^3 / EUR million	66.3	69.1	76.8

[1] See *note 1.2. Sales in the consolidated financial statement.*

2.4.8. Reporting principles

Water consumption includes municipal, groundwater, tank truck, rainwater and surface water. Water consumption is based on invoicing or other measurement data.

2.5. E4 Biodiversity and ecosystems

Metso's activities can affect biodiversity, both directly at its manufacturing sites and indirectly through the use of its equipment by customers and in the manufacturing of raw materials and components used in Metso's equipment. However, the greatest opportunity for Metso to contribute to biodiversity is through its customers, as Metso's own biodiversity footprint is relatively small. Metso largely buys manufactured goods from suppliers, and Metso's equipment manufacturing sites, assembly and service workshops are typically located in industrial parks zoned for industrial use. These areas have limited biodiversity sensitivity and compliance with environmental permits mitigate potential impacts on biodiversity and endangered species.

By providing solutions, products and services to its customers, Metso has the potential to minimize risks on biodiversity. These solutions include, for example:

- Tailings management: Providing solutions that minimize harmful effects of tailings and decrease risks of leakages
- Water conservation: Minimizing water consumption and pollution
- Noise and dust reduction: Mitigating noise and dust pollution in immediate surroundings of customer sites

2.5.1. Material impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
DIRECT IMPACT DRIVERS OF BIODIVERSITY LOSS (LAND-USE CHANGE, FRESH WATER-USE CHANGE AND SEA-USE CHANGE) IMPACTS ON THE EXTENT AND CONDITION OF ECOSYSTEMS IMPACTS AND DEPENDENCIES ON ECOSYSTEM SERVICES			
Metso's production generates greenhouse gases that cause global warming, and other emissions that may have local biodiversity impacts. In addition, Metso's operations generate waste.	Climate change-related risks and opportunities are discussed in sections *2.3.1. Material impacts, risks and opportunities* and *2.3.7. Anticipated financial effects — risks and opportunities*.		• Metso has targets in place for sites to reduce water use and waste to landfill. • Management methods for climate change are discussed in section *2.3.1. Material impacts, risks and opportunities.*
The operations of Metso's customers in the aggregates and mining industries typically have significant land footprints, often in environmentally sensitive areas, where land disturbance and pollution can impact habitats and species. If not properly manufactured, used and maintained, Metso's products have the potential to harm the biodiversity surrounding its customers' sites. If the impacts are not well managed, Metso's customers may be limited in their ability to operate in ecologically sensitive areas in future.			• Metso designs and sells products and processes and collaborates with customers to develop new technologies to minimize the release of effluents and atmospheric emissions. • In addition, Metso's solutions include products and services that may reduce the risk of negative impact on biodiversity in customer operations.
Tailings dam failures can have large impacts on biodiversity. Due to an increase in demand and reductions in ore grades, the footprint of copper and other energy transition materials is likely to increase rapidly. Decreasing ore grades will require larger operational footprints, resulting in larger amounts of tailings. This is partially offset by innovations, such as dry tailings, and the regulation of tailings dam design, resulting in fewer tailings dam failures. The increasing focus on biodiversity is likely to increase the market for more sustainable tailings management products.			• Metso's solutions include dry processing, which reduces the risk of contamination and the resulting impacts on biodiversity. • Metso offers efficient solid-liquid separation with pressure filtration, which is needed to recover more water and increase the solid content of tailings streams.

2.5.2. Processes to identify and assess material impacts, risks and opportunities

The material impacts, risks and opportunities related to biodiversity and ecosystems were identified in a double materiality assessment in 2023. In 2024, Metso also completed a high-level biodiversity assessment that will help inform the definition of appropriate metrics and targets going forward. The materiality assessment is discussed in section *1. General information*.

2.5.3. Targets and progress on targets

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
Biodiversity	No target, evaluation of own operations' dependencies and impacts on biodiversity	To set up a biodiversity framework in own operations and for products sold to Metso customers	–	–	Not applicable

2.5.4. Policies

Metso's policies on Quality, on Environment, Health and Safety (EHS), and on Biodiversity establish essential requirements for achieving long-term biodiversity goals. These policies apply to operational sites owned, leased, or managed by Metso near biodiversity-sensitive areas. Metso's responsibility also includes contractors, suppliers or other third parties visiting or working at its premises or working under Metso's supervision at customer sites.

In 2024, the Metso Leadership Team approved the first Biodiversity Policy for the company. This policy requires compliance with applicable legal requirements and standards, as well as taking care of the company's environmental, economic and social responsibilities concerning biodiversity. Metso's Biodiversity Policy outlines specific actions:

- Environmental protection: Minimizing air and noise pollution, reducing waste generation, and conserving natural resources and energy
- Sustainable product and services offering: Helping customers mitigate or eliminate biodiversity impacts resulting from their operations
- Risk management: Identifying and managing biodiversity-related environmental risks and opportunities at Metso's locations and throughout the Metso logistics chain, particularly in areas of high ecological value, and operating in a manner that prevents and minimizes biodiversity loss
- Awareness and training: Promoting biodiversity awareness and best practices
- Supplier collaboration: Striving to work with suppliers of raw materials, finished products and packaging materials that demonstrate their commitment to good biodiversity management practices

Metso top management is required to demonstrate leadership, accountability and active commitment regarding Metso's biodiversity impact. Metso is currently cascading its renewed sustainability agenda in which biodiversity is a new topic throughout the organization. In 2024, Metso started assessing the biodiversity impact on its own operations and those of its customers. This assessment may lead to the development of new biodiversity-related Metso policies, programs and targets in 2025–2026.

2.5.5. Environmental efficiency in own operations — actions

In 2024, Metso carried out an initial biodiversity assessment to gain a better understanding of the biodiversity impacts across the value chain. Biodiversity loss affects Metso's value chain differently based on geographic locations, but, in general, the findings of the assessment were in line with Metso's current sustainability approach — reducing greenhouse gas emissions, efficient water use and a sustainable product and services offering for customers are all useful ways to address biodiversity challenges. Within Metso's own operations, the best way to improve biodiversity is indirectly, through effective management of water use and waste. These management practices can significantly impact local biodiversity. Therefore, Metso's existing strategies and targets related to water efficiency and waste management serve as the foundation for addressing biodiversity challenges in Metso's own operations. All Metso sites comply with local rules and regulations, operate under required environmental permits and follow Metso's general principles to minimize environmental impacts in own operations, logistics and procurement. In addition, all Metso sites must demonstrate compliance with local biodiversity regulations and good practices.

For a more detailed site-by-site analysis, in 2024 Metso assessed the potential biodiversity impacts of its sites through the Natura 2000 network, Key Biodiversity Areas (KBAs), and UNESCO natural heritage sites lists. Metso has a total of 15 manufacturing or office sites located 1–5 kilometers from biodiversity-sensitive areas, covering 35.59 hectares. Currently, the material impacts of these sites on biodiversity and ecosystems change have not been assessed or identified.

Two manufacturing sites — Örnsköldsvik in Sweden (next to the Natura 2000-protected Moälven river), and Mâcon in France (near Val de Saône, a KBA) — were identified as being close to biodiversity-sensitive areas. The surface area of Örnsköldsvik site is 6 hectares and the Mâcon site is 3.3 hectares. Both sites are part of the Aggregates business area and have management methods in place to protect biodiversity in accordance with local regulations. Metso's activities may negatively affect these areas, and Metso is currently evaluating its activities related to issues where conclusions or necessary mitigation measures have not been implemented or are ongoing.

Metso does not currently use biodiversity offset instruments but is evaluating its activities related to sites located in or near biodiversity-sensitive areas.

KEY ACTIONS IN 2024 INCLUDED:

- Identification of Metso's key suppliers' sites that are located near biodiversity-rich areas, for the planning of the next biodiversity-related actions in the value chain
- Biodiversity training for the Metso Leadership Team, R&D organization and QEHS professionals

Metso's planned actions for 2025–2026 regarding biodiversity include e.g. the following:

- Training for employees on the topic of biodiversity impacts, risks and opportunities
- Updated site management policies, mainly facility management directives, to incorporate new biodiversity considerations
- Collaboration with customers to support biodiversity loss prevention efforts by identifying the products and solutions in the Metso Plus portfolio that may have a biodiversity risk-reducing impact
- Collaboration with suppliers to prevent biodiversity loss e.g. through scrap treatment, rubber and polyurethane reuse, diverse and recyclable packaging materials, local energy production, and closing the energy loop in processes

2.5.6. Metso Plus offering and innovations to customers — actions

As a responsible partner, Metso aims to support biodiversity loss prevention and mitigation actions taken in its supply chain and by its customers. Metso does not support illegal mining activities or activities that violate national or international nature conservation laws and regulations.

Biodiversity management is a high-priority issue for mining and aggregates companies. Mining can have an impact on biodiversity across several dimensions and throughout the life of the mine, from exploration to closure via deforestation, pollution to air, water and soil, dust and noise, as well as water scarcity.

Metso's technological focus is on several areas related to customer biodiversity impacts, e.g. closed water loops, raw material efficiency, tailings management, non-toxic processing options and emissions management systems. These technologies can have a positive impact on conserving natural habitats, reducing land-use impacts, preventing pollution, and reducing groundwater consumption. They also contribute to minimizing the amount of raw materials needed as inputs in customer operations.

Metso offers various solutions to help reduce biodiversity loss in customer industries:

- Tailings treatment and dry stacking
- Process water treatment and biotreatment of mine waters
- Stockpile remediation
- Recyclability of spare parts and process media
- Ore pre-sorting
- Energy-, water-, and chemical-efficient processing
- Liner and grinding media recycling
- SOx capture in sulfuric acid production
- Effluent quality-control analyzers
- Low-energy and electrical equipment
- Concentrator plants with small environmental footprints

Metso is currently identifying which products and services could help reduce the risk of biodiversity loss in customer operations. Future plans include defining a customer-specific biodiversity target linked to these identified products and services. Before setting biodiversity targets for customers, Metso is discussing the topic with customers and following the progress of biodiversity-related reporting frameworks.

KEY ACTIONS IN 2024 INCLUDED:

- Identification and assessment of Metso Plus products that can potentially reduce the risk of biodiversity loss in customer operations
- Identification of Metso's key customers' sites that are located near biodiversity-rich areas, for the planning of the next biodiversity-related actions in the value chain

3. S – Social information

3.1. S1 Own workforce – Metso's people and culture

Metso's own workforce consists of over 20,000 people, including 16,800 employees and 3,700 non-employee workers. Metso's experts represent over 100 nationalities in around 50 locations. Their expertise ranges from engineering and R&D to field service and technical support of customers' production facilities and equipment, sales, and factory operations. In 2024, Finland, Chile, India, Brazil, and China were Metso's five biggest countries by employment, representing about 56% of the company's total headcount. In 2024, 18% of Metso's own workforce consisted of external contractors. The employee categories were: 27% blue-collar workers, 59% white-collar workers, and 14% management.

Metso is committed to providing a healthy and safe working environment for all its employees, contractors and other partners. Health and safety at Metso is everyone's responsibility – it is a requirement to understand and comply with all relevant health and safety regulations and instructions. To support this, Metso has a comprehensive safety agenda outlining continuous actions to improve the safety of all employees, partners, customers, contractors and other stakeholders. Metso aims to continuously and actively mitigate occupational health and safety risks in its operations. Metso's Health and Safety Directives set out the minimum safety requirements for the company and are used to develop local safety procedures, processes and work instructions. Metso's Life-Saving Rules provide for all employees and contractors those actions that need to be taken to protect themselves and their colleagues from fatalities and severe injuries. These rules complement Metso's Modus Operandi principles, which outline expected behaviors to work safely. Metrics and targets underpinning Metso's health safety approach are explained in more detail in section *3.1.3. Targets and progress on targets*.

Metso respects and is committed to operating consistently with internationally proclaimed human rights, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, the ILO's Declaration on Fundamental Principles and Rights at Work as well as OECD Guidelines for Multinational Enterprises. All employees are entitled to be treated fairly and with respect, and discrimination or harassment is not tolerated in any form. Metso does not accept or use any form of compulsory, forced or child labor, and respects all applicable laws and regulations regarding working hours and employee compensation. Metso offers work opportunities for all genders, ages as well as for people with disabilities. Furthermore, Metso aims to achieve equal pay for work of equal value, as well as to protect labor rights and promote a safe and secure working environment for all employees.

Diversity and inclusion (D&I) is one of the key building blocks of Metso's culture, and Metso is committed to developing the company into a workplace where diversity and inclusion is embedded into the culture, fostered and promoted. The Diversity and Inclusion Strategy aligns the priority D&I actions for the company, which are increasing the diversity across the business, removing barriers and biases from its processes, and further building psychological safety in the teams.

Metso strives to create a culture that people aspire to be part of, that is inclusive, where people feel engaged and cared for, and where people are treated equally. At the foundation of Metso's culture are its values, leadership principles, diversity and inclusion, and growth and development opportunities. The safety and wellbeing of employees is a priority at Metso, and many global and local activities to support wellbeing are ongoing continuously.

Metso publishes guidelines and policies in its Intranet available for white-collar employees. All policies, excluding the Sponsorships and Donations Policy, as well as the Diversity and Inclusion Strategy, are available also on Metso's external website. For blue-collar employees, the main communication channels are at the site level, such as town hall meetings, face-to-face training, info screens, posters, and shared computers.

3.1.1. Material impacts, risks and opportunities

Impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
FAIR EMPLOYMENT (WORKING CONDITIONS): WORKING TIME, DISCRIMINATION AND HARASSMENT, FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING THE FOLLOWING IMPACTS, RISKS AND OPPORTUNITIES ARE REPORTED FOR EMPLOYEES			
Actions promoting fair employment practices, such as working time, prevention of discrimination and harassment, freedom of association and collective bargaining, have a positive impact on employees' engagement, wellbeing and ability to work. As a result, good employment conditions also strengthen Metso's reputation and employer brand, enabling Metso to retain and attract the best talent, which has a positive impact on business performance. Inadequate employment conditions could weaken Metso's employees' quality of life, increase inequality, as well as reduce job satisfaction and commitment, resulting in a weakening in Metso's employer brand and performance and a negative impact on customer relations. Potential discrimination, harassment, and violations of workers' rights could result in legal action against the company.			• Local legislation is followed in all operating countries • Human Rights Policy • Code of Conduct • Diversity & Inclusion Strategy • Environment, Health & Safety Policy • Whistleblower channel available to all employees
DIVERSITY AND INCLUSION			
If diversity and inclusion is embedded into the company culture, fostered and promoted, it increases engagement, promotes employee wellbeing, and can have a positive impact on Metso's performance. If diversity and inclusion is not integrated into the company culture, it could have a negative impact on employee engagement and wellbeing. It can impact hiring decisions, leading to a non-diverse workforce. It may also adversely impact a person's willingness to join Metso. Consequently, this could weaken Metso's innovativeness, performance, competitiveness, and employer brand.			• Diversity & Inclusion as a priority area in Metso's People and Culture agenda • Diversity and Inclusion Strategy • Target and KPI to increase the number of women in middle and senior management roles • Global inclusive talent acquisition practices • Inclusive talent acquisition training provided to all leaders
TRAINING AND DEVELOPMENT			
If Metso doesn't provide training and development opportunities, it can impact employees' learning, growth and career development negatively. It can also impact Metso's innovation and growth capabilities, and competitiveness. A lack of learning and development opportunities can lead to dissatisfaction among employees, and people may be more likely to seek job opportunities outside the company. If training and development opportunities are available, employees can learn and grow, take on new responsibilities, and develop their careers inside the company.			• Internal hiring for open positions is promoted • Job rotation is provided and supported • Metso Academy offers Technical, Sales and Business, Distributor, Customer and People training • Learning Council • Growth dialogues between employee and manager

Impacts	Risks	Opportunities	Key management methods
CORPORATE CULTURE			
If corporate culture is a strategic priority, it is managed and developed systematically. Employees are more engaged in a culture where they are supported and encouraged to perform their best.	Dissatisfied employees are more likely to leave the company, resulting in higher turnover rates. Dissatisfied employees often result in lower customer satisfaction, which can negatively affect business outcomes. A negative corporate culture makes it more challenging to attract top talent to the company.	Engaged employees are more likely to perform well and remain with the company. There is a strong correlation between engaged employees and satisfied customers, both correlate to good business results. A good corporate culture attracts top talent.	• Performance culture is a top priority in Metso's strategy. • Engagement surveys are conducted four times a year, their results are discussed, and actions agreed within teams quarterly. • Metso tracks the employee Net Promoter Score (eNPS) and has set the long-term target to be in the top 10% of the industry benchmark.
HEALTH AND SAFETY			
Metso operates in an industry where there are high safety risks. Inadequate health and safety conditions could lead to fatalities or serious incidents that can negatively impact employees' physical and mental health.	Inadequate health and safety conditions can seriously impact job satisfaction, psychological safety and commitment, as well as weaken performance and Metso's image as a responsible employer.	Good safety management and active promotion of health and safety at the workplace can positively impact employees' physical and mental health and working conditions. As a result, this can strengthen Metso's image as a responsible employer and improve Metso's performance.	• Environment, Health & Safety Policy • Safe working behavior model Modus Operandi • Fatality prevention program • Life-Saving Rules training program • Safety directives • ISO 45001 (health and safety) standard certification in key units • Long- and short-term safety targets • Global safety reporting tool and practices • Audits, inspections and management reviews
Metso continuously develops the Metso Plus products and new technologies, and modernizes and upgrades older equipment. For R&D, factory workers, engineers and field services, this means upskilling and reskilling.	If Metso does not have skilled workers, development and production may face quality problems and delays.		• Metso Academy – an umbrella learning hub for training and learning in Technical, Sales, Business and People areas, etc. • Strategic capability initiatives to identify critical skills needed for long-term business success • Local university collaboration and own trainee program

3.1.2. Processes to identify and assess material impacts, risks and opportunities

The material impacts, risks and opportunities related to own workforce have been identified in a double materiality assessment. The materiality assessment is discussed in section *1. General information*.

3.1.3. Targets and progress on targets

To measure employee engagement and performance, Metso conducted four employee engagement surveys in 2024: two full surveys for all employees, and two shorter pulse surveys for white-collar workers. Metso uses the Employee Net Promoter Score (eNPS) to track employee engagement and has witnessed a positive trend throughout the years of measuring. The results are subsequently analyzed, teams discuss their respective results and make actions plans to improve areas that show concerns. The Metso Leadership Team identifies focus areas for each employee engagement survey and closely monitors the results.

With this systematic approach, Metso has been able to reach and exceed its target and ranks in the top 5% compared to the industry benchmark on eNPS (end of 2024). In addition, there has been a significant improvement in the engagement survey in health & wellbeing and mental wellbeing; in 2024, the result was in the top 5% of the external benchmark. For Inclusion, also measured in the employee engagement survey, Metso is ahead of the KPI target (long-term target in top 10% of industry benchmark) and ranks in the top 5% compared to the industry benchmark.

In 2023, Metso set a new long-term target to increase the proportion of women in middle and senior management roles to 30% by the end of 2030 (from 17% in 2023). In 2024, there was slight improvement and the percentage was 18%. In 2024, Metso participated in the International Women in Mining Mentoring Program, introduced an internal mentoring program for Female Talents, launched an Inclusive Talent Acquisition eLearning for managers, started a pilot for an Inclusive Language platform, and introduced a renewed Psychological Safety training course across the globe. The Metso Women's Leadership Forum continued actively raising awareness in Metso's internal channels and hosted virtual events. Various D&I-themed webinars and events were also organized at Metso locations around the world.

Metso's key indicators for safety are lost-time incident frequency rate per million working hours (LTIFR), which was 1.4 in 2024, and total recordable injury frequency rate (TRIFR), which was 2.7 in 2024. The scope of LTIFR and TRIFR reporting covers Metso's premises, employees and contractors working under Metso's direct supervision, as well as project sites. Supporting the achievement of these targets' metrics are the actions Metso workers take to help improve safety. Employee safety, risk observations, safety conversations and safety training hours are continuously measured.

A significant incident occurred in March at the Irapuato plant in Mexico where a steam explosion in the hand-lining area of the plant resulted in eleven people being injured as well as property damage. Metso cooperated with local authorities, and the investigation, which included internal and external experts, was concluded in 2024. Lessons learned from the investigation were implemented in 2024 and this work continues in 2025.

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
Health and safety	Continuous improvement in lost-time incident frequency rate (LTIF) [1]	Zero harm	1.4	1.2	Below target
	Continuous improvement in total recordable injury frequency rate (TRIF) [1]	Zero harm	2.7	2.9	Below target
Engagement	Employee Net Promoter Score (eNPS) to be in top 10% of the industry benchmark	Employee Net Promoter Score (eNPS) score in top 10% of the industry benchmark	Top 5%	Top 10%	Above target
Inclusion	Only long-term target	Inclusion score in top 10% of the industry benchmark	Top 5%	Top 5%	Above target
Gender split	Only long-term target	Gender ratio in middle and senior management to reach 30% female / 70% male by the end of 2030	18/82%	17/83%	In progress

[1] Includes employees and contractors.

3.1.4. Policies

3.1.4.1. People and culture

Metso's Code of Conduct, approved by the Metso Leadership Team, is a globally applicable set of rules for all Metso's employees and business associates, ensuring consistent decision-making in the everyday working environment and making Metso a responsible and trusted business partner. Metso's Code of Conduct summarizes in a single document the topics that are important in terms of anti-corruption and anti-bribery trade compliance, human rights, safety, sustainability, information disclosure and other relevant compliance areas. Metso's Code of Conduct is reviewed annually, and all Metso employees must complete Code of Conduct training on an annual basis. 99.0% of Metso people completed the 2024 training by the year-end.

The Human Rights Policy, reviewed annually and approved by the Metso Leadership Team, complements Metso's Code of Conduct and related policies, including the Supplier Code of Conduct. Metso is committed to operating in a way that human and labor rights are respected and supported across the value chain, including our own operations, suppliers, agents, distributors, and other business partners. This is clearly stated in Metso's Code of Conduct and the Supplier Code of Conduct to minimize the risk of forced and child labor in the value chain.

Metso's Remuneration Policy is ratified at the Annual General Meeting, and it outlines the compensation principles and framework for the President and CEO, as well as for the Board of Directors. This policy also applies to any appointed Deputy CEO. Metso also has a Diversity & Inclusion Strategy that includes a statement and actions regarding Metso's commitment to promoting equal opportunities and fair treatment for all employees. All policies are available on Metso's intranet pages and all policies, excluding the Sponsorships and Donations Policy, as well as the Diversity and Inclusion Strategy, are available also on Metso's external website.

Metso also has clearly defined global processes, which ensure the equal treatment of its employees through clear and transparent governance. These processes are evaluated annually to ensure they support Metso's People and culture processes and the growth of employees. The duties at Metso require specific technical and safety skills across the businesses, market areas and functions limiting greater risk of harm to individuals in particular contexts or undertaking particular activities. Some examples of such guidelines include a global job leveling model, a structured approach toward short-term incentives, the Metso Growth dialogue (Metso's approach to performance and development discussions), and inclusive talent acquisition guidelines.

3.1.4.2. Health and safety

Metso's commitment to work safety is set out in its EHS and Quality Policies. Metso's EHS Policy applies to employees as well as contractors working at Metso premises or under Metso direct supervision. This policy states Metso's intent to manage hazards and reduce risks to create a safe and healthy workplace, and to respect the human rights of its own employees, contractors and customers. The policy underlines Metso's expectations for clear target setting for health and safety and for continuously developing the management systems and ways of working to achieve better safety results. Local legal requirements set the performance thresholds for each site, which Metso strives to exceed.

Metso is committed through its Quality Policy to prevent and minimize safety incidents and environmental impacts at its own operations and from the products and services delivered to customers. At the beginning of 2024, the Metso Leadership Team decided to establish a Corporate Quality Board to ensure the effectiveness and efficiency of Metso's integrated management system and to enhance collaboration between Group functions, business areas and market areas. It is expected that this work will make a significant contribution to improving Metso's health and safety performance as well as quality more generally.

Metso's integrated management system follows best international practices and ISO standards: ISO 9001 (quality), ISO 14001 (environmental) & ISO 45001 (health and safety). It integrates all Metso's systems and processes into a single framework, enabling Metso to work as a single unit with unified objectives. Metso is certified annually by an external body to ensure that its work meets legal, regulatory and ISO standard requirements.

3.1.5. Processes for engaging with own workers and workers' representatives

3.1.5.1. People and culture

Metso engages actively with employees locally through various formal and informal channels: townhall meetings between management and employees as well as union and works council meetings in countries. Metso has agreements with its employees by European Works Council and attends European Works Council meetings. In addition to local engagement, employees are encouraged to join discussions in global channels and forums via Teams and Viva Engage, as well as to take part in events and campaigns, such as Culture Talks and various campaigns around D&I and wellbeing. All employees have the opportunity also to give anonymous feedback to the company through the employee engagement survey; this feedback is reviewed regularly, both for positive comments and improvement ideas. The results of the engagement survey are an important input when determining the priorities for Metso's people strategy. The employee engagement survey is discussed in more detail in section *3.1.3. Targets and progress on targets.*

The growth of every employee is a fundamental part of Metso's culture. Metso's model for supporting the growth of its people, the Growth dialogue, combines processes of leading performance and competence development. The growth discussions take place throughout the year and focus on target setting, performance evaluation, and identifying strengths and development opportunities. Metso encourages all employees to have a minimum of four Growth dialogue discussions per year with their manager.

Metso measures the employees' overall well-being and job satisfaction with an employee engagement survey that is conducted four times per year. With questions related to mental well-being, it is possible to gain understanding of how employees experience their work-life balance. As one of the work-life balance metrics, Metso also measures the percentage of employees that are entitled to take family-related leave and the percentage of entitled employees that took family-related leave *(S1–15).*

In 2024, Metso further continued enhancing its Talent Acquisition practices by strengthening its global talent sourcing capabilities to enable a more proactive, inclusive and data-driven hiring process. Additionally, a pilot for AI-based inclusive talent acquisition recruitment ad writing tool was introduced to ensure bias-free job ads and to further educate the organization on the importance of neutral language. A pilot to support recruiting was launched to ensure an objective hiring process and to support bias-free decision-making in recruiting.

Metso actively engages with employees through various local unions and works councils, including collaboration with Metso's European Works Council. In these meetings, topical business and people updates and any employee-related change proposals or modifications are discussed and/or negotiated. This forum also serves as a channel for employee representatives to raise ideas, questions and concerns. Typically, local business management is represented; in Finland, this usually involves representation from the Metso Leadership Team.

3.1.5.2. Health and safety

Metso emphasizes safety leadership and personal commitment to safety. Safety-related programs are implemented with audience-specific materials and through a train-the-trainer approach to ensure the entire organization is involved. The programs are expected to become part of local procedures and practices, including reporting practices.

Consultation with stakeholders is a crucial aspect of health and safety at Metso. Working groups, comprising employees from different functions and levels, focus on important health and safety issues and drive Metso's key safety initiatives. From internal safety forums and safety committees to global steering groups, collaboration and involvement across different organizational levels and functions is ensured. Health and safety topics are also integrated into employee engagement surveys.

Risk observations are a proactive measure to prevent injuries in the workplace. To reinforce the importance of these observations and to improve their quality, a new company-wide risk observation and management training was launched in 2024 with a focus on improving hazard identification skills and stronger situational awareness. Training is available as an eLearning for non-operational employees and face-to-face for operational employees. In 2024, all employees without subordinates were expected to complete this training and report at least one risk observation during the year. This included a requirement that the risk observation was closed, and corrective actions were taken by the end of the year. This requires active management of risk observations throughout the year. By year-end, 85% of employees had completed the training, and 94% of the risk observations were closed.

Safety conversations are another essential proactive tool for management to improve safety. Safety conversations enable management to influence, measure and evaluate the safety culture in their teams. To support this, Metso published a new safety conversation training with completion set as a 2024 target for all managers and supervisors with subordinates. The training focuses, e.g., on raising safety awareness, as well as on identifying and fixing unsafe practices, procedures and conditions in a psychologically safe environment. The aim is to lead by example and to acknowledge one's own behavioral styles and biases. In addition to the training, the reporting of four safety conversations during 2024 was set as a target, with a minimum requirement to have at least one conversation about hand safety and one about controlling risks, as these were identified as not only key risks to our targets but also areas where leaders could have a better understanding of the challenges the frontline face.

3.1.6. Remediating negative impacts and feedback channels for own workers

3.1.6.1. People and culture

Metso's business and governance model for human resources is based on a dual reporting structure, with reporting lines both to the local business and to Metso Group. This structure makes it possible to take into account local requirements and employment laws and ensure global compliance.

Metso has an external whistleblower channel in order to provide employees with the possibility to report confidentially any suspected violation of Metso's Code of Conduct that could cause direct or indirect financial or other damage to Metso or Metso's employees. The whistleblower channel can be accessed from the main page of both Metso's external website and intranet; global and local communication campaigns are organized to increase awareness of the channel. The awareness campaigns specifically highlight that the tool can be used for topics including human rights-related matters such as safety, working conditions, harassment, and discrimination. The whistleblower channel and how incidents are investigated and remediated are described in more detail in section *4.1.6. Responsible Business Conduct and prevention and detection of corruption and bribery* as well as in section *3.2.6 Remediating negative impacts and feedback channels for value chain workers*. Over the past few years, whistleblower channel cases have tended to be related to financial and HR issues. More recently, the whistleblower channel has been increasingly used to report issues other than financial-related misconduct; the reported incidents are evaluated and investigated in a similar process.

In the engagement survey, Metso regularly measures how confident the employees are of not being discriminated against at Metso. In the engagement survey, employees can also leave anonymous comments and questions, which can be addressed through the survey tool.

3.1.6.2. Health and safety

Metso has a global safety reporting system that allows employees to raise safety concerns and show their personal commitment to safety. Proactive measures, such as risk observations, are expected at all levels of the organization, focusing on blue-collar workers, who face the most risks in their daily work. In addition, managers and supervisors are expected to have continuous safety conversations to promote safety in a positive manner. All employees and contractors not only have the right but also the obligation to refuse and to report any unsafe work. Metso emphasizes the incident investigation process and corrective actions and follows the completion rate for both. All serious accidents are reviewed by top management to ensure proper investigations and corrective actions are completed. Internal and external audits to monitor the level of safety are also conducted.

3.1.7. Metso's people and culture — actions

Building a strong performance culture is defined as one of Metso's four top priorities, and the People and Culture agenda is embedded into the company's overall business strategy.

Metso's People and Culture agenda has three focus areas that are integral to building the performance culture at the company: High performing people, Inspirational leadership, and Industry-leading capabilities. With these focus areas, Metso is building a future-proof organization where its employees continuously learn and grow and where Metso is able to attract and retain talent globally. Metso values good leadership and aims to develop leaders who role model the company's leadership principles and support and enable the growth and success of its employees and business. Central to Metso's culture is a diverse and inclusive culture, with the safety and wellbeing of employees at the core.

SPECIFIC ACTIONS TAKEN IN 2024 INCLUDE:

- Four engagement surveys
- Global wellbeing webinars to complement various local wellbeing initiatives
- Leadership programs offered to all Metso leaders
- New leadership training pilot aimed at first-time leaders
- Inclusive Talent Acquisition program and eLearning rolled out to all leaders
- Company's talent acquisition process refined, and a more inclusive framework for hiring crafted
- The target to increase the proportion of female leaders to 30% by the end of 2030 closely monitored
- 'Me at Metso' initiative launched, focusing on key behaviors driving growth at Metso, such as collaboration and accountability

3.1.8. Health and safety — actions

Metso's overall safety performance is not in line with the Group's ambitious targets. In 2024, Metso's global safety leadership team reviewed and enhanced Metso's long-term safety plan. The team evaluated a comprehensive list of different development actions and developed a high-level prioritized safety plan for the next three years. Action areas include investigation processes, safety leadership, health and safety professional development, and development of frontline competency.

One of the main focus areas of Metso's health and safety approach is the fatality prevention program. The purpose of the program is to prevent fatalities and severe injuries through a standardized approach to control the highest safety risks. These risks are mitigated in a range of ways, including with safety equipment and tools, working procedures, continuous training, and leadership involvement. The fatality prevention program includes high-level safety directives that set out detailed health and safety requirements for all businesses. In 2024, all business and market areas were asked to conduct an analysis to identify gaps between local operations and the requirements of the health and safety directives. All identified gaps are required to have actions in place to ensure compliance with directives. An ongoing review program is incorporated into Metso's audit program, and this work continues in 2025.

Metso's Life-Saving Rules are focused on addressing the ten identified critical operational risks. They were developed by a diverse team, including frontline workers, technical experts, safety professionals, and supported by top-level management. These rules establish non-negotiable guidelines for addressing each of the identified critical risks. All employees and contractors receive training, and ongoing refresher training is provided through safety meetings, toolbox talks, inductions, and online sessions. In 2024, this training had a 91% completion rate. In addition, toolbox talk communication materials were published monthly to support continuous discussions and learning.

Modus Operandi describes Metso's way of working, setting out the core expected behaviors related to health and safety, not only for employees, but also for supervisors, managers and the business itself. Modus Operandi training is provided to all employees and contractors on a regular basis.

In 2024, after analyzing injury data from the past five years, the prevention of lifting incidents and hand injuries were identified as key focus areas. Hand injuries are among the most common types of workplace injuries at Metso, and additionally lifting operations are a major cause of these hand injuries. As a result, all operations were asked to review and analyze the risk assessments and inspections to determine if this is an issue in their operations. Managers and supervisors were tasked with identifying unsafe behaviors in lifting operations through safety conversations and promoting better safety procedures for lifting. Additionally, all employees were encouraged to drive behavioral change by reporting risk observations.

Metso performed 50 internal safety audits in 2024. This resulted in around 300 corrective actions.

THE MOST IMPORTANT SAFETY ACTIONS TAKEN IN 2024:

- Incident investigation in Irapuato, Mexico
- Review of lifting operations
- Reintroduction of hand safety program LEGIT
- Safety directive gap analysis
- Risk observation and safety conversation trainings
- Long-term safety plan

3.1.9. Metrics

S1–6 — Characteristics of the undertaking's employees by gender

Gender	Number of employees (headcount)
Male	13,410
Female	3,422
Other	0
Not reported	0
Total employees	16,832

S1–6 — Breakdown by country

Number of employees (headcount)

Country	2024	2023	2022
Finland	2,881	2,790	2,431
Chile	1,909	2,353	2,818
India	1,778	1,659	1,420
Brazil	1,664	1,696	1,630
China	1,113	1,058	1,013

For the corresponding consolidated employee number, refer to the *Consolidated financial statements, note 1.5 Personnel expenses and number of personnel.*

Reporting period 2024

Female	Male	Other[1]	Not disclosed	Total
Number of employees (headcount)				
3,422	13,410	0	0	16,832
Number of permanent employees (headcount)				
3,058	12,238	0	0	15,297
Number of temporary employees (headcount)				
364	1,172	0	0	1,536
Number of non-guaranteed hours employees (headcount)				
0	7	0	0	7
Number of full-time employees (headcount)				
3,250	13,197	0	0	16,447
Number of part-time employees (headcount)				
172	206	0	0	378

[1] Gender as specified by the employees themselves.

Turnover	Number of employees
Leavers	3,441
Turnover rate	20%

Total number of leavers, excluding divestments, divided by average monthly headcount.

S1–7 — Characteristics of non-employee workers in the undertaking's own workforce

	2024	2023	2022
Workers who are not employees	3,720	4,776	4,774

S1–8 — Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage rate	Employees-EEA[1] (For countries with >50 employees representing >10% total employees)	Employees-Non EEA[1] (Estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA[1] only) (For countries with >50 employees representing >10% total employees)
0–19%		Asia, Middle East, India (1%) North and Central America (13%)	
20–39%		South America (39%)	
40–59%	Rest of EEA (58%)		
60–79%			
80–100%	Finland (96%)	Asia Pacific (88%)	Finland

[1] European Economic Area (EEA)

S1–9 — Diversity metrics

Category	Indicator		2024	2023	2022
Board of Directors	By gender				
	Female	Number	3	3	3
		% of total	33%	33%	33%
	Male	Number	6	6	6
		% of total	67%	67%	67%
	By age group				
	<30	Number	0	0	0
		% of total	0%	0%	0%
	30–50	Number	1	1	0
		% of total	11%	11%	0%
	>50	Number	8	8	9
		% of total	89%	89%	100%
Executive team	By gender				
	Female	Number	5	4	4
		% of total	56%	44%	44%
	Male	Number	4	5	5
		% of total	44%	56%	56%
	By age group				
	<30	Number	0	0	0
		% of total	0%	0%	0%
	30–50	Number	4	4	5
		% of total	44%	44%	56%
	>50	Number	5	5	4
		% of total	56%	56%	44%
Employees	By gender				
	Female	Number	3,422	3,267	3,006
		% of total	20%	19%	18%
	Male	Number	13,410	13,867	13,699
		% of total	80%	81%	82%
	By age group				
	<30	Number	2,527	2,685	2,602
		% of total	15%	16%	16%
	30–50	Number	10,930	10,738	10,531
		% of total	65%	63%	63%
	>50	Number	3,375	3,711	3,572
		% of total	20%	22%	21%

S1–13 — Training and skills development metrics

Percentage of employees receiving regular performance and career development reviews:

Category		2024	2023	2022
By gender	Female	98%	97%	95%
	Male	96%	98%	95%
	Other	–	–	–
By employee category	Professional	95%	97%	94%
	Middle management	99%	99%	97%
	Senior management	100%	98%	99%

Includes only white-collar employees.

Average hours of training per year per employee

Category		2024	2023	2022
By gender	Female	9.77	7.15	5.07
	Male	10.46	9.89	5.34
	Other	–	–	–
By employee category	Blue collar	4.95	4.81	2.85
	Professional	12.73	11.55	6.84
	Middle management	12.01	11.97	5.38
	Senior management	7.97	9.56	4.10
Total average hours		10.32	9.38	5.29

Includes global mandatory trainings and eLearnings.

S1–14 — Health and safety metrics

	Number of employees and external workers	% of employees
Covered by an occupational health and safety management system	20,736	100%
Covered by an occupational health and safety management system that has been internally audited	20,736	100%
Covered by an occupational health and safety management system that has been audited or certified by an external party	12,586	61%

S1–14 Work-related injuries and fatalities

OWN EMPLOYEES

Fatalities		2024	2023	2022
	Number of fatalities	0	0	0

Recordable injury rate (TRIF)		2024	2023	2022
By region	Europe	1.9	2.2	2.3
	North and Central America	4.8	2.1	5.4
	South America	1.9	1.7	1.6
	Asia Pacific	3.4	5.5	2.1
	Africa, Middle East and India	1.5	1.2	0.5
	Total	2.4	2.3	2.3

Number of recordable injuries		2024	2023	2022
By region	Europe	20	23	24
	North and Central America	20	9	22
	South America	17	16	13
	Asia Pacific	15	22	8
	Africa, Middle East and India	7	5	2
	Total	79	75	69

Recordable injury rate (TRIF) and number of recordable injuries include lost time, restricted work, and medical treatment incidents.

Number of days lost		2024	2023	2022
By region	Europe	311	n/a	n/a
	North and Central America	1,000	n/a	n/a
	South America	640	n/a	n/a
	Asia Pacific	31	n/a	n/a
	Africa, Middle East and India	46	n/a	n/a
	Total	2,028	n/a	n/a

Number of days lost reflects the total number of calendar days lost due to injuries that resulted in an absence of at least one workday.

Lost-time incident frequency (LTIF)		2024	2023	2022
By region	Europe	1.0	1.0	1.3
	North and Central America	3.3	1.1	1.5
	South America	1.1	0.8	0.7
	Asia Pacific	0.5	1.2	0.3
	Africa, Middle East and India	0.9	0.5	0.3
	Total	1.3	0.9	0.9

Lost-time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

BOARD OF DIRECTORS' REPORT

NON-METSO EMPLOYEES — CONTRACTORS AND SUPERVISED WORKERS

Fatalities		2024	2023	2022
	Number of fatalities	0	0	0

Fatalities include also value chain workers working in Metso's sites.

Recordable injury rate (TRIF)		2024	2023	2022
By region	Europe	4.1	7.6	8.6
	North and Central America	6.6	12.9	13.3
	South America	9.0	5.8	4.1
	Asia Pacific	2.4	15.0	6.8
	Africa, Middle East and India	2.2	3.4	1.9
	Total	3.9	5.3	4.2

Number of recordable injuries		2024	2023	2022
By region	Europe	5	12	14
	North and Central America	1	2	2
	South America	12	9	6
	Asia Pacific	1	6	3
	Africa, Middle East and India	9	16	8
	Total	28	45	33

Recordable injury rate (TRIF) and number of recordable injuries include lost time, restricted work, and medical treatment incidents.

Number of days lost		2024	2023	2022
By region	Europe	30	n/a	n/a
	North and Central America	21	n/a	n/a
	South America	119	n/a	n/a
	Asia Pacific	0	n/a	n/a
	Africa, Middle East and India	377	n/a	n/a
	Total	547	n/a	n/a

Number of days lost reflects the total number of calendar days lost due to injuries that resulted in an absence of at least one workday.

Lost-time incident frequency (LTIF)		2024	2023	2022
By region	Europe	0.8	3.2	3.7
	North and Central America	6.6	0.0	0.0
	South America	6.0	4.5	2.7
	Asia Pacific	0.0	5.0	0.0
	Africa, Middle East and India	1.0	1.0	1.4
	Total	1.9	2.2	2.0

Lost-time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

S1–15 Work-life balance metrics

Country	Percentage of employees entitled to take family-related leave	Percentage of employees that took family-related leave
Finland	100%	7%
Chile	100%	3%
India	100%	4%
Brazil	100%	4%
China	100%	1%
United States	100%	6%
Australia	96%	31%
Peru	100%	5%
Mexico	100%	2%
Sweden	100%	16%
Canada	100%	3%
South Africa	100%	3%
United Kingdom	100%	3%
Germany	100%	2%
Lithuania	100%	71%
France	100%	23%
Indonesia	100%	3%
Kazakhstan	100%	3%
Saudi Arabia	100%	5%
Poland	100%	3%
Türkiye	100%	15%
Norway	100%	2%
Ghana	100%	2%
Czech Republic	100%	7%
Austria	100%	3%
Spain	100%	0%
United Arab Emirates	100%	10%

Family-related leaves reported in countries having over 20 employees in the end of 2024.

S1–16 — Compensation metrics (pay gap and total remuneration)

	Blue collar	Professional	Middle management	Senior management
Finland	0.95	0.97	0.95	1.01
Brazil	1.19	0.95	0.71	
China	0.81	1.00	0.78	
Chile	0.77	0.92	0.69	
India		0.92	0.92	

Ratio is not provided if number of employees is small.

Gender pay gap per employee category in Metso's five biggest countries. Finland, Chile, Brazil, India and China are Metso's five biggest countries by headcount. They represent about 56% of Metso's total headcount.

Total remuneration ratio	35.3

The annual total remuneration ratio of the highest paid individual to the average annual total remuneration for all employees

S1–17 Incidents, complaints and severe human rights impacts

There were no incidents of discrimination reported externally in 2024. There were 27 complaints related to discrimination and harassment reported through Metso's whistleblower channel in 2024. The total amount of material fines, penalties and compensation for damages related to these complaints was 0 euros.

3.1.10. Reporting principles

3.1.10.1. Metso's people and culture

Data of employees and workers who are not employees is collected from the global HR master system PeoplePoint where Metso records all employees and workers who are not employees. Data is collected from the last day of the year, 31.12.2024. Recruitment and leaving data include all employees, permanent and temporary, full-time and part-time but excludes any acquisitions or divestments. Job level is defined based on Metso job leveling system. Own workforce numbers are reported as headcount.

Training hours are collected from the global LearningPoint system which is used for managing and recording global mandatory training and e-learnings. Training data is mapped to gender and job level information from the global HR master system. Training data covers the whole year, from January 1 to December 31, 2024.

Employee engagement (eNPS) data is collected from the Our voice tool, which is an employee survey tool. Employee surveys are conducted four times per year; two of the surveys are for all Metso employees and two for white-collar workers. The results from each survey round are reviewed internally. The results published in this statement are from December, which is the latest survey of the year. Metso has been using the Our voice tool since 2020.

Industry benchmark is defined as a comparative standard that allows organizations to evaluate their employee engagement and feedback metrics against similar companies within their industry. This benchmarking process utilizes a vast dataset, drawing from over half a million data points, to provide insights into how a company's performance stacks up against its peers.

3.1.10.2. Health and safety

Metso's global HSE24 reporting system is used to collect health and safety data and to monitor progress towards common health and safety targets across all Metso operations. The occupational health and safety management system and reported indicators cover employees as well as workers who are not employees but whose work or workplace is controlled by the organization.

Metso has implemented a health and safety management system fulfilling local statutory requirements. The system also supports standards such as ISO 45001. The occupational health and safety management system and reported indicators cover employees as well as workers who are not employees but whose work or workplace is controlled by the organization.

All work-related injuries are reported, without exception, in the HSE24 reporting system. Injuries are investigated and the results are reported in the system. Injuries are reviewed with management, and the necessary corrective actions are identified during the investigation. All lost-time injuries are reviewed at least annually to identify high-consequence work-related injuries. All injuries that are reported with a consequence defined as a "lost-time incident," "restricted work," or "medical treatment" are included in recordable injuries. The type of injury is reported based on the Injury classification on the injury report for each incident. Fatalities are categorized separately.

The number of hours worked per month is estimated as headcount at the end of the month multi-plied by 160. Hours worked are not made public but are used only to calculate frequency rates. Only the rate is reported so that reporting is concise. Hours for non-employees are not reported because they are business-sensitive information and would add little value to information about injury frequency rates.

Non-Metso employees cover supervised workers, contractors and workers in the value chain.

3.2. S2 Workers in the value chain — Responsible supply chain

Metso's workers in the value chain that could be impacted by Metso's operations include workers both upstream and downstream of the company. Upstream value chain workers include, for example, direct suppliers, logistics providers and indirect service providers. Downstream value chain workers consist of customers' employees at customer sites, as well as distributors and logistics service providers responsible for transporting products from Metso units to customers and from suppliers to customers. Value chain workers are both blue- and white-collar workers. The most common roles of value chain workers are technicians, blue-collar workers working for Metso subcontractors. White-collar workers are represented by site managers and engineers involved in specific projects. In 2024, Metso's procurement spend was approximately EUR 3.1 billion, and the company collaborated with over 18,000 suppliers in around 100 countries.

The most vulnerable workers in Metso's value chain are those not directly employed by Metso, i.e. contracted workers in certain countries. These contracted workers may face the risk of sudden termination of contract and may have limited opportunities to voice their concerns due to fear of non-renewal of contract.

Adherence to operational health and safety and fair employment practices in Metso's supply chain, continuous supplier due diligence and risk identification, as well as climate change actions taken by suppliers are a priority for Metso. The main ways to address responsibility in the supply chain in 2024 focused on obtaining more reliable data on most of the key suppliers and streamlining internal reporting for advanced supply chain analysis.

3.2.1. Material impacts, risks and opportunities

Impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
HEALTH AND SAFETY			
Considering the nature of the industry, working at customer sites may expose workers to multiple health and safety risks. In many of the countries where Metso has suppliers, the enforcement of health and safety laws is poor, unsafe conditions are common, and the rate of accidents high. Especially among lower tiers of the supply chain, poor implementation of health and safety measures is common, as are unsafe conditions, lack of personal protective and safety equipment, inadequate knowledge, limited training, and poor hygiene. Inadequate health and safety requirements or their implementation may negatively affect the suppliers' and customer's employees' physical and mental health, as well as increase accidents. Metso's safety requirements and practices can positively impact the health and work environment of suppliers' employees.			• The Supplier Code of Conduct includes requirements for health and safety. Suppliers are expected to provide a safe and healthy working environment and to take all reasonable steps to prevent injuries, safety incidents, and health hazards. • Supplier sustainability audits • The Product Compliance Management process ensures that products designed and supplied by Metso worldwide meet all applicable safety requirements throughout the product life cycle. • Metso's Quality Policy
WORKING CONDITIONS: WORKING TIME, ADEQUATE WAGES, SECURE EMPLOYMENT, WORK-LIFE BALANCE, DISCRIMINATION AND HARASSMENT, FORCED LABOR, FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
A violation of work-related rights in Metso's supply chain may cause human suffering and inequality. In some instances, Metso may unknowingly support operations that do not align with its values, principles and Supplier Code of Conduct, which may result in weaker working conditions, job satisfaction and commitment to Metso on the part of suppliers' employees. Metso's requirements for its suppliers and the control mechanisms in place may have a positive impact on the working conditions of suppliers' employees.			• Metso's Supplier Code of Conduct includes requirements for fair employment practices. • Compliance with the Supplier Code of Conduct is ensured, e.g. through supplier sustainability audits and assessments. • The Human Rights Policy sets out Metso's commitment to human rights. • The supplier onboarding process includes a range of internal controls, e.g. suppliers are required to sign the Supplier Code of Conduct. • Anonymous whistleblower channel
Metso's supply chain extends to many low-income countries. Expansions of sourcing to low-income countries to improve cost-efficiency may increase the risk for wages that are not adequate. Workers in the supply chain might be required to work long shifts to meet production demands, and workers based in remote locations may be more vulnerable to exploitative practices, such as long working hours without sufficient rest, as these are subject to less oversight from inspection and monitoring. Metso purchases components from suppliers in some countries where there is a risk of forced labor. There is also a risk of child labor relating to procuring natural rubber in certain countries in Southeast Asia.			

3.2.2. Processes to identify and assess material impacts, risks and opportunities

The material impacts, risks and opportunities related to workers in the value chain have been identified in a double materiality assessment. The materiality assessment is discussed in section *1. General information*.

3.2.3. Targets and progress on targets

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
Supplier Code of Conduct	96% of procurement spend with suppliers that have signed the Supplier Code of Conduct	Continuous improvement and alignment with sustainable procurement initiatives	93%	94%	Below target
Responsible supply chain	182 supplier sustainability audits per year conducted in higher-risk areas	Continuous improvement and alignment with sustainable procurement initiatives	179	172	Below target
Corrective action closure rate based on supplier sustainability audits	70%	To close all corrective actions identified in supplier sustainability audits	61%	59%	Below target

Internal stakeholders, customers and investors were consulted when setting targets. Targets are set annually and are monitored internally on a quarterly basis. If required, potential issues can be escalated to the Procurement Leadership Team and the Sustainability Steering Committee.

3.2.4. Policies

Metso is committed to respecting human rights and the United Nations (UN) Guiding Principles on Business and Human Rights. Metso also adheres 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 (ILO) Declaration of Fundamental Principles and Rights at Work. These commitments are incorporated into Metso's Code of Conduct, Supplier Code of Conduct, and its Human Rights, HR, Quality, and EHS policies. In addition, the Metso Modern Slavery Statement outlines practices and actions to mitigate the risk of modern slavery or human trafficking in Metso's own business and supply chain. Metso also supports and operates according to the principles described in the OECD Guidelines for Multinational Enterprises. Metso does not accept any form of compulsory, forced, or child labor, slavery or human trafficking, unlawful employment terms, unsafe working conditions or unlawful environmental impacts within its own operations, including investment decisions related to mergers, acquisitions, and divestments, and it has zero tolerance for any such activity in its supply chain.

Due to the cyclical nature of its customer industries, Metso outsources a significant proportion of its manufacturing. Metso expects its suppliers to follow its Supplier Code of Conduct, which is based on Metso's Code of Conduct and established international best practices. In 2024, Metso updated its Supplier Code of Conduct. The Supplier Code of Conduct was aligned with the published Human Rights Policy, direction, and understanding, including strengthening the message in the health and safety, child labor and non-discrimination sections. NIS2 (Network and Information Security Directive) cyber security requirements were also added with this update. Non-compliance with Metso's Supplier Code of Conduct is addressed with the supplier to agree on improvements and alignment with the expected commitments. During the reporting period, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving value chain workers in our upstream or downstream value chain were reported.

In 2023, Metso's Board of Directors approved a Human Rights Policy that sets out Metso's commitment to human rights. Metso is committed to regularly reviewing its due diligence practices and human rights policies and procedures. Metso requires that business partners, including suppliers and other stakeholders, also follow similar standards. Processes to report any suspected misconduct or non-compliance are in place, such as an anonymous whistleblower channel that is available to employees and external parties. Based on the investigation outcome, appropriate measures are implemented, which can include removing the supplier from the list of suppliers.

3.2.5. Processes for engaging with value chain workers about impacts

Human rights-related topics, including health and safety and labor rights, are regularly reviewed within Metso's own operations and through a risk-based approach in its supply chain. Human and labor rights, environmental and safety practices, compliance with laws and regulations, and anti-bribery provisions are covered by third-party supplier sustainability audits, supplier self-assessments and Metso's internal supplier sustainability audits. Key supplier requirements are also incorporated into contract obligations, and a contract breach can result in consequences, such as follow-up on agreed improvements on action plans and, if not addressed in a satisfactory manner, potential termination of a supplier relationship. Heads of business areas are responsible for ensuring that non-conformities and findings are considered in decision-making, and ongoing engagement with suppliers is maintained. Metso has established metrics associated with supplier engagement on sustainability topics, with annual targets and monthly follow-up, including the number of audits and closed corrective actions.

Sustainability risk mapping within the existing supplier base allows a focus on suppliers with the highest potential sustainability risks in their operations. This risk mapping is based on a country-level supplier assessment of the following categories:

- child labor
- forced or involuntary labor
- discrimination in the workplace
- rule of law
- corruption risk index
- respect for property rights
- freedom of association and collective bargaining index
- health and safety risk as well as environmental regulatory framework

Onboarded suppliers are constantly monitored using a third-party screening tool for adverse media, enforcements related to e.g. environmental or labor right violations or sanctions. Supplier sustainability audits are conducted in high-risk countries by both Metso procurement teams and a third-party auditor.

As part of Metso's ongoing procurement processes, new supplier assessments evaluate all new direct suppliers in high-risk countries against Metso's sustainability criteria. Based on the assessments of existing and new suppliers, the need for third-party or internal supplier sustainability audits as well as any further actions are determined.

In 2024, 179 supplier sustainability audits were conducted, and all of them included human rights topics in their scope. During the audit process, the supplier's personnel could be interviewed directly, and suppliers are expected to remedy any non-conformities identified without delay. After an audit, suppliers receive the audit findings, and Metso follows up on the implementation of planned corrective actions according to the agreed schedule. Subsequent re-audits may be conducted.

To further support its suppliers' sustainability actions and create awareness, Metso educates and advises its suppliers regarding their performance related to sustainability. Metso offers a variety of supplier e-learning courses about its supplier sustainability expectations regarding, e.g., human rights, safety, Science Based Target (SBT) methodology and reducing CO_2 emissions in the supply chain.

Metso also conducts compliance assessments of its suppliers and other business partners through third-party screening tools and portals linked to Metso's supplier data management systems. Following screenings, specific corrective actions are agreed with suppliers and monitored within the agreed time schedule. Significant aspects that could not be rectified may lead to a supplier potentially being excluded from consideration by Metso.

Metso's general conditions of purchasing include specific compliance requirements, including those related to modern slavery. Any breach of these requirements by the supplier entitles Metso to terminate the relevant contractual relationship with immediate effect. Commitment to the Metso Supplier Code of Conduct is part of Metso's supplier onboarding process.

Metso actively engages in discussions with many of its customers to support them in reaching their sustainability targets and proposes improvements to the customers' processes. Additionally, Metso collaborates on co-funded community projects with its customers. Metso strives to develop a shared understanding with suppliers across the areas of innovation, cost efficiency, health and safety, quality and sustainability to effectively manage risks associated with outsourcing.

3.2.6. Remediating negative impacts and feedback channels for value chain workers

Supplier sustainability internal and third-party audits, corrective actions, the external whistleblower line, and case investigations are the primary methods to prevent, mitigate or remediate material negative impacts on value chain workers. Metso acknowledges that the current approach largely represents a compliance level of performance and this will be evaluated in the next 2–3 years.

Metso's employees or any external party can confidentially report suspicions of financial or other misconduct, including environmental, social or governance misconduct, via the anonymous whistleblower channel, maintained by an independent third party. In cases of potential misconduct, Metso encourages its suppliers to report it to their Metso contact person or to use the externally available whistleblower channel.

Metso's Supplier Code of Conduct also requires suppliers to provide access to a protected mechanism for their employees to report possible violations of the principles outlined in Metso's Supplier Code of Conduct.

Metso's Compliance and Risk function determines how matters of potential misconduct will be investigated and reports the alleged misconduct to the Board's Audit and Risk Committee. To ensure effective and efficient investigation and remediation, roles and responsibilities are defined in an internal Metso directive. Metso is committed to remediation and to implementing relevant improvement actions to prevent reoccurrence. The responsible management executes the remediation measures with support from Human Resources if the misconduct or non-compliance leads to employment-related actions. Furthermore, the Compliance and Risk function monitors the remediation implementation. In 2024, there were no reported severe human rights issues or incidents in Metso's supply chain.

Currently, Metso does not regularly evaluate the efficiency of existing processes to remediate negative impacts in the value chain. The plan for the coming years is to gradually increase understanding of externally available ESG datapoints for Metso's supplier base, focusing initially on filling in data gaps for key and direct vendors with a risk-based approach. Based on data availability, a more effective process and remediation approach will be developed.

3.2.7. Responsible supply chain — metrics and actions

Metso requires its suppliers to demonstrate continuous environmental improvement, such as developing CO_2 emissions reduction plans and setting their own CO_2 reduction targets. Metso especially encourages suppliers to commit to the Science Based Targets initiative (SBTi) and climate-related target setting. Metso aims for 30% of its direct procurement spend to be with suppliers who have committed to science-based emissions reductions by 2025. Metso's supplier engagement program began in 2020; in 2024, 31.6% 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 not covered by SBTi commitments, these are included in a separate KPI (33.2% in 2024). Some suppliers have highlighted that they are already benefiting from energy consumption reductions and optimization of their operations. The supplier engagement program is therefore mutually beneficial, especially for smaller companies that would not have their own science-based emissions targets programs without Metso's support. In addition, Metso has interviewed customers in order to understand the requirements of upstream value chain emissions reporting and to understand how value chain workers should be engaged for setting Metso's supplier-related targets.

In 2024, Metso's spend on suppliers that are local to the purchasing operations amounted to 72% of total supply spend. Metso is committed to supporting local communities by sourcing products locally where economically feasible, training, recruiting local people and supporting local economic development.

Through its Supplier Code of Conduct, responsible business practices, audits, and assessments of new direct suppliers from high-risk countries, Metso aims to ensure that its practices do not cause or contribute to material negative impacts on value chain workers. Metso is transparent about its requirements and encourages safe working practices in the supply chain.

Based on the human rights impact assessment conducted in 2023, Metso assessed its existing human rights due diligence process and risks and identified future focus and priority areas. 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 the value chain. The assessment also identified different groups of value-chain workers that may be particularly vulnerable to impacts. In 2024, Metso placed a risk-based focus on its supply chain with regards to human rights by, for example, conducting supplier audits in the high-risk countries. In 2025, Metso plans to further improve its human rights governance and due diligence processes by reviewing its current policies and communication practices, assessing its grievance mechanisms, enhancing due diligence governance in its own operations, and further developing and implementing risk-based due diligence and human rights risk assessments for supply chain sustainability. In recognizing that the human rights impacts may change over time as the operations and value chains evolve, Metso acknowledges that embedding human rights due diligence across our business is an ongoing process.

An important safety priority is ensuring that products and services are safe to use and maintain; thus, the safety of operation and maintenance is considered in the early phases of product development. The Product Compliance Management process ensures that products designed and supplied by Metso worldwide meet all applicable safety requirements.

Metso manages incidents, hazards, and development initiatives through its QEHS management and product compliance management systems, as well as through customer feedback collected after each major delivery and in customer surveys.

KEY GLOBAL ACTIONS IN 2024 INCLUDED:

- Supplier-related categorization and ESG data collection improvements
- Tracking supplier onboarding and Supplier Code of Conduct signage
- Active supplier engagement on climate change actions
- Monitoring supplier commitments to SBTi on a monthly basis
- Contract re-negotiations with logistics suppliers, prioritizing those with clear climate change mitigation strategies and plans
- Update of Supplier Code of Conduct
- Review of supplier audit questions and guidance with regards to human rights
- Awareness building on human rights in Metso's procurement organizations in higher-risk countries
- Awareness building on Metso's human rights impact through increased employee communication

KEY LOCAL ACTIONS IN 2024 INCLUDED:

- Conducting 159 internal and 20 third-party supplier audits, and ensuring timely closure of identified corrective actions with 61% in high ESG risk countries: Brazil, Chile, China, India, Indonesia, Mexico, Peru, Türkiye and South Africa
- Engaging suppliers on the topic of Carbon Border Adjustment Mechanism (CBAM) and collecting in-depth production-related CO_2 emissions quantitative and qualitative data from EU importing countries

4. G – Governance information

4.1. G1 Responsible business conduct

4.1.1. Material impacts, risks and opportunities

Building a strong performance culture is defined as one of the four top priorities for Metso, including ensuring responsible business conduct. The focus areas for people and culture in the strategy period 2025–2027 are: high-performing people, inspirational leadership, and industry leading capabilities.

Corporate culture and the agenda are discussed in more detail in section *3.1. Own workforce*.

Metso endorses responsible business practices and complies with national and international laws and regulations. The company has zero tolerance for corruption.

Impacts, risks and opportunities

Impacts	Risks	Opportunities	Key management methods
BUSINESS CONDUCT AND CORRUPTION AND BRIBERY			
Insufficient processes and control mechanisms for preventing corruption and bribery could lead to non-compliance with Metso's Code of Conduct and applicable laws.	Corruption and bribery may have significant financial consequences and weaken Metso's reputation and brand.	When stakeholders perceive Metso as a responsible and trusted partner, it improves Metso's reputation, brand and competitiveness.	• Metso's Code of Conduct, Supplier Code of Conduct, and Anti-Corruption Policy • A range of internal controls • Metso's internally and externally available whistleblower channel • Mandatory and yearly Code of Conduct training
MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS AND PAYMENT PRACTICES			
If Metso is not seen as a responsible partner its relationships with its suppliers may suffer and therefore lead to loss of some of the long-term partnerships. Whereas Metso's reputation as a sustainable and responsible partner improves cooperation with suppliers and can lead to long-term partnerships with financial benefits. Because of uncertainty in global supply chains, the financial position of suppliers may be at risk and could also lead to challenges with on-time deliveries. If Metso's suppliers are unable to deliver and the company is unable to find alternative sources in the time required, it may lead to contractual penalties and/or obligations for Metso.			• Supplier Code of Conduct • Supplier sustainability audits • Compliance checks on customers, suppliers, and other business partners are conducted using third-party screening tools and data portals • All sales agents, distributors and other representatives are required to confirm their compliance with the company's Supplier Code of Conduct requirements

4.1.2. Processes to identify and assess material impacts, risks and opportunities

The material impacts, risks and opportunities related to business conduct and corporate culture have been identified in a double materiality assessment. The materiality assessment is discussed in section *1. General information*. Corporate culture is discussed in more detail in section *3.1. Own workforce*.

4.1.3. Targets and progress on targets

Sustainability topic	Target for 2024	Long-term goal	2024	2023	Progress
Code of Conduct training	All active employees, including blue-collar workers, trained in Code of Conduct. Excludes external workforce	All active employees, (including blue-collar workers) trained in Code of Conduct every year	99.0%	99.4%	On target

4.1.4. Policies

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, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work as well as OECD Guidelines for Multinational Enterprises. These commitments are incorporated in Metso's Code of Conduct and Supplier Code of Conduct, and in its Human Rights, HR, Quality and EHS Policies, described in more detail in section *3.1.4.1. People and culture* and section *2.3.4. Policies*.

4.1.5. The role of Metso's administrative, management and supervisory bodies

The Board of Directors oversees the management and operations of Metso. It also decides on significant matters related to strategy, investments, organizational structure and finances. The Audit and Risk Committee's task is to ensure that established principles for financial reporting, risk management and internal control are followed. The Audit and Risk Committee reviews Metso's annual sustainability reporting before submission to the Board for final approval. The President and CEO, with assistance from the Internal Audit function, is responsible for maintaining an effective control environment and for the ongoing work on internal control regarding financial reporting.

Under the direction of the Board of Directors, Metso takes a systematic approach to managing sustainability matters, including implementing appropriate policies, risk management, due diligence processes, governance and organization. Metso's Code of Conduct, approved by the Board of Directors, sets out the company's expectations for business conduct.

The expertise of the Board of Directors and its committees is described in section *1.4.1. Roles and responsibilities*.

4.1.6. Responsible business conduct and prevention and detection of corruption and bribery

Metso works to prevent corruption in all its forms and requires its suppliers and business partners to follow the same principles and to fully comply with all applicable anti-corruption laws. Metso's Code of Conduct, Supplier Code of Conduct, and Anti-Corruption Policy are the key policies that define the anti-corruption measures required from Metso's employees, customers, agents, suppliers, distributors and other business partners.

Metso conducts compliance checks on customers, suppliers, and other business partners through third-party screening tools, data portals that are linked to Metso's customer relationship management systems, and supplier data management systems. All sales agents, distributors and other representatives are further required to confirm their compliance with the company's Code of Conduct requirements.

Metso's employees have a responsibility for ensuring compliance with anti-corruption and anti-bribery measures. A range of internal controls are in place, and employees are strongly encouraged to report any suspected misconduct to their supervisors, to management, or to Risk and Compliance team or Internal Audit. Additionally, Metso employees or any external party can report suspicions of financial and other misconduct confidentially via the anonymous Whistleblower channel, which is maintained by an independent party. All reports are treated as confidential and anonymous, and Metso commits to ensuring that there are no negative repercussions for the reporting person. The report can be submitted in several languages via the Internet, by phone or by email, and anonymously, if necessary. Information about the whistleblower channel is included in the Code of Conduct and in the mandatory annual training for the Code of Conduct. Other mandatory training includes antitrust, cyber security and privacy e-learning courses, and depending on an employees' duties, they are further required to complete e-learning courses related to other policies such as, procurement, contract and other legal training.

The President and CEO, the Metso Leadership Team, and the management of the business areas, market areas and Group companies are responsible for compliance. Suspected misconduct is investigated thoroughly and confidentially without undue delay. The Risk and compliance team determines how the matter will be investigated and reports the alleged misconduct to the Audit and Risk Committee. The Legal & Compliance and Human Resources functions together implement any measures resulting from possible misconduct. The VP, Compliance and Risk Management regularly reports to the General Counsel and to the Audit and Risk Committee regarding compliance cases and corrective actions taken.

To mitigate risks and to ensure compliance with the company's Code of Conduct, Metso provides regular compliance training. In 2024, the Code of Conduct training focused on anti-corruption and anti-bribery, human rights, data privacy, and other relevant compliance areas. All third parties involved in sales are required to complete specific anti-corruption training to ensure a common understanding of Metso's zero-tolerance for corruption and bribery. In addition, specific trade compliance training was arranged for business area and market area sales and procurement teams.

Employees and Metso's Board of Directors are required to complete the Code of Conduct training annually. 99.0% of employees had completed the 2024 Code of Conduct training within the given timeframe. The Code of Conduct training is also a mandatory part of the induction program for new employees.

4.1.7. Incidents of corruption or bribery

In 2024, 60 reports of suspected financial misconduct and 67 reports of suspected non-financial misconduct were received by Metso's Compliance department. The cases of misconduct were reviewed by the Audit and Risk Committee. None of the cases had a significant impact on Metso's financial results.

Several lawsuits, legal claims and disputes based on various grounds related to, among other things, Metso's products, projects, other operations, and customer receivables are pending against Metso in various countries. There have been no judgements or fines for violation of anti-corruption or anti-bribery laws. No need for action has been identified to address breaches of anti-corruption and anti-bribery procedures and standards.

4.1.8. Management of relationships with suppliers and payment practices

All third parties involved in sales are required to complete specific anti-corruption training to ensure a common understanding of Metso's zero tolerance for corruption and bribery. 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.

The assessment of new suppliers is part of Metso's procurement function's ongoing processes; the aim is to evaluate all new direct suppliers in high-risk countries against Metso's sustainability criteria.

Human and labor rights, environmental and safety practices, compliance with laws and regulations, and anti-bribery provisions are verified through third-party supplier audits, supplier self-assessments, and Metso's internal supplier sustainability audits. Key supplier requirements are also incorporated into contract obligations, and a contract breach can result in consequences, including potential termination of a supplier relationship.

The maturities of trade payables are largely determined by trade practices and individual agreements between Metso and its suppliers. Metso has a Global Payment Directive that outlines the payment practices at Metso. The objective of this directive is to establish global uniform instructions for internal and external payments across all Metso legal entities. It also states that supplier invoices are paid once a week.

Due to Metso's diverse business footprint and various types of business, it has a significant number of different payment terms. The table below presents the average realized payment terms with and without a purchase order for non-SMEs (small- and medium-sized enterprises) and SMEs. Metso applies on average payment terms of 14—120 days in its contracts with suppliers and, as standard, payments are made according to the due date. Contracts with suppliers and respective payment terms may vary due to Metso's diverse geographical business footprint and various types of business as well as suppliers.

Average payment terms

Average realized payment terms in days	With purchase order	Without purchase order
Non-SME	51	38
SME	57	34
Total	54	37

Metso was party to one legal proceeding due to late payments in 2024.

4.1.9. Actions

KEY ACTIONS IN 2024 INCLUDED:

- Code of Conduct training
- Focused compliance training for business line and market area sales and procurement teams on selected topics, including trade compliance, anti-corruption and human rights
- Implementation of a global conflict of interest declaration process
- Establishment of Regional Compliance & Ethics Committees
- Development and systematic monitoring of compliance screening processes
- Development of an internal investigation process, including ensuring that remediation is implemented in case of issues or gaps

4.1.10. Reporting principles

The supplier master data was used to identify active suppliers and to identify those classified as SMEs. The realized payment term is calculated from the creation date, when the invoice has been received in Metso invoice processing system, to the payment confirmation date, when the payment has been made and received. An SME was defined as a company with fewer than 250 employees and an annual turnover of less than EUR 50 million or a balance sheet below EUR 43 million. Average payment terms reported are from year 2023.

5. Annexes to the Sustainability statement

The annexes published at the same time as the Sustainability statement include:

- ESRS content index
- Index of disclosure requirements and data points derived from other EU legislation

5.1. ESRS content index

ESRS	Disclosure requirement	Location	Additional information
ESRS 2 GENERAL DISCLOSURES			
BP–1	General basis for preparation of the Sustainability statement	1.2. Basis for preparation 1.3.2. Business model	
BP–2	Disclosures in relation to specific circumstances	1.2. Basis for preparation 1.2.1. Disclosures in relation to specific circumstances	
GOV–1	The role of the administrative, management and supervisory bodies	1.4.1. Roles and responsibilities 1.4.2. Sustainability expertise of the Board, its committees and Metso Leadership Team 1.4.3. Sustainability focus areas in 2024 1.4.5. Internal controls over sustainability 1.4.6. Risk management systems and policies 1.4.7. Due diligence at Metso	
GOV–2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.4.1. Roles and responsibilities 1.5. Stakeholder engagement	
GOV–3	Integration of sustainability-related performance in incentive schemes	1.4. 4. Integration of sustainability-related performance in incentive schemes 3.1.4.1. Policies – People and culture	
GOV–4	Statement on due diligence	1.4.7. Due diligence at Metso	
GOV–5	Risk management and internal controls over sustainability reporting	1.4.5. Internal controls over sustainability 1.4.6. Risk management systems and policies	
SBM–1	Strategy, business model and value chain	1.3.1. Strategy 1.3.2. Business model 1.3.3. Value creation and value chain 1.3.4. Revenue breakdown	
SBM–2	Interests and views of stakeholders	1.4.2. Sustainability expertise of the Board, its committees and Metso Leadership Team 1.5. Stakeholder engagement	
SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.1. Material sustainability-related impacts, risks and opportunities 1.3. Metso's strategy, business model and value creation 1.3.1. Strategy 1.3.2. Business model 1.3.3. value creation and value chain	
IRO–1	Description of the process to identify and assess material impacts, risks and opportunities	1.1. Material sustainability-related impacts, risks and opportunities 1.2.1. Disclosures in relation to specific circumstances 1.4.5. Internal controls over sustainability 1.4.6. Risk management systems and policies 1.4.7. Due diligence at Metso 2.3.3. Targets and progress on targets 3.2.3. Targets and progress on targets	
IRO–2	Disclosure Requirements in ESRS covered by the undertaking's Sustainability statement	5.1. ESRS Content index 5.2. ESRS Appendix B index	

ESRS	Disclosure requirement	Location	Additional information
E1 CLIMATE CHANGE			
E1–1	Transition plan for climate change mitigation	2.3. Climate change 2.3.3. Targets and progress on targets 2.3.6. Actions 2.3.5. Environmental efficiency in own operations 2.2. EU Taxonomy	
E1–2	Policies related to climate change mitigation and adaptation	2.3.4. Policies	
E1–3	Actions and resources in relation to climate change policies	2.3.6. Actions 2.3.5. Environmental efficiency in own operations 2.3.9. Metrics	
E1–4	Targets related to climate change mitigation and adaptation	2.3.3. Targets and progress on targets 2.3.9. Metrics 2.3.7. Anticipated financial effects – risks and opportunities	E1–4 34e, 16a) Metso's greenhouse gas emission reduction targets are not derived using a sectoral decarbonization pathway. E1–4 34 f; 16b) The overall quantitative contributions of decarbonization levers on the achievement of GHG emission reduction targets have not been assessed. Metso is planning on developing this assessment in 2025.
E1–5	Energy consumption and mix	2.3.9. Metrics 2.3.10. Reporting principles	
E1–6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.3.9. Metrics 2.3.10. Reporting principles	E1–6 48 b) Metso does not engage in regulated emission trading schemes.
E1–9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	2.3.7. Anticipated financial effects – risks and opportunities	More information will be reported in the upcoming years.
E1–GOV–3	Integration of sustainability-related performance in incentive schemes	2.3.8. Integration of sustainability-related performance in incentive schemes	
E1–SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.1. Material impacts, risks and opportunities 2.3.7. Anticipated financial effects – risks and opportunities	
E1–IRO–1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.3.2. Processes to identify and assess material impacts, risks and opportunities 2.3.7. Anticipated financial effects – risks and opportunities	
E3 WATER AND MARINE RESOURCES			
E3–1	Policies related to water and marine resources	2.4.4. Policies	Metso has a QEHS Policy that covers water management at a general level. No policy specifically for water management exists.
E3–2	Actions and resources related to water and marine resources	2.4.5. Environmental efficiency in own operations – actions 2.4.6. Water-efficient offering to customers – actions	
E3–3	Targets related to water and marine resources	2.4.3. Targets and progress on targets 2.4.4. Policies	E3–3 23 a) Target not based on conclusive scientific evidence. E3–3 25) Metso's water-related target is not based on legislation.
E3–4	Water consumption	2.4.7. Metrics 2.4.8. Reporting principles	
E3–IRO–1	Processes to identify and assess material water and marine resources-related impacts, risks and opportunities	2.4.2. Processes to identify and assess material impacts, risks and opportunities 2.4.1. Material impacts, risks and opportunities	E3-IRO-1 8 b) Metso has not conducted consultations with affected communities on water and marine resources.

ESRS	Disclosure requirement	Location	Additional information
E4 BIODIVERSITY AND ECOSYSTEMS			
E4–1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.5. Biodiversity and ecosystems	E4–1 13 a) A study on the resilience of Metso's business model and strategy in relation to biodiversity and ecosystems is planned for 2025–2026.
E4–2	Policies related to biodiversity and ecosystems	2.5.4. Policies	E4–2 23 b, c) The Biodiversity Policy's relation to material biodiversity and ecosystems-related impacts, dependencies and material physical and transition risks and opportunities will be evaluated in 2025/26. E4–2 23 d) Metso does not currently have traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems along the value chain. Scoping work is planned for 2025–2026 for suitable supply chain transparency IT solutions. E4–2 23 f) Metso Biodiversity Policy currently does not address social consequences of biodiversity and ecosystems-related impacts. Further investigation on the topic is required as part of the biodiversity framework establishment for Metso.
E4–3	Actions and resources related to biodiversity and ecosystems	2.5.5. Environmental efficiency in own operations – actions 2.5.6. Metso Plus offering and innovations to customers – actions	
E4–4	Targets related to biodiversity and ecosystems	2.5.3. Targets and progress on targets	Metso is in the evaluation stage for biodiversity targets. Progress is expected in 2025.
E4–5	Impact metrics related to biodiversity and ecosystems change	2.5.5. Environmental efficiency in own operations – actions	E4–5 38) Opening new sites and closing sites may have an impact on land-use change. In 2024, Metso closed factory operations in Trelleborg, Sweden, and a foundry that is located near a Natura 2000-classified area in Prerov, Czech Republic. The ecosystem impact of the closings has not been assessed.
E4–SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.5.1. Material impacts, risks and opportunities	E4-SBM-3 16 b, c) Metso has not identified material negative impacts related to land degradation, desertification or soil sealing, or impacts of its own operations on threatened species. E4-SBM-3 17 a, b) Identification and assessment of actual and potential impacts and dependencies on biodiversity and ecosystems and their services at own site locations and in the value chain is in progress.
E4–IRO–1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	2.5.2. Processes to identify and assess material impacts, risks and opportunities 2.5.5. Environmental efficiency in own operations – actions	E4-IRO-1 17 c, d) A high-level biodiversity assessment was done in 2023 but Metso recognizes the need for further investigation of transitional and physical risks and opportunities related to biodiversity and ecosystems and systemic risks to Metso's own business model and to society.
S1 OWN WORKFORCE			
S1–1	Policies related to own workforce	3.1.4. Policies	
S1–2	Processes for engaging with own workers and workers' representatives about impacts	3.1.5. Processes for engaging with own workers and workers' representatives	S1–2 27 d) Metso currently has no Global Framework Agreements in place.
S1–3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.6. Remediating negative impacts and feedback channels for own workers	
S1–4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.7. Metso's people and culture – actions 3.1.8. Health and safety – actions	
S1–5	Targets relating to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.3. Targets and progress on targets	
S1–6	Characteristics of the undertaking's employees	3.1.9. Metrics 3.1.10. Reporting principles	

ESRS	Disclosure requirement	Location	Additional information
S1–7	Characteristics of non-employee workers in the undertaking's own workforce	3.1.9. Metrics 3.1.10. Reporting principles	For reporting year 2024, only the number of non-employees is reported. Other information regarding non-employees will be reported for reporting year 2025.
S1–8	Collective bargaining coverage and social dialogue	3.1.9. Metrics	Information regarding non-employees will be reported in 2025.
S1–9	Diversity metrics	3.1.9. Metrics 3.1.10. Reporting principles	
S1–10	Adequate wages	3.1. Own workforce — Metso's people and culture 3.1.9. Metrics 3.1.10. Reporting principles	Metso pays salaries through local payrolls; in each country, it is the responsibility of HR to ensure compliance with all legislation stipulating minimum salary levels. S1–10 71) Information regarding non-employees will be reported in 2025.
S1–13	Training and skills development metrics	3.1.9. Metrics 3.1.10. Reporting principles	
S1–14	Health and safety metrics	3.1.9. Metrics 3.1.10. Reporting principles	S1–14 88 b) The number of fatalities reported as a result of ill health will be reported in 2025. S1–14 88 c) The number of work-related accidents due to ill health will be reported in 2025. S1–14 88 d) The number of cases of recordable work-related ill health of employees will be reported in 2025. S1–14 88 e) Number of days lost to work-related ill health and fatalities from ill health related to employees will be reported in 2025.
S1–15	Work-life balance metrics	3.1.9. Metrics 3.1.10. Reporting principles	
S1–16	Compensation metrics (pay gap and total compensation)	3.1.9. Metrics 3.1.10. Reporting principles	
S1–17	Incidents, complaints and severe human rights impacts	3.1.9. Metrics	
S1–SBM–2	Interests and views of stakeholders	1.5. Stakeholder engagement	
S1–SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1.1. Material impacts, risks and opportunities	
S2 WORKERS IN THE VALUE CHAIN			
S2–1	Policies related to value chain workers	3.2.4. Policies	
S2–2	Processes for engaging with value chain workers about impacts	3.2.5. Processes for engaging with value chain workers about impacts	S2–2 22 a, c, e) Information currently not available. Plan to obtain information during coming years. S2–2 22 d) Metso currently has no Global Framework Agreements in place. S2–2 23) Perspectives of value chain workers that may be particularly vulnerable to impacts and/or marginalized are currently being evaluated.
S2–3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.6. Remediating negative impacts and feedback channels for value chain workers	S2–3 28) There is currently no process in place to assess whether value chain workers are aware of and trust structures or processes as a way to raise their concerns or needs and have them addressed. For a description of protection for individuals using the whistleblower channel, see section "Business conduct and prevention and detection of corruption and bribery".

ESRS	Disclosure requirement	Location	Additional information
S2–4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	3.2.6. Remediating negative impacts and feedback channels for value chain workers 3.2.7. Responsible supply chain – metrics and actions	S2–4 34 b) Material opportunities in relation to value chain workers have not been systematically assessed. Work expected to commence in the coming years. S2–4 35) Potential material negative impacts of own practices on value chain workers have not been systematically assessed. Work expected to commence in the coming years. S2–4 38) Metso has not allocated resources to manage material impacts. Topic will be evaluated in 2025. S2–4 AR 43) Metso currently has no measures in place to integrate managing materials risks into existing risk management processes. Topic will be evaluated in the coming years.
S2–5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.3. Targets and progress on targets	S2–5 42) Metso is currently addressing the IT infrastructure required for supply chain data collection.
S2–SBM–2	Interests and views of stakeholders	1.5. Stakeholder engagement	
S2–SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2.1. Material impacts, risks and opportunities	S2-SBM-3 13) Metso is planning an evaluation of for example security firms that survey our premises for human rights topics.
G1 BUSINESS CONDUCT			
G1–1	Business conduct policies and corporate culture	4.1.4. Policies 4.1.1. Material impacts, risks and opportunities 4.1.6. Responsible business conduct and prevention and detection of corruption and bribery	G1–1 10 h) Metso has not defined functions at risk with respect to corruption and bribery.
G1–2	Management of relationships with suppliers	4.1.8. Management of relationships with suppliers and payment practices 4.1.1. Material impacts, risks and opportunities	
G1–3	Prevention and detection of corruption and bribery	4.1.6. Responsible business conduct and prevention and detection of corruption and bribery	G1–3 21 b) Metso Code of Conduct training is compulsory for all Metso employees regardless of function.
G1–4	Incidents of corruption or bribery	4.1.7. Incidents of corruption or bribery	
G1–6	Payment practices	4.1.8. Management of relationships with suppliers and payment practices	
G1–GOV–1	Role of the administrative, management and supervisory bodies	4.1.5. The role of Metso's administrative, management and supervisory bodies	
G1–IRO–1	Description of the processes to identify and assess material impacts, risks and opportunities	4.1.2. Processes to identify and assess material impacts, risks and opportunities	

METSO'S ENTITY-SPECIFIC INDICATORS

Metso topic	Disclosure	Location
Metso Plus portfolio	Metso Plus sales	2.1. Metso Plus offering and innovations to our customers
	R&D spend on Metso Plus portfolio development	2.3.3. Targets and progress on targets
	Percentage of R&D projects that include a sustainability target	2.3.10. Reporting principles

5.2. Index of disclosure requirements and data points derived from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS 2 GOV–1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.4. Sustainability governance, Management diversity
ESRS 2 GOV–1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		1.4. Sustainability governance, Management diversity
ESRS 2 GOV–4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1.4.7. Due diligence at Metso
ESRS 2 SBM–1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM–1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		1.3.4. Sector revenue
ESRS 2 SBM–1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM–1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1–1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	2.3. Climate change 2.3.6. Actions 2.3.5. Environmental efficiency in own operations
ESRS E1–1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation(EU) 2020/1818,Article12.1 (d) to (g),and Article 12.2		1.3.4. Revenue breakdown
ESRS E1–4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.3.3. Targets and progress on targets 2.3.9. Metrics, Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1–5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				2.3.9. Metrics, Energy consumption and mix
ESRS E1–5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				2.3.9. Metrics, Energy consumption and mix
ESRS E1–5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				2.3.9. Metrics, Energy intensity based on net revenue

BOARD OF DIRECTORS' REPORT

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS E1–6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2.3.9. Metrics, Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1–6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.3.9. Metrics, GHG intensity based on net revenue emissions
ESRS E1–7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1–9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		ESRS E1–9 will be reported in the coming years according to requirements.
ESRS E1–9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1–9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			ESRS E1–9 will be reported in the coming years according to requirements.
ESRS E1–9 Breakdown of the carrying value of its real-estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			ESRS E1–9 will be reported in the coming years according to requirements.
ESRS E1–9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		ESRS E1–9 will be reported in the coming years according to requirements.
ESRS E2–4 Amount of each pollutant listed in Annex II of the E PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator numbers 1, 2 and 3 Table #2 of Annex 1				Not material
ESRS E3–1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				2.4.4. Policies
ESRS E3–1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				2.4.1. Material impacts, risks and opportunities 2.4.4. Policies
ESRS E3–1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3–4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				E3 Water and marine resources, Water consumption
ESRS E3–4 Total water consumption in m^3 per net revenue of own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				2.4.7. Metrics, Water consumption
ESRS 2–SBM 3–E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				2.5.5. Environmental efficiency in own operations – actions

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS 2–SBM 3–E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				2.5.2. Processes to identify and assess material impacts, risks and opportunities
ESRS 2–SBM 3–E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				2.5.2. Processes to identify and assess material impacts, risks and opportunities
ESRS E4–2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4–2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4–2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5–5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5–5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2–SBM3–S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2–SBM3–S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1–1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				1.4.7. Due diligence at Metso 2.2.4. Minimum social safeguards 3.1. Own workforce – Metso's people and culture
ESRS S1–1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		3.1.4. Policies
ESRS S1–1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				3.1.4. Policies 3.2.4. Policies
ESRS S1–1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				3.1.4.2. Policies, Health and safety
ESRS S1–3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				3.1.6. Remediating negative impacts and feedback channels for own workers
ESRS S1–14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.9. Metrics 3.1.10. Reporting principles
ESRS S1–14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				3.1.9. Metrics 3.1.10. Reporting principles
ESRS S1–16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.9. Metrics, Remuneration metrics (pay gap and total remuneration)
ESRS S1–16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				3.1.9. Metrics, Remuneration metrics (pay gap and total remuneration)
ESRS S1–17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				3.1.9. Metrics, Incidents, complaints and severe human rights impacts
ESRS S1–17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		3.1.9. Metrics, Incidents, complaints and severe human rights impacts

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS 2–SBM3–S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				3.2.1. Material impacts, risks and opportunities
ESRS S2–1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				3.2.4. Policies
ESRS S2–1 Policies related to value chain workers paragraph 18	Indicator numbers 11 and 4 Table #3 of Annex 1				3.2.4. Policies
ESRS S2–1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.2.4. Policies
ESRS S2–1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		3.2.4. Policies
ESRS S2–4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				3.2.6. Remediating negative impacts and feedback channels for value chain workers
ESRS S3–1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3–1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3–4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4–1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4–1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4–4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1–1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				4.1.6. Responsible business conduct and prevention and detection of corruption and bribery
ESRS G1–1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				4.1.6. Responsible business conduct and prevention and detection of corruption and bribery
ESRS G1–4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		4.1.7. Incidents of corruption or bribery
ESRS G1–4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				4.1.7. Incidents of corruption or bribery

In addition the following are available on **www.metso.com**:

- GRI content index
- SASB content index

Shares and shareholders

Metso has one share series, and each share entitles its holder to one vote at a General Meeting and to an equal amount of dividend. Metso's shares are registered in the Finnish book-entry system maintained by Euroclear.

Basic share information

Listed on	Nasdaq Helsinki
Trading code	METSO
ISIN code	FI0009014575
Industry	Industrials
Number of shares on December 31, 2024	828,972,440
Share capital on December 31, 2024	EUR 107,186,442.52
Market value on December 31, 2024	EUR 7,444.2 million
Listing date	October 10, 2006

Metso shares are also traded on alternative marketplaces like BATS CXE and BATS BXE.

Metso's share and shareholders in 2024

On December 31, 2024, Metso's share capital was EUR 107,186,442.52 and the total number of shares was 828,972,440. More information on the past share capital changes is available at **www.metso.com/corporate/investors/shares**.

At the end of 2024, Metso had 89,309 shareholders in the book-entry system. The largest shareholder was Solidium Oy with 123,477,168 shares, equaling 14.9 percent of the Company's shares. A total of 333,947,455 Metso shares were traded on the Nasdaq Helsinki during 2024, equivalent to a turnover of EUR 3,225.2 million.

At the year-end, the members of Metso's Board of Directors and President and CEO Sami Takaluoma held a total of 352,148 Metso shares, corresponding to 0.04 percent of the total number of shares and votes. More information about management holdings is available in note 1.5.

Share key figures

	2024	2023
Share capital, at the end of year, EUR million	107	107
Number of shares, at the end of year, pcs		
Number of outstanding shares, pcs	827,351,330	826,328,191
Own shares held by the Parent Company, pcs	1,621,110	2,644,249
Total number of shares, pcs	828,972,440	828,972,440
Average number of outstanding shares, pcs	827,100,625	826,216,292
Average number of diluted shares, pcs	827,984,984	827,145,340
Earnings/share, basic, EUR	0.40	0.66
Earnings/share, diluted, EUR	0.40	0.66
Net operative cash flow/share, EUR	0.40	0.37
Dividend/share [1)], EUR	0.38	0.36
Dividend [1)], EUR million	314	297
Dividend/earnings [1)], %	96	55
Effective dividend yield [1)], %	4.2	3.9
P/E ratio	22.5	13.9
Equity/share, EUR	3.14	3.16

[1)] The amount for year 2024 is Board of Directors' proposal to the Annual General Meeting.

Share performance and trading on Nasdaq Helsinki

	2024	2023
Closing price, December 31, EUR	8.98	9.17
Market capitalization, December 31, EUR million	7,444.2	7,601.7
Trading volume, Nasdaq OMX Helsinki Ltd, shares	333,947,455	396,469,728
% of shares [1)]	40.30%	47.83%
Trading volume, Nasdaq OMX Helsinki Ltd, EUR million	3,225.1	3,975.6
Average daily trading volume, pieces	1,330,468	1,579,560
Relative turnover, %	0.2%	0.2%
Share performance, %	-2.1%	-4.6%
Highest share price, EUR	11.95	11.61
Lowest share price, EUR	7.93	7.89
Weighted average share price, EUR	9.66	10.03

[1)] Of the total amount of shares for public trading.

Largest shareholders on December 31, 2024

	Owner	Shares and votes	% of total shares and voting rights
1	Solidium Oy	123,477,168	14.90
2	Varma Mutual Pension Insurance Company	33,097,359	3.99
3	Ilmarinen Mutual Pension Insurance Company	26,617,665	3.21
4	Elo Mutual Pension Insurance Company	12,919,000	1.56
5	Nordea Funds	9,883,252	1.19
	Nordea Pro Finland Fund	2,212,331	0.27
	Nordea Finnish Stars Fund	1,431,245	0.17
	Nordea Bank ABP	1,236,273	0.15
	Nordea Finnish Passive Fund	972,832	0.12
	Nordea Premium Asset Management Balanced Fund	700,339	0.08
	Nordea Life Assurance Finland Ltd.	648,371	0.08
	Nordea Premium Asset Management Moderate Fund	611,398	0.07
	Nordea Nordic Fund	507,000	0.06
	Nordea Savings 50 Fund	475,679	0.06
	Nordea Savings 75 Fund	338,214	0.04
	Nordea Premiun Asset Management Growth Fund	332,951	0.04
	Nordea Säästö 30 Fund	305,721	0.04
	Nordea Säästö 15 Fund	29,501	0.00
	Nordea Global Passive Fund	27,908	0.00
	Nordea World Passive Fund	21,330	0.00
	Nordea Premiun Asset Management Conservative Fund	20,715	0.00
	Nordea European Passive Fund	11,444	0.00
6	OP-Finland Funds	9,612,077	1.16
	OP-Finland Fund	4,974,426	0.60
	OP Life Assurance Ltd.	2,376,336	0.29
	OP-Finland Index Fund	1,632,768	0.20
	OP Nordic Countries Index Fund	456,770	0.06
	OP-Europe Index Fund	87,780	0.01
	OP-POHJOLA-Group Personnel Fund	65,037	0.01
	OP World Index Fund	18,960	0.00
7	The State Pension Fund	7,900,000	0.95
8	Aktia Funds	3,513,955	0.42
	Aktia Capital	2,301,682	0.28
	Aktia Nordic Small Cap	300,000	0.04
	Aktia Secura	300,000	0.04
	Aktia Nordic	275,000	0.03
	Aktia Europe Fund	270,000	0.03
	Aktia Solida Fund	50,000	0.01
	Aktia Livförsäkring AB	17,273	0.00
9	Danske Invest Finnish Equity Fund	2,596,807	0.31
10	Sigrid Jusélius Foundation	2,566,598	0.31
11	Säästöpankki Kotimaa Fund	2,528,248	0.30
12	Veritas Pension Insurance Company Ltd.	2,143,937	0.26
13	Samfundet folkhälsan i Svenska Finland rf	2,143,764	0.26
14	Oy Etra Invest Ab	2,000,000	0.24
15	OMX Helsinki 25 Exchange Traded Fund	1,987,198	0.24
16	S-Bank Fenno Equity Fund	1,963,252	0.24
17	Mandatum Life Insurance Company Limited	1,904,745	0.23
18	The Finnish Cultural Foundation	1,739,102	0.21
19	The Social Insurance Institution of Finland, KELA	1,704,158	0.21
20	Evli Finland Select Fund	1,660,000	0.20
	20 largest owner groups in total	251,958,285	30.39
	Nominee-registered holders	412,869,115	49.80
	Other shareholders	164,110,812	19.80
	In the joint book-entry account	34,228	0.00
	Total	**828,972,440**	**100.00**

Breakdown of share ownership on December 31, 2024

Number of shares	Shareholders	% of shareholders	Total number of shares and votes	% of total shares and voting rights
1–100	23,643	26.46	1,073,997	0.13
101–1,000	43,322	48.51	18,267,871	2.20
1,001–10,000	20,304	22.74	57,612,305	6.95
10,001–100,000	1,864	2.09	45,326,829	5.47
100,001–1,000,000	141	0.16	42,084,536	5.08
1,000,001 and above	24	0.04	251,703,559	30.36
Total	**89,309**	**100.00**	**416,069,097**	**50.19**
Nominee-registered shares	11	0.00	412,869,115	49.80
In the joint book-entry account	0	0.00	34,228	0.00
Number of shares issued			**828,972,440**	**100.00**

Breakdown by shareholder category on December 31, 2024

Share, %	2024	2023
Nominee-registered and non-Finnish holders	52%	58%
Solidium Oy	15%	15%
Private investors	21%	13%
Finnish institutions, companies, and foundations	12%	14%
Total	**100%**	**100%**

Flaggings

Under the provisions of the Finnish Securities Markets Act, shareholders of listed companies have an obligation to notify both the Finnish Financial Supervision Authority and the company of changes when their holdings reach, exceed or fall below a certain threshold. Metso is not aware of any shareholders' agreements regarding Metso shares or voting rights. All flagging notifications have been released as a stock exchange release are available **on our website**.

Incentive plans

Metso's share ownership plans are part of the management remuneration program. For further information, see **on our website** and notes 1.5. and 1.6. Any shares to be potentially rewarded are acquired through public trading, and therefore the incentive plans have no diluting effect on the share value.

Key figures

EUR million	2024	2023	2022	2021	2020
Sales	4,863	5,390	4,970	4,236	3,319
Operating profit (EBIT)	727	805	490	425	239
% of sales	15.0%	14.9%	9.9%	10.0%	7.2%
Profit before taxes	648	724	426	386	201
% of sales	13.3%	13.4%	8.6%	9.1%	6.1%
Profit for the period for continuing operations	486	537	318	294	149
% of sales	10.0%	10.0%	6.4%	6.9%	4.5%
Profit for the period for discontinued operations	-156	8	-18	48	-11
Profit for the period	330	546	301	342	138
% of sales	6.8%	10.1%	6.0%	8.1%	4.2%
Profit attributable to shareholders of the company	329	543	301	342	138
Amortization of intangible assets	66	65	63	72	85
Depreciation of tangible assets	56	53	51	51	41
Depreciation of right-of-use assets	38	35	35	38	30
Depreciation and amortization, total	160	153	149	161	157
% of sales	3.3%	2.8%	3.0%	3.8%	4.7%
EBITA	793	869	553	498	324
% of sales	16.3%	16.1%	11.1%	11.7%	9.8%
EBITDA	887	957	643	587	396
% of sales	18.3%	17.8%	12.9%	13.8%	11.9%
Finance income and expenses, net	80	80	63	39	38
% of sales	1.6%	1.5%	1.3%	0.9%	1.2%
Interest expenses	84	78	44	23	30
% of sales	1.7%	1.4%	0.9%	0.6%	0.9%
Interest cover	11.1×	11.9×	10.1×	14.9×	10.4×
Gross capital expenditure	198	169	113	91	86
% of sales	4.1%	3.1%	2.3%	2.1%	2.6%
Net capital expenditure	181	165	104	69	83
% of sales	3.7%	3.1%	2.1%	1.6%	2.5%
Net cash flow from operating activities before financial items and taxes	576	550	322	608	587
Cash conversion, %	65%	57%	50%	104%	148%
Research and development	103	66	55	66	56
% of sales	2.1%	1.2%	1.1%	1.6%	1.7%

The income statement figures for years 2024–2022 are comparable. Key figures for the earlier years have not been restated. More information is disclosed under note 5.5 Discontinued operations.

EUR million	2024	2023	2022	2021	2020
Balance sheet total	7,015	7,156	6,754	5,830	5,567
Equity attributable to shareholders	2,601	2,608	2,342	2,250	2,037
Total equity	2,611	2,618	2,350	2,251	2,040
Interest-bearing liabilities	1,606	1,528	1,293	952	1,345
Net working capital (NWC)	1,045	990	596	254	413
% of sales	21.5%	18.4%	12.0%	6.0%	12.5%
Capital employed	4,156	4,078	3,643	3,173	3,437
Return on equity (ROE), %	12.7%	21.8%	13.1%	16.0%	8.3%
Return on capital employed (ROCE) before taxes, %	13.0%	22.3%	13.8%	14.1%	8.6%
Return on capital employed (ROCE) after taxes, %	10.8%	17.0%	10.5%	11.7%	6.5%
Net debt	1,173	884	684	470	799
Gearing, %	44.9%	33.8%	29.1%	20.9%	39.2%
Equity to asset ratio, %	41.5%	40.2%	39.2%	43.2%	39.5%
Debt to capital, %	35.9%	35.0%	33.3%	26.7%	37.2%
Debt to equity, %	56.1%	53.9%	50.0%	36.4%	59.1%
Orders received	5,140	5,252	5,623	5,605	4,340
Order backlog, December 31	3,046	3,238	3,902	3,990	2,233
Personnel at end of year	16,832	17,134	16,705	15,630	15,466

Orders received for years 2024–2022 are comparable and present continuing operations. Key figures for the earlier years have not been restated. The comparative figures related to the consolidated balance sheet have not been restated. More information is disclosed under note 5.5 Discontinued operations. Order backlog and personnel at end of year include continuing and discontinued operations.

Balance sheet for 2020 has been restated due to adjustments in the fair values of Outotec at the acquisition date. The adjustments have an effect to goodwill, non-current deferred tax assets and liabilities, income tax liabilities, other current liabilities and liabilities held for sale.

Formulas for the key figures

Earnings before finance expenses, net, taxes and amortization, adjusted (adjusted EBITA)	= Operating profit + adjustment items + amortization
Earnings per share, basic	= $\frac{\text{Profit attributable to shareholders}}{\text{Average number of outstanding shares during the year}}$
Earnings per share, diluted	= $\frac{\text{Profit attributable to shareholders}}{\text{Average number of diluted shares during the year}}$
Interest cover	= $\frac{\text{EBITDA}}{\text{Finance income and expenses, net}}$
Cash conversion, %	= $\frac{\text{Net cash flow from operating activities before financial items and taxes}}{\text{EBITDA}} \times 100$
Return on equity (ROE), %	= $\frac{\text{Profit for the year}}{\text{Total equity (average for the period)}} \times 100$
Return on capital employed (ROCE) before taxes, %	= $\frac{\text{Profit before tax + finance expenses}}{\text{Capital employed (average for the period)}} \times 100$
Return on capital employed (ROCE) after taxes, %	= $\frac{\text{Profit for the period + finance expenses}}{\text{Capital employed (average for the period)}} \times 100$
Gearing, %	= $\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$
Equity to assets ratio, %	= $\frac{\text{Total equity}}{\text{Balance sheet total — advances received}} \times 100$
Debt to capital, %	= $\frac{\text{Interest-bearing liabilities — lease liabilities}}{\text{Total equity + interest-bearing liabilities — lease liabilities}} \times 100$
Debt to equity, %	= $\frac{\text{Interest-bearing liabilities — lease liabilities}}{\text{Total equity}} \times 100$
Interest-bearing liabilities	= Interest-bearing liabilities, non-current and current + lease liabilities, non-current and current
Net interest-bearing liabilities	= Interest-bearing liabilities — Non-current financial assets — loan and other interest-bearing receivables (current and non-current) — liquid funds
Gross capital expenditure	= Investments in intangible assets and property, plant, and equipment, associated companies, and joint ventures
Net capital expenditure	= Gross capital expenditure less divestment of intangible assets and property, plant, and equipment, associated companies, and joint ventures
Net working capital (NWC)	= Inventories + trade receivables + other non-interest-bearing receivables + customer contract assets and liabilities, net — trade payables — advances received — other non-interest-bearing liabilities
Capital employed	= Net working capital + intangible assets and tangible assets + right-of-use assets + non-current investments + interest-bearing receivables + liquid funds + tax receivables, net + interest payables, net
Net cash flow from operating activities	= Net income + depreciation and amortization and other non-cash items — change in net working capital — interests and other financial items paid (net) — taxes paid
Net cash flow from operating activities / share, EUR	= $\frac{\text{Net cash flow from operating activities}}{\text{Outstanding shares at end of period}}$
Effective dividend yield, %	= $\frac{\text{Dividend per share}}{\text{Trading price at the end of the year}} \times 100$
Price / earnings ratio (P/E)	= $\frac{\text{Trading price at the end of the year}}{\text{Earnings per share}}$
Equity / share	= $\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at the end of the period}}$

Board of Directors' proposal on the use of profit

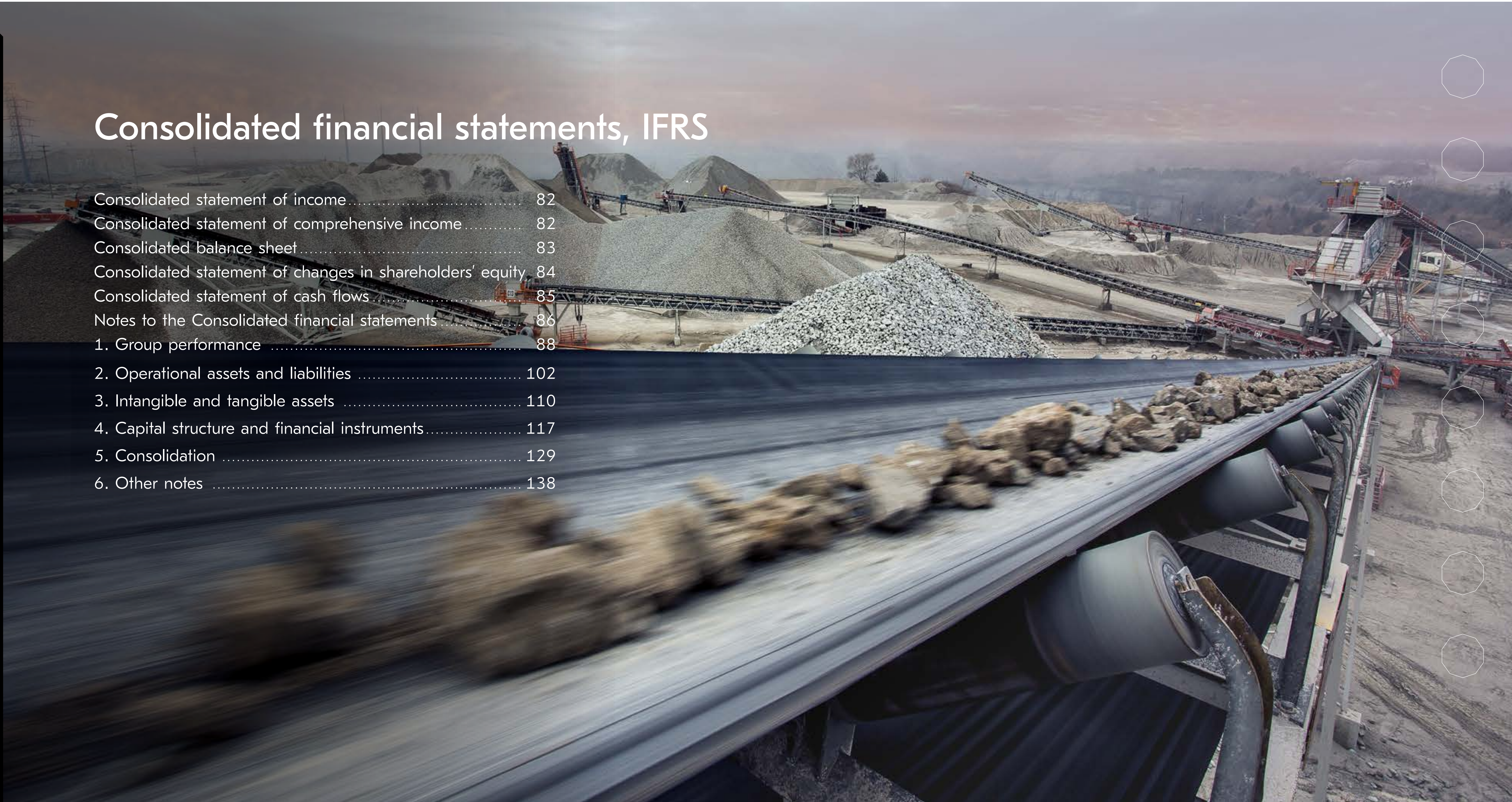
On December 31, 2024, the distributable equity of Metso Corporation was:

Invested non-restricted equity fund	EUR	435,804,850.76
Own shares	EUR	-13,380,644.79
Retained earnings	EUR	432,674,350.92
Net profit for the year	EUR	230,788,011.43
Distributable equity, total	**EUR**	**1,085,886,568.32**

The Board of Directors proposes that a dividend of EUR 0.38 per share be paid based on the balance sheet to be adopted for the financial year, which ended December 31, 2024. Insofar as the dividend to be paid exceeds the net profit for the year ended December 31, 2024, the remaining amount will be paid from retained earnings from previous years.

Dividend payment	EUR	314,393,505.40
Distributable equity after dividend payment	**EUR**	**771,493,062.92**

These financial statements were authorized for issue by the Board of Directors on February 12, 2025, after which, in accordance with Finnish Company Law, the financial statements are either approved, amended, or rejected in the Annual General Meeting.



Consolidated financial statements, IFRS

Consolidated statement of income

EUR million	Note	2024	2023
Sales	1.1., 1.2.	4,863	5,390
Cost of sales	1.5., 3.4.	-3,237	-3,687
Gross profit		1,626	1,703
Selling and marketing expenses	1.3., 1.5., 3.4.	-426	-438
Administrative expenses	1.3., 1.5., 3.4.	-356	-372
Research and development expenses	1.3., 1.5., 3.4.	-103	-66
Other operating income	1.4.	202	282
Other operating expenses	1.4.	-215	-306
Share of results of associated companies	5.3.	0	0
Operating profit		727	805
Finance income	1.7.	22	17
Foreign exchange gains/losses	1.7.	4	4
Finance expenses	1.7.	-105	-101
Finance income and expenses, net		-80	-80
Profit before taxes		648	724
Income taxes	1.8.	-162	-187
Profit for the year for continuing operations		486	537
Profit from discontinued operations	5.5.	-156	8
Profit for the year		**330**	**546**
Profit attributable to			
Shareholders of the Parent company		329	543
Non-controlling interests		1	2
Profit from continuing operations attributable to			
Shareholders of the Parent company		485	535
Non-controlling interests		1	2
Profit from discontinued operations attributable to			
Shareholders of the Parent company		-156	8
Non-controlling interests		0	0
Earnings per share, EUR [1]	1.9.	0.40	0.66
Earnings per share, continuing operations, EUR [1]	1.9.	0.59	0.65
Earnings per share, discontinued operations, EUR [1]		-0.19	0.01

[1] Basic and diluted.

Consolidated statement of comprehensive income

EUR million	Note	2024	2023
Profit for the year		330	546
Other comprehensive income			
Cash flow hedges, net of tax	1.8., 4.4., 4.8.	4	-2
Currency translation on subsidiary net investment	1.8., 4.4.	-37	-27
Items that may be reclassified to profit or loss in subsequent periods		-34	-29
Defined benefit plan actuarial gains and losses, net of tax	1.8., 2.7.	0	-4
Items that will not be reclassified to profit or loss		0	-4
Other comprehensive income total		-34	-33
Total comprehensive income		**296**	**513**
Total comprehensive income attributable to			
Shareholders of the Parent company		294	510
Non-controlling interests		1	2
Total comprehensive income from continuing operations attributable to			
Shareholders of the Parent company		450	502
Non-controlling interests		1	2
Total comprehensive income from discontinued operations attributable to			
Shareholders of the Parent company		-156	8
Non-controlling interests		0	0

Consolidated balance sheet — Assets

EUR million	Note	2024	2023
Non-current assets			
Goodwill and intangible assets	3.1., 3.4.		
Goodwill		1,123	1,097
Intangible assets		803	790
Total goodwill and intangible assets		1,927	1,886
Property, plant and equipment	3.2., 3.4.		
Land and water areas		38	39
Buildings		159	131
Machinery and equipment		228	211
Assets under construction		124	91
Total property, plant and equipment		549	472
Right-of-use assets	3.3., 3.4.	136	114
Other non-current assets			
Investments in associated companies	5.3.	3	3
Non-current financial assets	4.2.	2	2
Loan receivables	4.2.	0	–
Derivative financial instruments	4.8.	9	10
Deferred tax assets	1.8.	259	234
Other non-current receivables	2.3., 4.2.	27	22
Total other non-current assets		300	271
Total non-current assets		2,913	2,744
Current assets			
Inventories	2.4.	1,900	1,951
Trade receivables	2.2.	900	855
Customer contract assets	1.2.	255	308
Loan receivables	4.2.	2	6
Derivative financial instruments	4.8.	34	36
Income tax receivables	1.8.	61	107
Other current receivables	2.3.	245	273
Liquid funds	4.3.	431	638
Total current assets		3,826	4,175
Assets held for sale	5.5.	276	238
TOTAL ASSETS		**7,015**	**7,156**

Consolidated balance sheet — Equity and liabilities

EUR million	Note	2024	2023
Equity	4.4.		
Share capital		107	107
Share premium fund		20	20
Cumulative translation adjustments		−215	−177
Fair value and other reserves		1,137	1,131
Retained earnings		1,551	1,527
Equity attributable to shareholders		2,601	2,608
Non-controlling interests		10	10
Total equity		2,611	2,618
Liabilities			
Non-current liabilities			
Borrowings	4.2., 4.5.	1,300	1,167
Lease liabilities	4.2., 4.5.	99	86
Post-employment benefit obligations	2.7.	88	90
Provisions	2.6.	62	63
Derivative financial instruments	4.8.	13	18
Deferred tax liabilities	1.8.	172	182
Other non-current liabilities	2.5.	5	7
Total non-current liabilities		1,739	1,614
Current liabilities			
Borrowings	4.2., 4.5.	165	243
Lease liabilities	4.2.	42	32
Trade payables	2.5.	581	675
Provisions	2.6.	201	235
Advances received	1.2.	495	325
Customer contract liabilities	1.2.	232	322
Derivative financial instruments	4.8.	68	28
Income tax liabilities	1.8.	79	186
Other current liabilities	2.5.	587	711
Total current liabilities		2,451	2,756
Total non-current and current liabilities		4,190	4,369
Liabilities held for sale	5.5.	214	169
TOTAL EQUITY AND LIABILITIES		**7,015**	**7,156**

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in shareholders' equity

2024

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Balance at beginning of year	107	20	-177	1,131	1,527	2,608	10	2,618
Profit for the year	–	–	–	–	329	329	1	330
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	4	–	4	–	4
Currency translation on subsidiary net investments	–	–	-37	–	–	-37	–	-37
Defined benefit plan actuarial gains (+) / losses (–), net of tax	–	–	–	–	0	0	–	0
Total comprehensive income	–	–	-37	4	328	294	1	296
Dividends	–	–	–	–	-298	-298	0	-298
Share-based payments, net of tax	–	–	–	2	-8	-5	–	-5
Other items	–	–	–	0	0	1	0	1
Changes in non-controlling interests	–	–	–	–	1	1	-1	–
Balance at end of year	**107**	**20**	**-215**	**1,137**	**1,551**	**2,601**	**10**	**2,611**

2023

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Balance at beginning of year	107	20	-150	1,122	1,243	2,342	7	2,350
Profit for the year	–	–	–	–	543	543	2	546
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	-2	–	-2	–	-2
Currency translation on subsidiary net investments	–	–	-27	–	–	-27	–	-27
Defined benefit plan actuarial gains (+) / losses (–), net of tax	–	–	–	–	-4	-4	–	-4
Total comprehensive income	–	–	-27	-2	539	510	2	513
Dividends	–	–	–	–	-248	-248	–	-248
Share-based payments, net of tax	–	–	–	11	-7	4	–	4
Other items	–	–	–	0	0	0	0	-1
Balance at end of year	**107**	**20**	**-177**	**1,131**	**1,527**	**2,608**	**10**	**2,618**

For more information, please see note 4.4 Equity.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flows

EUR million	Note	2024	2023
Operating activities			
Profit for the period, continuing operations		486	537
Profit for the period, discontinued operations		-156	8
Adjustments			
Depreciation and amortization	3.4.	165	158
Finance expenses, net	1.7.	80	80
Income taxes	1.8.	88	199
Other items		33	15
Change in net working capital	2.1.	-119	-449
Net cash flow from operating activities before financial items and taxes		576	550
Interests paid		-82	-53
Interests received		20	10
Other financing items, net		1	26
Finance income and expenses paid, net		-62	-17
Income taxes paid	1.8.	-183	-231
Net cash flow from operating activities		332	302
Investing activities			
Capital expenditures on intangible assets and property, plant, and equipment	3.1., 3.2.	-188	-170
Proceeds from sale of intangible assets and property, plant, and equipment	3.1., 3.2.	28	16
Proceeds from financial assets	4.6.	0	–
Business acquisitions, net of cash acquired	5.4.	-60	-28
Proceeds from sale of businesses, net of cash sold	5.4., 5.5.	-4	–
Cash received from liquidation of associated companies	5.3.	–	4
Increase in loan receivables	4.6.	0	-3
Decrease in loan receivables	4.6.	1	3
Net cash flow from investing activities		-224	-178

EUR million	Note	2024	2023
Financing activities			
Dividends paid		-298	-248
Proceeds from increases in non-current debt	4.6.	379	347
Repayment of non-current debt	4.6.	-342	–
Proceeds from and repayment of current debt, net	4.6.	-16	-139
Repayment of lease liabilities	4.6.	-38	-37
Net cash flow from financing activities		-315	-76
Net change in liquid funds		**-207**	**47**
Effect from changes in exchange rates		0	-10
Liquid funds equivalents at beginning of year	4.3., 4.6.	638	601
Liquid funds at end of year	4.3., 4.6.	**431**	**638**

Notes to the Consolidated financial statements

Basic information

Metso Corporation (the "Parent company") with its subsidiaries ("Metso" or the "Group") is a leading global supplier of sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing, and metals refining industries. The Group has two reporting segments, Aggregates and Minerals. More information about the segments is presented in note 1.1.

Metso Corporation is a publicly quoted company with its shares listed on Nasdaq Helsinki under the trading symbol METSO. Metso Corporation is domiciled in Helsinki, Finland, and the address of the Group Head Office is Rauhalanpuisto 9, 02230 Espoo, Finland.

Metso's Consolidated financial statements were authorized for issue by Metso Corporation's Board of Directors on February 12, 2025, after which, in accordance with Finnish Companies Act, the financial statements are either approved, amended or rejected at the next Annual General Meeting.

BASIS OF PREPARATION Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards IFRIC Interpretations as adopted by the European Union. The Consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified as at fair value through profit and loss accounts.

Metso has classified certain businesses to be as held for sale. On March 29, 2023, Metso announced its decision to initiate the divestment of the Metals & Chemical Processing and Ferrous & Heat Transfer businesses, and these have been classified as discontinued operations. Consequently, the figures related to the consolidated statement of income are presented separately from the continuing operations as well as the assets and liabilities held for sale have been transferred to separate lines in the consolidated balance sheet. More information is disclosed under note 5.5 Discontinued operations.

The financial statements are presented in euros, which is the Parent company's functional currency and Metso's presentation currency. The figures presented have been rounded; consequently, the sum of individual figures might differ from the presented total figure.

The detailed Metso's accounting policies are disclosed under each relevant note of the Consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS BY MANAGEMENT The preparation of financial statements, in conformity with the IFRS, requires management to make estimates and assumptions and to exercise its judgment in the process of applying the Group's accounting policies. These affect the reported amounts of balance sheet items, the presentation of contingent assets and liabilities, and the income and expenses for the financial year. Actual results may differ from the estimates made. The assets and liabilities involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to Metso's Consolidated financial statements, are disclosed in the following notes:

Note 1.2. Sales
Note 1.6. Share-based payments
Note 1.8. Income taxes
Note 2.2. Trade receivables
Note 2.3. Other receivables
Note 2.4. Inventory
Note 2.6. Provisions
Note 2.7. Post-employment obligations
Note 3.1. Goodwill and intangible assets
Note 3.2. Property, plant, and equipment
Note 3.3. Right-of-use assets
Note 5.4. Acquisitions and business disposals
Note 5.5. Discontinued operations

Metso has reviewed the estimates and assumptions used in the preparation of the Consolidated financial statements for the possible impacts of climate change. Metso has performance share plans which have an earning criteria based on sustainable development (Note 1.6. Share-based payments).

Abbreviations used in the Board of Directors' report and financial statements

AGM	Annual General Meeting
EGM	Extraordinary General Meeting
Capex	Capital expenditure
CGU	Cash generating unit
DNSH	Does not significantly harm
EBIT	Earnings before finance expenses, net and taxes (operating profit)
EBITA	Earnings before finance expenses net, taxes and amortization
EBITDA	Earnings before finance expenses net, taxes, amortization, and depreciation
EMTN	Euro Medium Term Note program
eNPS	Employee net promoter score
EPS	Earnings per share
FAS	Finnish accounting standards
GHG	Greenhouse gases
GRI	Global reporting initiative
HSE	Health, safety, and environment
IFRIC	Interpretations of International Accounting Standards
IFRS/IAS	International Accounting Standards
KPI	Key performance indicator
LTIFR	Lost time injury frequency rate
NWC	Net working capital
OCI	Other comprehensive income
OpEx	Operating expenditure
OTC	Over the counter
P/E	Price/earnings ratio
PPE	Property, plant, and equipment
PSP	Performance share incentive plan
QEHS	Quality, environment, health, and safety
R&D	Research and development
RFR	Relief from royalty method
ROCE	Return on capital employed
ROE	Return on equity
RSP	Restricted share incentive plan
SASB	Sustainability Accounting Standards Board
SBT	Science-based target
TCFD	Task Force on Climate-related Financial Disclosures
TRIFR	Total recordable injury frequency rate
TSR	Total shareholder return
WACC	Weighted average cost of capital

1. Group performance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. Reporting segments

MATERIAL ACCOUNTING POLICIES Reportable segments of Metso are based on end customer groups, which are differentiated by both offering and business model: Aggregates and Minerals. The segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, Metso's chief operating decision-maker responsible for allocating resources and assessing the performance of the segments, deciding on strategy, selecting key employees, as well as deciding on major development projects, business acquisitions, investments, organizational structure and financing. The accounting principles applied to segment reporting are the same as those used in preparing the Consolidated financial statements.

Segment performance is measured with operating profit/loss (EBIT). In addition, Metso uses alternative performance measures to reflect the underlying business performance and to improve comparability between financial periods: earnings before interest, tax and amortization (EBITA), adjusted and net working capital. Adjustment items comprise capacity adjustment costs, acquisition costs, gains and losses on business transactions as well as Metso transaction and integration costs. Their nature and net effect on cost of goods sold, selling, general and administrative expenses, as well as other income and expenses are presented in the segment information. Alternative performance measures, however, should not be considered as a substitute for measures of performance in accordance with the IFRS.

Corporate structure

Metso's business

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. Metso drives profitable growth and sustainable operations across its customer industries, in line with its 1.5-degree climate commitment, to create value for its customers, shareholders and other stakeholders. Metso focuses on supporting the electrification and decarbonization of the mining and aggregates industries, while ensuring rapid increase in the production of energy transition minerals. This can be achieved through its extensive equipment and aftermarket offering for its customers. Metso's offering helps its customers to maintain and increase production, improve productivity, and reduce operating costs, risks and environmental footprint. Metso continuously develops its portfolio to meet its customers' growing needs for energy and emissions reductions, water resources management, resource efficiency, circularity and safety.

Reportable segments of Metso are Aggregates and Minerals. Aggregates is serving quarry and contractor customers by offering crushing and screening equipment to produce aggregates needed in construction and infrastructure projects. Minerals is serving mining industry customers by providing equipment, process islands and plants for minerals processing, and hydrometallurgical and pyrometallurgical solutions for the recovery of metals. Group Head Office and other is comprised of the Parent company with centralized group functions, such as treasury, tax, legal and compliance, as well as the global business services and holding companies.

Finance income and expenses as well as income taxes are not allocated to segments but included in the income statement of Group Head Office and other. The treasury activities of Metso are centralized into the Group Treasury to benefit from cost efficiency obtained from pooling arrangements, financial risk management, bargaining power, cash management, and other measures. Metso has a centralized Group tax management function. The objective of Group tax management is to ensure tax compliance and an optimized and predictable overall tax cost for Metso.

Segment net working capital assets comprises inventories and non-interest-bearing operating assets and receivables. Segment net working capital liabilities comprise non-interest-bearing operating liabilities.

Non-cash write-downs include write-offs made to the value of receivables and inventories, and impairment and other write-offs recognized to reduce the value of intangible assets or property, plant, and equipment and other assets.

Gross capital expenditure comprises investments in intangible assets as well as property, plant, and equipment, associated companies, and joint ventures.

Intra-group transactions are made on an arm's length basis.

Figures in the tables comprise continuing operations if not otherwise stated.

Segment information

2024 EUR million	Aggregates	Minerals	Group Head Office and Other	Total
Sales, external	1,207	3,656	0	4,863
Sales, total	1,207	3,656	0	4,863
Earnings before interest, tax and amortization (EBITA)	195	598	1	793
% of sales	16.2	16.3	–	16.3
Adjusted EBITA	198	640	-34	804
% of sales	16.4	17.5	–	16.5
Adjustment items and amortization of intangible assets				
Adjustment items total	-3	-42	34	-11
Amortization of other intangible assets total	-16	-49	-1	-66
Operating profit / loss	179	548	0	727
% of sales	14.9	15.0	–	15.0
Finance income and expenses, total	–	–	-80	-80
Income before taxes	**179**	**548**	**-80**	**648**
Inventories	663	1,236	0	1,900
Trade receivables	232	668	0	900
Other non-interest bearing receivables	53	170	91	314
Customer contract assets and liabilities, net	10	12	0	22
Trade payables	-150	-396	-35	-581
Advances received	-91	-404	0	-495
Other non-interest-bearing liabilities	-166	-678	-172	-1,015
Net working capital	**551**	**609**	**-115**	**1,045**

2023 EUR million	Aggregates	Minerals	Group Head Office and Other	Total
Sales, external	1,346	4,044	0	5,390
Sales, total	1,346	4,044	0	5,390
Earnings before interest, tax and amortization (EBITA)	228	675	-34	869
% of sales	17.0	16.7	0.0	16.1
Adjusted EBITA	232	707	-52	887
% of sales	17.2	17.5	0.0	16.5
Adjustment items and amortization of intangible assets				
Adjustment items total	-4	-32	17	-18
Amortization of other intangible assets total	-15	-48	-2	-65
Operating profit / loss	214	627	-36	805
% of sales	15.9	15.5	0.0	14.9
Finance income and expenses, total	–	–	-80	-80
Income before taxes	**214**	**627**	**-116**	**724**
Inventories	674	1,277	–	1,951
Trade receivables	230	624	1	855
Other non-interest bearing receivables	63	203	74	340
Customer contract assets and liabilities, net	2	-15	0	-14
Trade payables	-161	-494	-20	-675
Advances received	-63	-262	–	-325
Other non-interest-bearing liabilities	-169	-798	-175	-1,143
Net working capital	**576**	**535**	**-121**	**990**

Adjustment items by category

EUR million	2024	2023
Capacity adjustment costs	-42	-27
Acquisition costs	-1	-2
Profits on disposals, net	-4	1
Wind down of Russian business [1]	35	9
Adjustments items, total	**-11**	**-18**

[1] More information available on note 2.6. Provisions.

Geographical information

MATERIAL ACCOUNTING POLICIES Metso presents the geographical distribution of the segments' sales by location of customers. Non-current assets and gross capital expenditure are presented by location of assets.

Metso's businesses are present in more than 50 countries, providing strong diversification. The distribution of sales is fairly uniform across various region: Europe 18%, North and Central America 22%, South America 23%, Asia Pacific 21% and Africa, Middle East and India 15%. Metso has a global network of production units located in key continents.

Sales to unaffiliated customers by destination

EUR million	2024	2023
Finland	144	122
Europe	739	939
North and Central America	1,081	1,260
South America	1,139	1,142
APAC	1,018	1,086
Africa, Middle East & India	740	840
Sales	**4,863**	**5,390**

Metso's exports from Finland by destination, including intra-group sales

EUR million	2024	2023
Europe	418	566
North and Central America	227	357
South America	230	223
APAC	404	485
Africa, Middle East & India	382	382
Total	**1,661**	**2,014**

Non-current assets by location

EUR million	2024	2023
Finland	230	173
Europe	108	118
North and Central America	242	205
South America	121	97
APAC	142	127
Africa, Middle East & India	120	115
Non-allocated	1,682	1,665
Total	**2,644**	**2,500**

Non-current assets presented in the previous table comprise intangible assets and property, plant and equipment, investments in associated companies, joint ventures, equity investments and other non-interest-bearing non-current assets. Non-allocated assets include mainly goodwill and other assets arising from business acquisitions that have not been recorded in the subsidiaries' financial statements.

Gross capital expenditure by location

EUR million	2024	2023
Finland	64	36
Europe	12	16
North and Central America	45	29
South America	47	33
APAC	20	37
Africa, Middle East & India	11	19
Total	**198**	**169**

Gross capital expenditure comprises investments in intangible assets and property, plant, and equipment, associated companies, and joint ventures. Right-of-use assets are not included in the gross capital expenditure calculation.

1.2. Sales

MATERIAL ACCOUNTING POLICIES Metso applies IFRS 15 Revenue from Contracts with Customers. The principle is that sales are recognized at an amount that reflects the consideration which Metso expects to receive in exchange for transferring goods or services to a customer. Sales are recognized when the control of goods or services is transferred to a customer. Control is transferred either at a point in time or over time.

When Metso provides standardized equipment and wear or spare parts to customers, sales are recognized at a point in time when control for the goods is transferred, typically at the delivery of the goods or after commissioning. Sales to distributors are recognized at delivery, when the distributor is not acting as an agent. If the distributor is acting as an agent, sales are recognized only when delivered to an ultimate client.

When Metso provides customized engineered system deliveries, where the asset produced does not have alternative use and Metso has enforceable right to payment for the performance completed to date, sales are recognized over time. Sales recognition is based on estimated sales, costs and profit. Metso measures the progress using the cost-to-cost method, where sales and profits are recorded after considering the ratio of accumulated costs to estimated total costs to complete each contract. This method is considered to best reflect the satisfaction of the performance obligation. The estimated sales, costs and profit, together with the planned delivery schedule of the contract are subject to regular revisions as the contract progresses to completion. Revisions in profit estimates as well as any projected potential loss on contract are charged through the profit and loss account in the period in which they become known.

Sales from providing services are recognized when the performance obligation is satisfied. For long-term fixed price service contracts, sales are recognized over time, because the customer simultaneously receives and consumes the services provided by Metso. The measure of the progress is based on costs of actual services provided as a proportion of the costs of total services to be rendered. The estimated sales, costs and profit, together with the planned delivery schedule of the contract are subject to regular revisions as the contract progresses to completion. Revisions in contract estimates as well as any projected potential loss on contract are charged through the profit and loss account in the period in which they become known.

For short-term service contracts with hourly fee based on valid price list, sales are recognized to the extent Metso has the right to invoice the customer, and for service contracts with fixed hourly fee agreed in the contract, sales are recognized based on invoicing.

Customer contracts may include promises such as volume-based rebates and liquidated damages attributable to, for instance, delayed delivery or non-performance. The impact of these promises on the final consideration will be estimated when recognition is started and systematically during the contract period. Sales will be recognized to the extent that Metso is entitled to the consideration. Also, creditworthiness of the client and collectability of the consideration is assessed throughout the contract period. Extended warranties are treated as a separate performance obligation and an appropriate transaction price is allocated to them and recognized in sales when occurred.

Metso often requires advance payments from customers. Applying IFRS 15, advances received do not include a financing component, because the payment schedule of them follows closely the timing of performance obligations to be satisfied.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Sales recognized at a point in time may require judgement on facts and circumstances when the control is considered to have passed to the client, affecting on timing of sales to be recognized. Transfer of the control is assessed mainly based on terms of delivery in the contract and local legislation. Customer contracts including clauses on rebates, late delivery penalties, right to return promises or extended warranties requires management judgement on the probability of such clauses to have an effect on contracts sales. Judgements are based on earlier experience and market practice when available.

Sales recognized over time is based on cost-to-cost method, which requires management to be able to estimate total sales, costs, margin, and cash flow to complete the project. The assessment of the progress and margin to be recognized as well as the total costs estimated to complete the contracts requires judgments by management throughout the contract period. The most critical judgments are needed in case of a loss-making contract when estimating the performance needed to be able to satisfy the contract. Changes in general market conditions and the possible impact on the contracts needs to be predicted as well. The credit worthiness of the customer is verified, and collectability of the consideration assessed before entering a contract. However, a risk of non-payment might arise afterwards, and it requires management judgement on the impact on final sales recognition.

Hedging of foreign currency denominated firm commitments

Metso hedging policy requires business units to hedge their foreign currency risk when they become engaged in a firm commitment denominated in a currency other than their functional currency. Treasury Policy specifies certain currencies and certain legal units, where the open exposures are left unhedged. Similarly open exposures below certain euro nominated amount are left unhedged. When a firm commitment qualifies for over time recognition, the business unit applies hedge accounting and recognizes the effect of the hedging instruments in other comprehensive income (OCI) until the commitment is recognized. Though Metso has defined the characteristics triggering a firm commitment, the final realization of the unrecognized commitment depends also on factors beyond management control, which cannot be foreseen when initiating the hedging relationship. Such factors can be a change in the market environment causing the other party to postpone or cancel the commitment. To the extent possible, management strives to include clauses in its contracts that reduce the impact of such adverse events on its results.

Disaggregation of sales

Figures in the tables comprise continuing operations.

External sales by category

2024 EUR million	Aggregates	Minerals	Total
Sales of services	419	2,405	2,824
Sales of projects, equipment and goods	788	1,251	2,039
Sales total	**1,207**	**3,656**	**4,863**

2023 EUR million	Aggregates	Minerals	Total
Sales of services	434	2,458	2,891
Sales of projects, equipment and goods	913	1,586	2,499
Sales total	**1,346**	**4,044**	**5,390**

In 2024, Metso's sustainable offering portfolio, previously known as Planet Positive, was renamed Metso Plus. This change reflects Metso's proactive and compliant approach to regulatory changes in the EU regarding green claims. The criteria and KPIs for Metso Plus remain unchanged from the Planet Positive approach. Metso Plus offering is central to Metso's sustainability agenda and the 1.5 °C journey. Metso Plus portfolio includes solutions that offer significant improvements in reducing energy and carbon intensity, water use, pollution, and embedded carbon compared to an industry baseline or benchmark technology. Metso Plus sales in 2024 were EUR 1,261 million (EUR 1,447 million in 2023).

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Future sustainability-related requirements will influence market expectations and lead to completely new or alternative technology solutions and processes. Climate change will also impact the physical and business environment. The Metso Plus offering has over 100 products and services that are more energy-efficient than an industry benchmark or a previous generation product in the market. Around 40 solutions in the portfolio address water-related challenges and are considered better than the market benchmark or previous-generation product. Metso aims to keep expanding and improving this offering to be able to offer energy-efficient technologies to its customers.

External sales by timing of sales recognition

2024 EUR million	Aggregates	Minerals	Total
At a point in time	1,175	2,859	4,033
Over time	32	797	829
Sales total	**1,207**	**3,656**	**4,863**

2023 EUR million	Aggregates	Minerals	Total
At a point in time	1,317	2,990	4,306
Over time	30	1,054	1,084
Sales total	**1,346**	**4,044**	**5,390**

External sales by destination

2024 EUR million	Aggregates	Minerals	Total
Finland	23	121	144
Europe	324	416	739
North and Central America	460	622	1,081
South America	86	1,053	1,139
APAC	174	844	1,018
Africa, Middle East & India	140	600	740
Sales total	**1,207**	**3,656**	**4,863**

2023 EUR million	Aggregates	Minerals	Total
Finland	14	108	122
Europe	381	558	939
North and Central America	539	721	1,260
South America	83	1,060	1,142
APAC	174	912	1,086
Africa, Middle East & India	156	684	840
Sales total	**1,346**	**4,044**	**5,390**

Contract balances

EUR million	2024	2023
Trade receivables	911	855
Customer contract assets	279	308
Customer contract liabilities	257	322
Advances received	495	325

Customer contract liabilities and advances received are annually recognized as sales mainly during the following year.

When providing standardized equipment as well as wear and spare parts, invoicing takes place in general at the delivery or after commissioning. In engineered system deliveries, and long-term service contracts invoicing is based on the client contracts. Short-term service contracts are invoiced when service is rendered.

Trade receivables are based on the invoicing to customers and are generally on terms of 30–90 days. Information about provision for expected credit losses on trade receivables is presented in note 2.2.

Engineered system, and long-term service contracts are mainly fixed priced contracts, where customers are invoiced with fixed amounts based on contract schedule. In case the performance obligation satisfied exceeds the invoiced payment from the customer, a contract asset is recognized. In case the invoiced payment from the customer exceeds the performance obligation satisfied, a contract liability is recognized.

Advances received is the amount paid in advance to Metso by customers. Typically, Metso receives advance payments in customized large scale engineered system and equipment delivery projects. Advances are amounts Metso remains liable for reimbursement should it not be able to perform the agreed obligations under the contract.

Changes in receivables from customers or liabilities to customers and advances received is typically the result of changes in business volume in the current year compared to the previous year.

Unsatisfied performance obligations

The order backlog, amounting to EUR 3,046 million on December 31, 2024, corresponds to the aggregate amount of the transaction price allocated to the performance obligations that are fully or partly unsatisfied at the end of the reporting period. These performance obligations are expected to be materially satisfied in two years.

Performance obligations

Metso's sales consist of the sale of standardized equipment deliveries and services with wear or spare parts, customized large-scale engineered system and/or equipment deliveries. Metso's performance obligations are described below.

Equipment, wear and spare parts deliveries

When Metso provides standardized equipment and wear or spare parts to customers, revenue will be recognized at a point in time, when control of the goods is transferred, typically at the delivery of the goods or after commissioning. These contracts may include promises, such as volume-based rebates and late delivery penalties. The impact of these promises on the final consideration will be estimated and sales will be recognized to the extent that Metso is entitled. Extended warranties are treated as a separate performance obligation, and an appropriate transaction price is allocated to them and recognized in sales when occurred.

Metso cooperates with distributors especially in the aggregates business. Based on the current distributor contracts, Metso recognizes sales at the delivery to a distributor. Promises on volume-based rebates and the right to return goods are assessed and sales will be recognized to the extent that Metso is entitled.

Engineered system and equipment deliveries

With customized large-scale engineered system and equipment deliveries, where assets produced do not have an alternative use for another client, and Metso has the right to payment for the performance completed, revenue will be recognized over time. Each large-scale engineered system and equipment delivery contract is assessed separately. These contracts usually have a customer-specific, one total performance obligation agreed with the client.

These contracts may include promises, such as late delivery penalties, performance guarantees, and extended warranties. The impact of these promises on the final consideration will be estimated and sales will be recognized to the extent that Metso is entitled. Metso typically requires advance payments from clients, which in general, do not include a financing component, because the payment schedule of advances follows closely the timing of performance obligations to be satisfied.

Service contracts

Sales from providing services are recognized when the services are rendered. For long-term-fixed price contracts, sales are recognized over time. The measure of the progress is based on the costs of actual services provided as a proportion of the costs of total services to be rendered. For short-term service contracts with an hourly fee based on a valid price list, revenue is recognized to the extent Metso has right to invoice the customer, and for service contracts with a fixed hourly fee agreed in the contract, revenue is recognized based on invoicing. Typical promises in service contacts are late delivery penalties and performance guarantees.

Major customers

In 2024 nor in 2023, Metso did not have any single customer whose sales would have exceeded 10 percent of consolidated sales.

1.3. Selling, general, and administrative expenses

MATERIAL ACCOUNTING POLICIES Costs and expenses of different income statement items are assigned by the nature and relationship of the cost incurred.

Cost of goods sold are either directly or indirectly linked to recognized or expected sales. Direct cost includes e.g. materials, subcontracted engineering and logistics related to specific customer contracts. Indirect cost carries the capacity cost of delivery resources as well as manufacturing units.

Marketing and selling expenses consist of cost related to activity of generating new sales and marketing of the company and its product portfolio. As an example cost of regional sales organizations are reported under this item.

Research and development expenses arise from research and development activities related to new products and technologies. Research and development expenses comprise salaries, administration costs, digital investments, and depreciation and amortization of property, plant, and equipment and intangible assets and are mainly recognized as incurred. Grants received are netted from the costs. When material development costs meet certain capitalization criteria under IAS 38, they are capitalized and amortized over the expected useful life of the underlying technology.

Administrative expenses cover cost of company's administrative activities such as general management as well as support and group functions.

Figures in the tables comprise continuing operations.

Selling, general and administrative expenses

EUR million	2024	2023
Marketing and selling expenses	-426	-438
Research and development expenses, net	-103	-66
Administrative expenses	-356	-372
Selling, general and administrative expenses	**-885**	**-875**

Research and development expenses

EUR million	2024	2023
Research and development expenditure, total	-103	-62
Capital expenditure	12	8
Grants received	2	2
Depreciation and amortization	-14	-13
Research and development expenses, net	**-103**	**-66**

All Metso's R&D projects must have sustainability targets. Furthermore, 80% of R&D expenditure should be on products that are likely to be included in the Metso Plus portfolio (more information under sections 1.3.3. and 2.3.3. of the sustainability statement).

1.4. Other operating income and expenses

MATERIAL ACCOUNTING POLICIES Other operating income and expenses comprise income and expenses that do not directly relate to the operating activity of businesses within Metso, or which arise from unrealized and realized changes in fair value of foreign currency denominated financial instruments related to operations, including forward exchange contracts. Such items include costs related to significant restructuring programs, gains and losses on disposal of assets, and foreign exchange gains and losses, excluding those qualifying for hedge accounting and those, which are reported under finance income and expenses, net. Additionally, non-recoverable foreign taxes, which are not based on taxable profits, are reported in other operating income and expenses, net. In particular, these include foreign taxes and such like payments not based on Double Taxation Treaties in force.

Figures in the table comprise continuing operations.

EUR million	2024	2023
Other operating income		
Gain on sale of intangible and tangible assets	12	7
Rental income	0	1
Foreign exchange gains	155	264
Other income	35	10
Other operating income total	202	282
Other operating expenses		
Loss on disposed businesses	-5	-2
Loss on sale of intangible and tangible assets	-4	-2
Impairment of intangible and tangible assets	-9	-4
Foreign exchange losses	-182	-278
Other expenses	-15	-20
Other operating expenses total	-215	-306
Other operating income and expenses, net	**-14**	**-25**

Foreign exchane gains and losses include foreign exchange gains and losses resulting from trade receivables and payables and related derivatives. Other income includes gains related to old Brazilian social contribution and Chinese enterprise development funds.

1.5. Personnel expenses and number of personnel

Personnel expenses

Figures in the table comprise continuing operations.

EUR million	2024	2023
Salaries and wages	-844	-894
Pension costs, defined contribution plans	-73	-38
Pension costs, defined benefit plans [1]	-6	-9
Other post-employment benefits [1]	-1	-1
Share-based payments [2]	-6	-13
Other indirect employee costs	-139	-120
Total	**-1,069**	**-1,075**

[1] For more information on pension costs, see note 2.7.
[2] For more information on share-based payments, see note 1.6.

Number of personnel

	2024	2023
Personnel at end of the year	16,832	17,134
Average number of personnel during the year	17,081	16,960

Board remuneration

EUR thousand	2024	2023
Serving Board members December 31, 2024:		
Kari Stadigh	-196	-185
Klaus Cawén	-116	-109
Brian Beamish	-95	-90
Terhi Koipijärvi	-100	-93
Niko Pakalén	-93	-82
Ian W. Pearce	-105	-105
Reima Rytsölä	-99	-91
Emanuela Speranza	-103	-96
Arja Talma	-115	-107
Former Board members		
Christer Gardell [1]	–	-4
Antti Mäkinen [1]	–	-4
Total	**-1,022**	**-966**

[1] Metso Board member until May 3, 2023.

According to the resolution of the 2024 Annual General Meeting, the fixed annual fees paid to the Board members are as follows: Chair of the Board EUR 171,000, Vice Chair of the Board EUR 87,000, and other Board members EUR 70,500. An additional annual remuneration is paid to the member of the Board elected in the position of Chair of the Audit and Risk Committee EUR 25,500, members of the Audit and Risk Committee EUR 10,700, Chair of the Remuneration and HR Committee EUR 13,000, and members of the Remuneration and HR Committee EUR 5,350.

In addition, the Annual General Meeting resolved to approve the following meeting fees for each Board and committee meeting: EUR 900 for meetings requiring travel within the Nordic countries, EUR 1,800 for meetings requiring travel within a continent, EUR 3,000 for meetings requiring intercontinental travel, and EUR 900 for meetings with remote attendance.

Remuneration paid to Chief Executive Officer and other Leadership Team members

2024 EUR	Salary	Fringe benefits	Performance bonus paid	Share-based payment	Total
President and CEO [1]	911,713	6,219	807,937	2,736,437	4,462,306
Other Leadership Team members	2,700,184	69,299	1,230,575	4,634,490	8,634,548
Total	**3,611,897**	**75,518**	**2,038,512**	**7,370,927**	**13,096,854**

[1] Pekka Vauramo between January 1 and October 31, 2024 and Sami Takaluoma between November 1 and December 31, 2024

2023 EUR	Salary	Fringe benefits	Performance bonus paid	Share-based payment	Total
President and CEO Pekka Vauramo	897,468	3,417	773,107	2,829,126	4,503,118
Other Executive Team members	2,681,897	69,264	1,561,335	4,398,002	8,710,498
Total	**3,579,365**	**72,681**	**2,334,442**	**7,227,128**	**13,213,616**

The remuneration paid to President and CEO's Pekka Vauramo for period between January 1 and October 31, 2024 and Sami Takaluoma for period between November 1 and December 31, 2024 is presented in the table above. The President and CEO participates in remuneration programs according to respective terms and conditions decided by the Board. For more information on share-based payments, see note 1.6.

Sami Takaluoma was nominated as President and CEO as of November 1, 2024. The President and CEO is entitled to participate in a supplementary defined contribution pension plan. The supplementary pension contribution for President and CEO Sami Takaluoma is equivalent to 20% of the annual salary (25% for Pekka Vauramo). For years ended December 31, 2024, and December 31, 2023, these pension premium payments for the supplementary defined contribution pension plan totaled approximately EUR 222 thousand and EUR 224 thousand respectively. The notice period for both parties is six months. Severance pay is full monthly salary multiplied by twelve (12) if the agreement is terminated by the company.

Metso has a subscribed supplementary pension plan for other Metso Leadership Team members in Finland. For the years ended December 31, 2024, and December 31, 2023, these pension premium payments totaled EUR 545 thousand and EUR 548 thousand, respectively.

Board share ownership in Metso

Shares (pcs)	2024
Kari Stadigh	81,343
Klaus Cawén	44,962
Brian Beamish	4,564
Terhi Koipijärvi	9,778
Niko Pakalén	2,826
Ian W. Pearce	32,553
Reima Rytsölä	6,220
Emanuela Speranza	8,226
Arja Talma	37,564
Total	**228,036**

Leadership Team share ownership in Metso

Shares (pcs)	2024
Sami Takaluoma	124,112
Eeva Sipilä	250,355
Claudia Genin	0
Carita Himberg	37,235
Piia Karhu	41,614
Saso Kitanoski	12,998
Nina Kiviranta	72,813
Heikki Metsälä	23,621
Markku Simula	91,851
Total	**654,599**

1.6. Share-based payments

MATERIAL ACCOUNTING POLICIES Metso has share-based incentive plans for its key personnel. The equity-settled share awards are valued based on the market price of the Metso share on the grant date and recognized as an employee benefit expense over the vesting period with a corresponding entry in other reserves of the equity. The historical development of the Metso shares, and the expected dividends have been taken into account when calculating the fair value. The entire share incentive, including the cash-for-taxes portion, is recognized in equity. Also the value of the cash portion is based on the grant date value. As a market condition, total shareholder return of the Performance Share Plans will be taken into account when determining the fair value at grant, and it will not be changed during the plan. The fair value of the cost estimate of the Performance Share Plans will only be changed when service or non-market conditions are concerned.

At each balance sheet date, Metso revises its estimates on the amount of share-based payments that are expected to vest. The impact of a revision to a previous estimate is accrued as an employee benefit expense with a corresponding entry to equity. The historical development of Metso share price and the expected dividends have been taken into account when calculating the fair value.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT At each balance sheet date, management reviews its estimates for the number of shares that are expected to vest. As part of this evaluation, Metso takes into account changes in the forecasted performance of the Group and its reporting segments, expected turnover of the personnel benefiting from the incentive plan, and other pertinent information impacting the number of shares to be vested.

CURRENT PLANS

Metso Performance and Restricted Share Plans

In June 2020, Metso's Board decided on long-term share-based incentive plans: Performance Share Plan (PSP) and Restricted Share Plan (RSP). The commencement of each new PSP and RSP and the earnings criteria for each new PSP plan will be subject to a separate decision by the Board. The PSP consists of an annually commencing plan, each with a three-year earning period, and the complementary RSP consists of an annually commencing plan, each with a three-year vesting period. The possible rewards are paid partly in Metso's shares and partly in cash.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

Performance Share Plan 2024–2026

The earning criteria for the PSP 2024–2026 is based on the total shareholder return of Metso's share, earnings per share and an ESG measure linked to sales growth of Metso Plus portfolio. At the end of 2024, there were 185 participants in the plan, and the potential reward corresponds to a maximum of 1,639,534 Metso shares, out of which the Metso Leadership Team can receive a maximum reward of 346,000 shares. The potential reward will be paid in 2027.

Performance Share Plan 2023–2025

The earning criteria for the PSP 2023–2025 is based on the total shareholder return of Metso's share, earnings per share and an ESG measure linked to sales growth of Metso Plus portfolio. At the end of 2024, there were 177 participants in the plan, and the potential reward corresponds to a maximum of 1,738,434 Metso shares, out of which the Metso Leadership Team can receive a maximum reward of 309,700 shares. The potential reward will be paid in 2026.

Performance Share Plan 2022–2024

The earning criteria for the PSP 2022–2024 is based on the total shareholder return of Metso's share, earnings per share and an ESG measure linked to sales growth of Metso Plus portfolio. At the end of 2024, there were 164 participants in the plan, and the potential reward corresponds to a maximum of 1,415,094 Metso shares, out of which the Metso Leadership Team can receive a maximum reward of 217,000 shares. The potential reward will be paid in 2025.

Restricted Share Plan 2022–2024

At the end of 2024, there were 18 participants in the RSP plan, and the potential reward corresponds to a 75,700 Metso shares. The potential reward will be paid in 2025.

Completed plan periods

Performance Share Plan 2021–2023

The earning criteria for the PSP 2021–2023 was based on the total shareholder return of Metso's share, earnings per share and an ESG measure linked to sustainable development. A total of 984,288 Metso treasury shares were paid to 144 key employees and executives, out of which the Metso Leadership Team received total of 317,918 shares. The reward was paid in March 2024.

Restricted Share Plan 2021–2023

A total of 38,851 Metso treasury shares were used to pay reward to 18 participants in December 2024.

Performance Share Plan 2020–2022

The earning criteria for the PSP 2020–2022 was based on total shareholder return of Metso's share and the achievement of the synergy targets set in connection with the combination of the businesses. A total of 345,115 Metso treasury shares were paid to 8 Metso Leadership Team members. The reward was paid in March 2023.

Deferred Share Plan 2020–2022

For 124 participants a total of 347,141 Metso treasury shares were paid, out of which one Metso Leadership Team member received a net reward of 2,965 shares. The reward was paid in March 2023.

Beneficiaries of and granted shares under the share ownership plan

December 31, 2024	Beneficiaries total	Shares total
Plan PSP 2021–2023		
Granted 2024	144	984,288
Plan RSP 2021–2023		
Granted 2024	18	38,851

Costs recognized for the share ownership plans

EUR million	2024	2023
Plan PSP and DSP 2020–2022	–	-1
Plan PSP and RSP 2021–2023	-1	-6
Plan PSP and RSP 2022–2024	-2	-3
Plan PSP 2023–2025	-2	-3
Plan PSP 2024–2026	-2	–
Total	**-6**	**-13**

1.7. Finance income and expenses

Figures in the table comprise continuing operations.

EUR million	2024	2023
Finance income		
Dividends received	0	0
Interest income	19	11
Other finance income	2	6
Finance income	22	17
Foreign exchange gains/losses	4	4
Finance expenses		
Interest expenses from financial liabilities at amortized cost	-79	-72
Interest expenses on lease liabilities	-5	-5
Other finance expenses	-21	-25
Finance expenses	-105	-101
Finance income and expenses, net	**-80**	**-80**

1.8. Income taxes

Corporate income taxes

MATERIAL ACCOUNTING POLICIES Income taxes in the consolidated income statement include taxes of subsidiaries and the parent company based on taxable income for the current period, tax adjustments for previous periods, and the changes in deferred taxes. The other comprehensive income statement (OCI) includes taxes on items presented in the OCI. Deferred taxes are determined for temporary differences arising between the tax base of assets and liabilities and their financial statement carrying amounts, measured using substantially enacted tax rates.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Metso is subject to income tax in its operating countries. Metso's management is required to make certain assumptions and estimates in preparing the annual tax calculations for which the ultimate tax consequence is uncertain. Annually, Metso has tax audits ongoing in several subsidiaries and recognizes tax liabilities for anticipated tax audit issues based on an estimate of whether additional taxes will be due. Where the final outcome of these issues is different from the estimated amounts, the difference will impact the income tax in the period in which such determination is made.

Components of income taxes

EUR million	2024	2023
Income taxes for current year	-195	-218
Income taxes for prior years	7	-2
Change in deferred tax asset and liability	27	33
Income taxes	**-162**	**-187**

Differences between income tax expense computed at the Finnish statutory rate and income tax expense provided on earnings

EUR million	2024	2023
Profit before taxes	648	724
Income tax at Finnish statutory tax rate of 20.0%	-130	-145
Effect of different tax rates in foreign subsidiaries	-27	-27
Non-deductible expenses	-17	-15
Tax exempt income or tax incentives	8	11
Foreign non-creditable withholding taxes	-5	-13
Deferred tax liability on undistributed earnings	-5	-3
Income tax for prior years	7	-2
Other	8	7
Income taxes	**-162**	**-187**

Tax effects of components in other comprehensive income

	2024			2023		
EUR million	Before taxes	Deferred taxes	After taxes	Before taxes	Deferred taxes	After taxes
Cash flow hedges	5	-1	4	-3	1	-2
Defined benefit plan actuarial gains (+) / losses (–)	0	0	0	-5	1	-4
Currency translation on subsidiary net investments	-37	–	-37	-27	–	-27
Total comprehensive income (+) / expense (–)	**-33**	**-1**	**-33**	**-36**	**2**	**-33**

Pillar 2 legislation effects

Pillar 2 legislation has been enacted or substantively enacted in certain jurisdictions Metso operates. The legislation is effective for Metso's financial year beginning 1 January 2024. Metso is in the scope of the enacted or substantively enacted legislation and has performed an impact assessment of the possible exposure to Pillar 2 income taxes.

Based on the impact assessment, the Pillar 2 effective tax rates in most of the jurisdictions in which Metso operates are above 15%. During financial year 2024, Metso has applied transitional safe harbor reliefs and has not booked Pillar 2 income taxes for the financial year.

Considering the complexity of the Pillar 2 legislation, changes in transitional safe harbor reliefs and the fact that all jurisdictions have not yet enacted the legislation, Metso will continue assessing the impact of Pillar 2 during financial year 2025.

Metso has applied the mandatory exception in IAS 12 related to recognizing and disclosing deferred tax assets and liabilities arising from Pillar 2 income taxes.

Deferred taxes

MATERIAL ACCOUNTING POLICIES The deferred tax asset or liability is determined for temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts using the substantially enacted tax rates expected to apply in future years. Typical temporary differences arise from provisions, depreciation and amortization expense, inter-company inventory margins, defined benefit plans, and tax loss carry-forwards. Deferred tax liabilities are recognized in the balance sheet in full, and the deferred tax assets are only recognized if it is probable there will be taxable income in the future against which deferred tax assets can be used. Deferred tax assets are offset against deferred tax liabilities if they relate to taxes levied by the same taxation authority on the same taxable entity.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT In determining deferred tax assets and liabilities, Metso is required to make certain assumptions and estimates on, in particular, future operating performance and the taxable income of subsidiaries, recoverability of tax loss carry-forwards and potential changes in tax laws in jurisdictions where Metso operates. A deferred tax liability based on foreign subsidiaries' undistributed earnings has been provided only where Metso's management has elected to distribute such earnings in the coming years and the distribution is subject to taxation. Because tax consequences are difficult to predict, deferred tax assets and liabilities may need to be adjusted in future financial years, which may have an impact in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable to be utilized against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

In certain cases, the losses are related to subsidiaries that have losses which may neither expire nor may be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, in certain jurisdictions the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

Deferred tax liability on undistributed retained earnings in subsidiaries will be recognized when the dividend distribution is probable in the future, and it will cause a tax impact. At the end of year 2024 and 2023 there were no substantial undistributed earnings in subsidiaries from which a deferred tax liability is not booked.

Figures in the tables comprise continuing operations if not otherwise stated.

Reconciliation of deferred tax balances

2024 EUR million	Balance at beginning of year	Charged to income statement	Charged to share-holders' equity	Acquisi-tions and disposals	Translation differences and Group items	Balance at end of year
Deferred tax assets						
Tax losses carried forward	7	39	–	–	2	48
Intangible assets and property, plant and equipment	20	-5	–	–	0	15
Inventory	91	-5	–	–	0	86
Provisions	59	-3	–	–	-3	53
Accruals	49	-8	–	–	0	41
Pension related items	6	0	0	–	0	5
Right-of-use assets	28	3	–	2	0	32
Other	18	7	-1	–	-4	20
Total deferred tax assets	**276**	**27**	**-1**	**2**	**-5**	**300**
Offset against deferred tax liabilities	-28	–	–	–	-5	-33
Classified as held for sale	-14	7	–	–	–	-7
Net deferred tax assets	**234**	**34**	**-1**	**2**	**-10**	**259**
Deferred tax liabilities						
Purchase price allocations	160	-12	–	8	0	156
Intangible assets and property, plant and equipment	16	0	–	–	0	15
Right-of-use assets	29	3	–	2	0	34
Other	30	15	0	–	-22	22
Total deferred tax liabilities	**234**	**6**	**0**	**10**	**-23**	**227**
Offset against deferred tax assets	-28	–	–	–	-5	-33
Classified as held for sale	-24	2	–	–	–	-22
Net deferred tax liabilities	**182**	**8**	**0**	**10**	**-28**	**172**
Deferred tax assets (+) / liabilities (–), net	**51**	**27**	**-2**	**-8**	**18**	**87**

Reconciliation of deferred tax balances, comparison period

2023 EUR million	Balance at beginning of year	Charged to income statement	Charged to share-holders' equity	Acquisitions and disposals	Translation differences and Group items	Balance at end of year
Deferred tax assets						
Tax losses carried forward	2	2	0	0	1	7
Intangible assets and property, plant and equipment	31	-11	–	0	0	20
Inventory	79	12	–	–	0	91
Provisions	61	-3	–	0	0	59
Accruals	32	18	–	–	-1	49
Pension related items	6	-1	1	–	0	6
Right-of-use assets	27	0	–	0	–	28
Other	5	14	1	0	-1	18
Total deferred tax assets	**244**	**32**	**3**	**1**	**-2**	**276**
Offset against deferred tax liabilities	-19	–	–	–	-10	-28
Classified as held for sale	–	3	–	–	-17	-14
Net deferred tax assets	**225**	**35**	**3**	**1**	**-29**	**234**
Deferred tax liabilities						
Purchase price allocations	166	-11	–	6	0	160
Intangible assets and property, plant and equipment	15	0	–	0	-1	16
Right-of-use assets	28	0	–	0	–	29
Other	3	28	0	0	-1	30
Total deferred tax liabilities	**212**	**17**	**0**	**6**	**-1**	**234**
Offset against deferred tax assets	-19	–	–	–	-10	-28
Classified as held for sale	–	-15	–	–	-8	-24
Net deferred tax liabilities	**193**	**2**	**0**	**6**	**-19**	**182**
Deferred tax assets (+) / liabilities (–), net	**31**	**33**	**3**	**-6**	**-10**	**51**

1.9. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the company by the weighted average number of shares issued and outstanding for the year, excluding own shares held by the Parent company.

Earnings per share

	2024	2023
Profit attributable to shareholders of the company, EUR million	329	543
Weighted average number of shares issued and outstanding (in thousands)	827,101	826,216
Earnings per share, basic, EUR	**0.40**	**0.66**

Earnings per share, continuing operations

	2024	2023
Profit attributable to shareholders of the company, continuing operations, EUR million	485	535
Weighted average number of shares issued and outstanding (in thousands)	827,101	826,216
Earnings per share, basic, EUR	**0.59**	**0.65**

Diluted

Shares to be potentially issued in the future are treated as outstanding shares when calculating the diluted earnings per share if they have a dilutive effect. Own shares held by Metso are reissued within the terms of the share ownership plans to key personnel, if the targets defined in the plans are met. Diluted earnings per share are calculated by increasing the weighted average number of outstanding shares by the number of shares that, would be distributed to the beneficiaries based on the results achieved, if the conditional earnings period ended at the end of the financial period in question. On December 31, 2024, Metso held 1,621,110 own shares to be used as consideration under share ownership plans.

Earnings per share, diluted

	2024	2023
Profit attributable to shareholders of the company, EUR million	329	543
Weighted average number of shares issued and outstanding (in thousands)	827,101	826,216
Adjustment for potential shares distributed (in thousands)	884	929
Weighted average number of diluted shares issued and outstanding (in thousands)	827,985	827,145
Earnings per share, basic, diluted, EUR	**0.40**	**0.66**

2. Operational assets and liabilities

2.1. Net working capital and capital employed

Balance sheet values in the tables comprise continuing operations.

Net working capital

	Balance sheet value		Cash flow effect	
EUR million	2024	2023	2024	2023
Inventories	1,900	1,951	41	-192
Trade receivables	900	855	-65	-90
Other non-interest bearing receivables	314	340	-20	-20
Customer contract assets and liabilities, net	22	-14	6	-129
Trade payables	-581	-675	-111	-72
Advances received	-495	-325	173	57
Other non-interest bearing liabilities	-1,015	-1,143	-142	-3
Net working capital	**1,045**	**990**	**-119**	**-449**

Capital employed

EUR million	2024	2023
Net working capital	1,045	990
Intangible assets	1,927	1,886
Property, plant and equipment	549	472
Right-of-use assets	136	114
Non-current investments	5	5
Interest bearing receivables	2	6
Liquid funds	431	638
Tax payables and receivables, net	68	-27
Interest payables, net	-8	-7
Capital employed	**4,156**	**4,078**

2.2. Trade receivables

MATERIAL ACCOUNTING POLICIES Trade receivables are invoiced receivables from customers related to Metso's ordinary business transactions. General payment terms are typically from 30 days to 90 days, and they are non-interest-bearing receivables. Trade receivables are initially recognized at transaction price and subsequently valued at amortized cost. If, exceptionally an over 360 day payment term was offered to a client, the invoiced amount is discounted to its fair value.

In measuring expected credit losses, Metso applies the IFRS 9 simplified approach, which uses a lifetime expected loss allowance to be assessed and recognized regularly. Credit loss risk related to customer contract assets is covered mainly by the advance payments received from the clients.

Based on an analysis of the previous year's credit losses by aging category and nature, as well as the macroeconomic outlook in the near future, Metso recognizes a credit loss allowance from 0.1% to 5% on trade receivables undue or less than 180 days overdue. For trade receivables more than 180 days overdue, the impairment is assessed individually, but without any credit guarantee, collateral, or similar assurance on the recoverability, a minimum credit loss provision of 25% (over 180 days overdue) and 100% (over 360 days overdue) will be recognized. Trade receivables are written off when there is no reasonable expectation of recovery. Probability of bankruptcy, other financial reorganization, or a similar situation indicating insolvency of the client triggers a final write-off.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Estimates on expected credit losses and credit loss provisions to be recognized are based on management's best judgment. The judgment is based on experience with past years' credit losses, current economic outlook, and client segment and location information. Trade receivables are collected actively, and possible impairment analyzed regularly by the businesses and Metso legal units, and the necessary actions to secure receivables are made by management. When a credit loss provision of a trade receivable is assessed individually, collateral, credit guarantees, financial position of the client, and earlier payment behavior are taken into consideration.

EUR million	2024	2023
Trade receivables	890	845
Trade receivables for sale	10	10
Total	**900**	**855**
Classified as held for sale		
Non-current	7	–
Current	13	15
Total	**920**	**870**

Provision on trade receivables by aging category

	2024		2023	
EUR million	Trade receivables, gross	of which provided	Trade receivables, gross	of which provided
Undue	609	7	616	3
Overdue 1–30 days	131	0	98	0
Overdue 31–180 days	152	2	134	3
Overdue 181–360 days	27	5	23	6
Overdue over 360 days	52	37	50	39
Total, gross	**972**	**52**	**921**	**52**
Total, net	920		870	

Realized write-offs amounted to EUR 2 million in 2024 (EUR 49 million in 2023).

Provision for impairment of trade receivables

EUR million	2024	2023
Accumulated provision at beginning of year	52	100
Impact of exchange rates	-1	-2
Acquisitions	0	–
Additions to reserve	3	2
Used reserve and other changes	-3	-47
Accumulated provision at end of year	**52**	**52**

2.3. Other receivables

MATERIAL ACCOUNTING POLICIES Other non-interest-bearing receivables are recognized in the balance sheet at original fair value which can be subsequently written down due to impairment. The impairment is expensed under selling, general and administrative expenses.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The group policy is to calculate an impairment loss based on the best estimate of the amounts that are potentially uncollectable at the balance sheet date. Metso management actively monitors the amount of receivables past due globally and initiates action as necessary.

Figures in the table comprise continuing operations.

Non-interest-bearing receivables

	2024			2023		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments	9	34	43	10	36	46
Deferred tax assets	259	–	259	234	–	234
Income tax receivables	–	61	61	–	107	107
Other receivables						
Prepaid expenses and accrued income	–	64	64	–	69	69
VAT, payroll tax and social charge receivables	–	143	143	–	174	174
Pension assets	4	–	4	3	–	3
Other receivables	23	37	60	20	31	50
Other receivables total	27	245	272	22	273	295
Non-interest-bearing receivables total	**295**	**339**	**634**	**266**	**417**	**682**

Other non-interest-bearing receivables included EUR 15 million in 2024 (EUR 19 million in 2023) of Brazilian tax credits arising from delivery of goods and transfer of services (ICMS) recognized by local subsidiaries. Of that amount EUR 3 million in 2024 (EUR 3 million in 2023) was classified as long-term.

2.4. Inventory

MATERIAL ACCOUNTING POLICIES Inventories are valued at the lower of historical cost calculated or net realizable value. Costs are measured on a weighted average cost basis and include purchase costs as well as transportation and processing costs. The costs of finished goods include direct materials, wages, and salaries plus employer social contributions, subcontracting and other direct costs, as well as a portion of production and project administration overheads. Net realizable value is the estimated amount that can be realized from the sale of the asset in the normal course of business less costs to sell.

Inventories are shown net of a provision for obsolete and slow-moving inventories. Metso's policy is to maintain a provision for slow-moving and obsolete inventory based on the best estimate of such amounts at the balance sheet date. An obsolescence provision is charged to income statement in the period in which the obsolescence is determined. Estimates are based on a systematic, on-going review and evaluation of inventory balance.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Inventory valuation requires management to make estimates and judgments particularly relating to obsolescence and expected selling prices and sales costs in different market conditions. It also entails management's assessment of the general market trends in global markets.

EUR million	2024	2023
Materials and supplies	292	294
Work in process	620	615
Finished products	1,047	1,095
Total	**1,959**	**2,004**
Classified as held for sale	-59	-53
Inventories	**1,900**	**1,951**

The cost of inventories recognized as expense for continuing operations amounted to EUR 3,149 million in 2024 (EUR 3,599 million in 2023).

Changes in provision for inventory obsolescence

EUR million	2024	2023
Balance at beginning of year	93	99
Impact of exchange rates	-1	-2
Additions charged to expense	24	26
Used reserve	-11	-2
Deductions / other additions	5	-27
Classified as held for sale	–	0
Balance at end of year	**110**	**93**

2.5. Trade and other payables

MATERIAL ACCOUNTING POLICIES The fair values and carrying amounts of trade and other payables are considered to be the same, due to the short-term maturities. The maturities of the current non-interest-bearing liabilities rarely exceed six months. The maturities of trade payables are largely determined by trade practices and individual agreements between Metso and its suppliers.

Accrued personnel costs, including holiday pay, are settled in accordance with local laws and regulations.

	2024			2023		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Trade payables	–	581	581	–	675	675
Classified as held for sale	–	16	16	–	29	29
Total	**–**	**598**	**598**	**–**	**704**	**704**
Derivative instruments	13	68	80	18	28	45
Other payables						
Accrued interests	–	8	8	–	8	8
Accrued personnel costs	–	172	172	–	207	207
Accrued project costs	–	251	251	–	298	298
VAT, payroll tax and social charge payables	–	53	53	–	89	89
Other payables	5	102	107	7	109	116
Other payables	**5**	**587**	**592**	**7**	**711**	**717**
Classified as held for sale	–	26	26	–	54	54
Total	**5**	**612**	**617**	**7**	**764**	**771**

Supply chain finance program

Metso has a supplier finance program where supplier utilizes the buyer's credit rating when selling its receivables to bank. Participation in the arrangement is at the suppliers' own discretion. Participating suppliers will receive early payment on invoices sent to the Metso from the external finance provider. If supplier choose to sell the receivable to bank, they pay a fee to bank, to which Metso is not party. In order for the finance provider to pay, the invoices have first to be approved by Metso. Payment to supplier ahead of the invoice due date are processed by the finance provider and, in all cases, the Metso settles the invoice by paying the finance provider in line with the original invoice maturity date.

Based on above Metso determines that the financial liabilities arising from the arrangement have similar nature and function to trade payables and therefore are classified to trade and other payables.

EUR million	2024	2023
Carrying amount of trade payables that are part of a supplier finance arrangement	103	144
Of which suppliers have received payment	97	111

2.6. Provisions

MATERIAL ACCOUNTING POLICIES Provisions are recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that financial benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions, for which settlement is expected to occur more than one year after the initial recognition, are discounted to their present value and adjusted in subsequent closings for the time effect.

Warranty and guarantee provisions

Metso issues various types of contractual product warranties under which it generally guarantees the performance levels agreed in the sales contract, the performance of products delivered during an agreed warranty period and services rendered for a certain period or term. The provision for estimated warranty costs is based on historical realized warranty costs for deliveries of standard products and services in the past. The typical warranty period is 12 months from the accepted delivery. The adequacy of provisions is assessed periodically on a case by case basis.

Restructuring and capacity adjustment costs

A provision for restructuring and capacity adjustment costs is recognized only after management has approved, committed to and started to implement a formal plan. Employee termination benefits are recognized after the representatives of employees or individual employees have been informed of the intended measures in detail and the related compensation packages can be reliably measured. The costs included in a provision for capacity adjustment are those costs that are either incremental or incurred as a direct result of the plan or as the result of a continuing contractual obligation with no continuing economic benefit to Metso or a penalty incurred to cancel the contractual obligation. Restructuring and capacity adjustment expenses are recognized in either cost of goods sold or in selling, general and administrative expenses depending on the nature of the restructuring expenses. Restructuring costs can also include other costs, which are recorded under other operating income and expenses, net, incurred as a result of the plan, such as asset write-downs.

Environmental remediation costs

Metso recognizes provisions associated with environmental remediation obligations when there is a present obligation as a result of past events, an outflow of resources is considered probable, and the obligation can be estimated reliably. Such provisions are adjusted as further information develops or circumstances change. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed virtually certain.

Provision for loss making projects

A provision for loss making projects is booked when the costs needed to settle the performance obligations of the contract exceed the consideration to be received. Such a provision for the unrecognized portion of the loss is recognized immediately when these conditions have been met and is revised according to the progress of the project.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Provisions booked require management to estimate the future costs needed to settle the obligations and to estimate the possible outcomes of claims or lawsuits. The outcome depends on future development and events, so the final costs needed and the timing to settle the obligation may differ from the initial provision estimated.

For larger and long-term delivery projects and sales involving new technology, additional warranty provisions can be established on a case by case basis to take into account the potentially increased risk.

Figures in the tables comprise continuing operations.

Provisions

	2024			2023		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Warranty and guarantee provision	1	126	126	0	97	98
Project loss provisions	27	33	61	27	67	94
Restructuring provision	3	5	8	1	8	9
Environmental remedial provision	0	0	0	0	1	1
Russia wind-down provision	–	2	2	–	32	32
Other provisions [1]	30	36	66	34	30	64
Total	**62**	**201**	**263**	**63**	**235**	**298**

[1] Includes provisions related to lawsuits and personnel liabilities.

Changes in provisions

2024 EUR million	Warranty and guarantee provision	Project loss provisions	Restructuring provision	Environmental remediation provision	Russia wind-down provision	Other provisions	Total
Carrying value at beginning of year	98	94	9	1	32	64	298
Impact of exchange rates	0	0	0	0	–	-8	-7
Addition charged to expense	53	14	6	–	–	15	88
Used reserve	-15	-34	-4	0	–	-6	-58
Reversal of reserve / other changes	-12	-13	-3	-1	-30	-3	-61
Classified as held for sale	2	-1	0	0	–	2	4
Carrying value at end of year	**126**	**61**	**8**	**0**	**2**	**66**	**263**

Project loss provisions included Russia wind-down related items of which carrying value at December 31, 2024, was zero (EUR 13 million in 2023).

2.7. Post-employment obligations

MATERIAL ACCOUNTING POLICIES Metso has several different pension schemes in accordance with local regulations and practices in countries where it operates. In certain countries, the pension schemes are defined benefit plans with retirement, disability, death, and other post-retirement benefits, such as health services, and termination income benefits. The retirement benefits are usually based on the number of service years and the salary levels of the final service years. Metso has both defined contribution and defined benefit schemes. The schemes are generally funded through payments to insurance companies or to trustee-administered funds. Other arrangements are unfunded with benefits being paid directly by Metso as they fall due. All arrangements are subject to local tax and legal restrictions in their respective jurisdictions.

In the case of defined benefit plans, the liability recognized from the plan is the present value of the defined benefit obligation as of the balance sheet date less the fair value of the plan assets. Independent actuaries calculate the defined benefit obligation by applying the projected unit credit method under. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and having maturity approximating to the terms of the related pension obligation. The cost of providing retirement and other post-retirement benefits to personnel is charged to profit and loss concurrently with the service rendered by personnel. Net interest is recorded through finance income and expenses in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized through OCI in shareholders' equity in the period in which they arise. Past service costs, gains and losses on curtailments or settlements are recognized immediately in the income statement.

The contributions to defined contribution plans and multi-employer and insured plans are charged to profit and loss concurrently with the payment obligations.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The present value of the pension obligations is based on annual actuarial calculations, which use several assumptions such as the discount rate and expected return on assets, salary and pension increases and other actuarial factors. As a result, the liability recorded on Metso's balance sheet and cash contributions to funded arrangements are sensitive to changes. Where the actuarial experience differs from those assumptions gains and losses result, which are recognized in OCI. Sensitivity analyses on the present value of the defined benefit obligation have been presented in the tables. Assets of Metso's funded arrangements are managed by external fund managers. The allocation of assets is reviewed regularly by those responsible for managing Metso's arrangements based on local legislation, professional advice and consultation with Metso, based on acceptable risk tolerances.

Metso's pension and other post-employment plans

Pension arrangements in Germany, the US, the UK and Canada together represent 83% of Metso's Defined Benefit Obligation and 74% of its pension assets. These arrangements provide retirement income, which is substantially based on salary and service at or near retirement.

The German plans are unfunded with benefits paid directly by the company as they fall due. In the US and Canada, annual valuations are carried out to determine whether cash funding contributions are required in accordance with local legislation. In the UK, Metso's defined benefit pension arrangement is closed for future accrual. Plan assets are held by a separate pension fund and administered by a Board of Trustees. Cash contributions are determined on a triennial basis in accordance with local funding legislation, with the level of cash payments being agreed between the trustees and Metso.

Assets of Metso's funded arrangements are managed by external fund managers. The allocation of assets is reviewed regularly by those responsible for managing Metso's arrangements based on local legislation, professional advice and consultation with Metso, based on acceptable risk tolerances.

The expected contributions to plans in 2025 are EUR 8 million. Metso paid contributions of EUR 12 million to defined benefit plans in 2024.

Figures presented in this disclosure include both continuing and discontinued operations.

Amounts recognized as of December 31 in the balance sheet

	2024			2023		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Present value of funded obligations	83	–	83	89	–	89
Fair value of plan assets	-85	–	-85	-90	–	-90
Total	-2	–	-2	0	–	0
Present value of unfunded obligations	68	27	96	68	30	98
Unrecognized asset	0	–	0	0	–	0
Total	66	27	94	68	30	98
Amounts in the balance sheet						
Liabilities	69	27	96	70	30	100
Assets	-3	–	-3	-2	–	-2
Net liability	**66**	**27**	**93**	**68**	**30**	**98**

Movements in the net liability recognized in the balance sheet (total)

EUR million	2024	2023
Net liability at beginning of year	98	96
Net expense recognized in the income statement	9	9
Employer contributions	-12	-11
Gain (–) / loss (+) recognized through OCI	-2	5
Translation differences	0	-1
Net liability at end of year	**93**	**98**

Amounts recognized through the income statement

	2024			2023		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Employer's current service cost	1	2	3	1	3	4
Net interest on net surplus (+) / deficit (–)	2	2	4	2	1	4
Settlements	–	0	0	–	–	–
Gain (–) / loss (+) recognized in income statement	1	0	1	1	0	0
Administration costs paid by the scheme	1	–	1	1	–	1
Expense (+) / income (–) recognized in income statement	**5**	**4**	**9**	**5**	**4**	**9**

Amounts recognized through OCI

	2024			2023		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Return on plan assets, excluding amounts included in interest expense (+) / income (–)	6	–	6	0	–	0
Actuarial gain (–) / loss (+) on liabilities due to change in financial assumptions	-7	0	-7	3	1	4
Actuarial gain (–) / loss (+) on liabilities due to change in demographic assumptions	0	–	0	-2	–	-2
Actuarial gain (–) / loss (+) on liabilities due to experience	–	–	–	4	0	4
Gain (–) / loss (+) as result of asset ceiling	0	–	0	-1	–	-1
Total gain (–) / loss (+) recognized through OCI	**-1**	**0**	**-2**	**4**	**1**	**5**

Changes in the value of the defined benefit obligation

	2024			2023		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Defined benefit obligation at beginning of year	158	30	187	154	29	183
Employer's current service cost	1	2	3	1	3	4
Interest cost	6	2	8	6	1	7
Settlements gain (–) / loss (+)	–	0	0	0	–	0
Actuarial gain (–) / loss (+) due to change in financial assumptions	-7	0	-7	3	1	4
Actuarial gain (–) / loss (+) on liabilities due to change in demographic assumptions	0	–	0	-2	–	-2
Actuarial gain (–) / loss (+) due to experience	1	0	1	4	–	4
Benefits paid from the arrangement	-6	–	-6	-6	–	-6
Benefits paid direct by employer	-4	-5	-9	-4	-4	-8
Translation differences	3	-1	2	1	0	1
Defined benefit obligation at end of year	**151**	**27**	**178**	**158**	**30**	**187**

Changes in the fair value of the plan assets during the year

	2024	2023
EUR million	Pension and other post-employment benefits total	
Fair value of assets at beginning of year	90	89
Interest income on assets	4	4
Return on plan assets excluding interest income	-6	0
Assets distributed on settlements	–	0
Employer contributions	12	11
Benefits paid from the arrangements	-6	-6
Benefits paid direct by employer	-9	-8
Administration expenses paid from the scheme	-1	-1
Translation differences	3	1
Fair value of assets at end of year	**85**	**90**

Major categories of plan assets as a percentage of total plan assets as of December 31

	2024			2023		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity securities	2%	0%	2%	5%	0%	5%
Bonds	9%	0%	9%	4%	0%	4%
Cash	7%	0%	7%	6%	0%	6%
Insurance contracts	0%	64%	64%	0%	63%	63%
Other	3%	16%	19%	8%	15%	23%
Total	**20%**	**80%**	**100%**	**23%**	**77%**	**100%**

As of December 31, 2024, there were no plan assets invested in affiliated or property occupied by affiliated companies.

Principal actuarial assumptions on December 31 expressed as weighted averages

%	2024	2023
Benefit obligation		
Discount rate	4.40%	4.09%
Rate of salary increase	3.10%	3.37%
Rate of pension increase	2.47%	2.49%
Expense in income statement		
Discount rate	4.09%	4.15%
Rate of salary increase	3.37%	3.18%
Rate of pension increase	2.49%	2.58%

The calculated life expectancy of persons covered by defined benefit plans is based on regularly updated local mortality tables. These are shown in the table below.

Weighted average life expectancy used for the major defined benefit plans

	2024		2023	
Life expectancy at age of 65 for a male member, who is	currently aged 65	currently aged 45	currently aged 65	currently aged 45
Germany	20.9	23.6	20.8	23.5
United States	20.8	22.3	20.7	22.2
United Kingdom	21.6	22.2	21.7	22.2
Canada	22.1	23.1	22.1	23.1

Life expectancy is allowed for in the assessment of the defined benefit obligation using mortality tables which are generally based on experience within the country in which the arrangement is located with (in many cases) an allowance made for anticipated future improvements in longevity.

Sensitivity analyses on present value of defined benefit obligation in the next table presents the present value of the defined benefit obligation when major assumptions are changed while others held constant.

Sensitivity analyses

	2024			2023		
%	Pension	Other	Total	Pension	Other	Total
Discount rate						
Increase of 0.25%	-4.2	-0.6	-4.8	-4.5	-0.6	-5.1
Decrease of 0.25%	4.4	0.6	5.0	4.7	0.6	5.3
Salary increase rate						
Increase of 0.25%	–	0.2	0.2	–	0.1	0.1
Decrease of 0.25%	–	-0.2	-0.2	–	-0.1	-0.1
Pension increase rate						
Increase of 0.25%	1.3	n/a	1.3	1.5	n/a	1.5
Decrease of 0.25%	-1.3	n/a	-1.3	-1.5	n/a	-1.5
Medical cost trend						
Increase of 1.00%	n/a	0.8	0.8	n/a	0.9	0.9
Decrease of 1.00%	n/a	-0.7	-0.7	n/a	-0.8	-0.8
Life expectancy						
Increase of one year	5.6	0.8	6.4	6.3	0.9	7.2
Decrease of one year	-5.5	-0.9	-6.4	-6.2	-0.9	-7.1

Weighted average duration of defined benefit obligation expressed in years

	2024			2023		
In years	Pension	Other	Total	Pension	Other	Total
At end of year	11.7	9.1	11.3	12.0	9.2	11.6

3. Intangible and tangible assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1. Goodwill and intangible assets

MATERIAL ACCOUNTING POLICIES

Goodwill and intangible assets with an indefinite useful life

Goodwill represents the excess of acquisition costs over the fair value of net identified assets acquired and liabilities assumed and the fair values of previously owned interests and non-controlling interests. Goodwill is allocated to cash generating units (CGUs), which are the reportable segments Aggregates and Minerals. If Metso reorganizes its reporting structure, goodwill is reallocated to the cash generating units affected based on their relative fair values at the time of the reorganization. The carrying value of goodwill is tested with the CGU's value in use or the CGU's fair value less costs of disposal, when appropriate. Previously recognized impairment losses on goodwill are not reversed.

Intangible assets with an indefinite useful life, such as brand values, are not amortized. Currently, such assets are tested for impairment annually as part of the appropriate CGU tested for impairment. Previous losses on impairment are only reversed to the extent that the new carrying amount of the assets does not exceed the carrying amount the asset would have had, if the asset had not been impaired.

Intangible assets

Intangible assets with a definite useful life, mainly trademarks, patents, licenses, IT software, or acquired order backlog are measured at costs less accumulated amortization and impairment losses.

Amortization of intangible assets

Amortization of intangible assets with a definite useful life is calculated on a straight-line basis over the useful life of the assets as follows:

Patents and licenses	5–10 years
Computer software	3–5 years
Technology	3–20 years
Customer relationships	3–20 years
Other intangible assets	< 1–20 years

The probable useful lives of assets are reviewed annually. If material deviations from previous estimates arise, the useful lives are reassessed. The carrying value of intangible assets subject to amortization is reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. A previously recognized impairment loss may be reversed if there is a significant improvement of the circumstances having initially caused the impairment, but not to a higher value than the carrying amount, that would have been recorded had there been no impairment in prior years.

Research and development expenses comprise salaries, administration costs, depreciation, and amortization of property, plant, and equipment and intangible assets, and they are mainly recognized as incurred. When material development costs meet certain capitalization criteria under IAS 38, they are capitalized and amortized during the expected useful life of the underlying technology.

Goodwill and intangible assets

2024 EUR million	Goodwill	Patents and licenses	Capitalized software	Other intangible assets	Goodwill and intangible assets total
Acquisition cost at beginning of year	1,138	103	29	1,108	2,379
Translation differences	-1	0	-1	1	-1
Business acquisitions	28	1	–	32	61
Capital expenditure	–	4	9	34	47
Reclassifications	–	-1	1	0	0
Other changes	–	-4	0	-9	-13
Acquisition cost at end of year	1,165	103	38	1,166	2,472
Accumulated depreciation at beginning of year	–	-81	-13	-317	-411
Translation differences	–	0	1	-1	0
Business acquisitions	–	0	–	–	0
Other changes	–	2	2	9	13
Impairment losses	–	–	0	–	0
Amortization charges for the year	–	-3	-3	-60	-66
Accumulated depreciation at end of year	–	-82	-14	-369	-465
Classified as held for sale	-41	-4	0	-35	-80
Net book value at end of year	**1,123**	**17**	**24**	**763**	**1,927**

2023

EUR million	Goodwill	Patents and licenses	Capitalized software	Other intangible assets	Goodwill and intangible assets total
Acquisition cost at beginning of year	1,128	102	16	1,079	2,326
Translation differences	-4	-2	0	-3	-9
Business acquisitions	14	–	0	23	37
Capital expenditure	–	4	12	16	32
Reclassifications	–	0	3	-3	0
Other changes	–	-2	-2	-4	-7
Acquisition cost at end of year	1,138	103	29	1,108	2,379
Accumulated depreciation at beginning of year	–	-79	-13	-261	-353
Translation differences	–	2	0	2	4
Other changes	–	0	2	1	3
Impairment losses	–	0	0	0	0
Amortization charges for the year	–	-4	-1	-60	-65
Accumulated depreciation at end of year	–	-81	-13	-317	-411
Classified as held for sale	-41	-3	0	-37	-81
Net book value at end of year	**1,097**	**19**	**16**	**754**	**1,886**

Impairment testing

MATERIAL ACCOUNTING POLICIES Goodwill and other intangible assets with an indefinite useful life are tested for impairment annually. The testing of goodwill and other intangible assets with an indefinite useful life is performed at the cash generating unit level. If the carrying value of goodwill exceeds the recoverable value, an impairment is recognized in the income statement under depreciation and amortization. Impairment losses on goodwill are not reversed. Currently, Metso's management has defined two separate CGUs: Aggregates and Minerals, to which goodwill has been allocated.

The recoverable amounts of CGUs are based on value in use calculations, where the estimated future cash flows of CGUs are discounted to their present value. The cash flows are derived from the current year's last-quarter estimate, the following year's budget, and the approved strategy for the next four years, beyond which cash flows are calculated using the terminal value method. The terminal growth rate used is based on management's judgment of average long-term growth. Cash flows include only normal maintenance investments and exclude any potential investments that enhance the CGU's performance and acquisitions.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Value in use calculations are inherently judgmental and highly susceptible to change from period to period because they require management to make assumptions about future supply and demand related to its individual business units, future sales prices, profit margins, and achievable efficiency savings over time. The value of benefits and savings expected from the efficiency improvement programs are inherently subjective. As part of the future business assessments, management also evaluates business risks and the possible impact on future cash flows. The possible effects of climate change on Metso's business is assessed as part of this overall risk assessment. Due to impact of uncertainties related to impact assessment, in the Board of Directors' report the possible effects of climate change on the company's operating environment and business have been described in more detail with scenarios. Metso management estimates sales growth rate and EBITDA development for the testing period as well as the discount factor used. The present value of the cash generating units is discounted using the CGU's weighted average cost of capital (WACC) calculated by Metso. WACC calculations include judgments regarding, among other things, relevant beta factors, peer companies, and capital structure to use.

Metso performs impairment testing annually, or whenever there is an indication of impairment. Typical triggering events are material deterioration in the global economy or political environment, observed significant under-performance relative to projected future performance, and significant changes in Metso's strategy.

Expected useful lives and remaining amortization periods for other intangible assets are reviewed annually by management. Acquisitions, disposals, and restructuring actions typically generate a need for reassessment of recoverable amounts and remaining useful lives of assets. When other intangible assets are measured at fair value, less costs of disposal, the selling price, incremental costs, and selling costs need to be estimated by management. Metso assesses the effects of the climate change to the future cash flows while performing the impairment calculations.

Upon initial acquisition, Metso uses readily available market values to determine the fair values of acquired net assets to be allocated. However, when this is not possible, the valuation is based on past performance of such an asset and expected future cash generating capacity, which requires management to make estimates and assumptions of the future performance and use of these assets. Any change in Metso's future business priorities may affect the recoverable amounts.

Goodwill allocation to cash generating units

EUR million	2024	2023
Balance at beginning of year	1,097	1,128
Translation differences	-1	-4
Allocation to discontinued operations	–	-41
Acquisitions and disposals	28	14
Balance at end of year	**1,123**	**1,097**

EUR million	Minerals	Aggregates	Total
Balance at end of year 2024	888	235	1,123

Annual impairment test in 2024

On December 31, 2024, goodwill totaled EUR 1,123 million. In accordance with the Metso reporting structure, goodwill is allocated to the reportable segments, Aggregates and Minerals. The cost of centralized Group services was allocated to the CGUs based on their proportional share of sales volume.

Given that the recoverable amounts of both CGUs significantly exceeded the carrying value of goodwill and other tested assets, no indication of impairment was found in 2024. The value in use calculations were derived from estimates, budgets, and strategy figures reviewed by Metso's management and approved by the Board of Directors.

The key assumptions used in assessing the recoverable amount are the profitability and growth rate in the estimate period, long-term average growth in the terminal period and discount rate. The key values used were the following:

%	Minerals	Aggregates
Sales growth in four years estimate period	10.5%	11.5%
EBITDA % range in four years estimate period	19.1%–21.6%	16.8%–19.0%
Growth rate in the terminal period	2.0%	2.0%
WACC after tax	9.0%	9.0%
WACC before tax	11.0%	10.9%

Values assigned to key assumptions reflect past experience and the management's expectations on the future sales and production volumes, which are based on the current structure and production capacity of the CGUs. The seasonality and current market situation of the cash generating units have been considered separately. In addition, data on growth, demand, and price development, provided by various research institutions, have been utilized. The growth rate of 2.0% for the terminal period is based on the long-term expectations on the growth in Metso's market environment, considering the current interest rate environment and overall financial market situation.

Future sustainability-related requirements will influence market expectations and lead to completely new or alternative technology solutions and processes. Climate change will also impact the physical and business environment. New business opportunities will be created as new solutions across the value chain help the mining and metals industries to respond to a more volatile business environment with increasing demand for sustainability solutions. Electrification will increase the demand for certain metals, such as copper and other battery metals, which will strengthen the demand for minerals and, consequently, the outlook for the mining industry and Metso's business.

WACC before tax is used as a discount factor in the calculations. It takes into account the expected return on both debt and equity and has been derived from the WACC on comparable peer industry betas, capital structure, and tax rates. CGU WACCs are evaluated annually for testing, and CGU-specific risk is incorporated through individual beta factors from the market data of the segment's peer companies.

Sensitivity analysis

The sensitivity to impairment of the calculations of both cash generating units was tested in the following scenarios:

- Scenario 1: increasing WACC by 2.0 percentage points
- Scenario 2: reducing the terminal growth rate from 2.0% to 1.5%

Impact to the value in use of the CGUs in the sensitivity analysis

%	WACC increase by 2 p.p.	Terminal growth from 2% to 1.5%
Minerals	-23%	-5%
Aggregates	-26%	-6%

The sensitivity analysis also includes several cash projections on break-even levels of EBITDA %, WACC, and sales growth, based on a reasonable change in the future performance of the CGU. However, the impact on the present value obtained is limited, as long as there is no permanent weakening expected for the business, which would affect the terminal value. Based on these sensitivity analyses, management believes that no reasonably possible change of the key assumptions used would cause the carrying value of any CGU to exceed its recoverable amount. In 2024, the sensitivity analysis did not indicate risks of impairment.

3.2. Property, plant, and equipment

MATERIAL ACCOUNTING POLICIES Property, plant, and equipment (PPE) are stated at historical cost, less accumulated depreciation, and write-downs, if any. The property, plant, and equipment of acquired subsidiaries are measured at their fair value at the acquisition date.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Buildings 15–40 years
Machinery and equipment 3–20 years
Land and water areas are not depreciated.

Expected useful lives are reviewed at each balance sheet date and, if they differ significantly from previous estimates, the remaining depreciation periods are adjusted accordingly.

Subsequent improvement costs related to an asset are included in the carrying value of such asset or recognized as a separate asset, as appropriate, only when the future economic benefits associated with the costs are probable and the related costs can be separated from normal maintenance costs.

Metso reviews tangible assets to be held and used by the company for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Gains and losses on the disposal of property, plant, and equipment and possible impairments are recognized in other operating income and expenses. A previously recognized impairment loss may be

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reversed if there is a significant improvement in the circumstances having initially caused the impairment, however not to a higher value than the carrying amount that, would have been recorded had there been no impairment in prior years.

Metso reviews the climate change related matters which may affect the estimated residual value, expected useful lives of assets and the possible reflected changes in the recognized amount of depreciation or amortization.

Capitalized interests

Interest expenses of self-constructed property, plant, and equipment are capitalized in Metso's financial statements. The capitalized interest expense is amortized over the estimated useful life of the underlying asset.

Government

Government grants relating to additions to property, plant, and equipment are deducted from the acquisition cost of the asset and they reduce the depreciation charge of the related asset. Other government grants are deferred and recognized as profit and presented as a net of expenses concurrently with the costs they compensate.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Acquisitions, disposals and restructuring actions typically generate a need for reassessment of the recoverable values and remaining useful lives of assets. When property, plant, and equipment are valued at fair value less costs of disposal, the selling price, incremental costs and selling costs need to be estimated by management.

Metso announced on June 3, 2024, that it will invest approximately EUR 150 million in an aggregates Lokomotion technology center in Tampere, Finland. In year 2024 the recorded investment amount was EUR 11 million and it is presented in the assets under construction.

Property, plant, and equipment

2024 EUR million	Land and water areas	Buildings	Machinery and equipment	Assets under construction	PPE total
Acquisition cost at beginning of year	39	252	658	91	1,041
Translation differences	0	-1	-19	-6	-26
Business acquisitions	–	0	8	–	9
Capital expenditure	–	12	52	88	152
Reclassifications	0	30	22	-52	0
Divestments and other changes	-1	-20	-69	-1	-92
Acquisition cost at end of year	38	273	652	119	1,083
Accumulated depreciation at beginning of year	–	-121	-447	–	-568
Translation differences	–	0	13	–	13
Business acquisitions	–	0	-5	–	-5
Divestments and other changes	0	22	63	-2	84
Write-downs	–	-5	-4	–	-9
Depreciation charges for the year	–	-11	-45	–	-56
Accumulated depreciation at end of year	0	-115	-425	-2	-541
Classified as held for sale	–	–	1	6	7
Net book value at end of year	**38**	**159**	**228**	**124**	**549**

2023 EUR million	Land and water areas	Buildings	Machinery and equipment	Assets under construction	PPE total
Acquisition cost at beginning of year	40	233	624	57	954
Translation differences	-1	-4	-8	0	-12
Business acquisitions	1	4	4	–	8
Business disposals	–	0	0	–	0
Capital expenditure	–	17	57	64	138
Reclassifications	–	9	19	-28	0
Divestments and other changes	-1	-7	-37	-2	-47
Acquisition cost at end of year	39	252	658	91	1,041
Accumulated depreciation at beginning of year	–	-116	-431	–	-547
Translation differences	–	2	5	–	7
Business acquisitions	–	–	-2	–	-2
Business disposals	–	–	0	–	0
Divestments and other changes	–	6	33	–	39
Write-downs	–	-3	-8	–	-11
Depreciation charges for the year	–	-9	-45	–	-54
Accumulated depreciation at end of year	–	-121	-447	–	-568
Classified as held for sale	0	0	0	–	-1
Net book value at end of year	**39**	**131**	**211**	**91**	**473**

3.3. Right-of-use assets

MATERIAL ACCOUNTING POLICIES Metso recognizes a right-of-use asset in the balance sheet for lease agreements which give the right to use the asset during the lease period and the lease liability based on the lease payment obligation. The right-of-use assets and corresponding lease liabilities are recognized at present value. Lease liabilities include the following payments:

- fixed payments, less any lease incentives provided by the lessor;
- variable payments that depend on an index or a rate;
- expected payments under residual value guarantees;
- the exercise price of purchase options when exercise is estimated to be reasonably certain; and
- penalties for terminating the lease if the lease term reflects the exercise of a termination option.

Lease payments are discounted by using the implicit interest rate in the lease to the extent it can be readily determined. Otherwise the currency specific incremental borrowing rate is used as the discount rate. Interest expenses are recognized in the income statement as finance expense.

Right-of-use assets are measured at cost. The cost comprises the following:

- lease liability;
- lease payments made at or before the commencement of the lease, less lease incentives received;
- initial direct costs; and
- estimated dismantling and restoration costs.

Subsequently, right-of-use assets are measured at cost and depreciated over the shorter of estimated useful life and the lease term. Metso's right-of-use assets consist primarily of operative and office premises in the category of buildings, and cars, operative machinery, and equipment in the category of machinery and equipment. The depreciation of right-of-use assets are recognized in the in the income statement in cost of sales and selling and administrative expenses.

Metso uses practical expedients provided for leases. Lease payments for leases of low value assets and short-term leases (shorter than twelve months) are expensed on a straight-line basis. Low value assets comprise IT equipment and other small office items.

The lease payments are presented in the cash flow from financing activities, and the interest related to leases are presented in the cash flow from operating activities. Lease payments related to short-term leases and low-value assets are presented in the cash flow from operating activities.

Modifications to lease agreements may result in adjustments to existing right-of-use assets and lease liabilities. A gain or loss arising from a modification, or a termination of a lease agreement is recognized as other operating income or other operating expenses in the income statement.

A number of lease contracts include extension and termination options. Such options have been taken into account when determining the lease term. A period covered by Metso's option to extend the lease is included in the lease term if such option is sufficiently likely to be exercised. Further, a period covered by Metso's option to terminate the lease is included in the lease term if it is reasonably certain that such option will not be exercised.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The most significant management judgment relates to lease agreements that include extension or early termination options for Metso. For these contracts, management needs to assess the probability of exercising such option, which may significantly affect the estimated length of the lease term, and consequently, the amounts of right-of-use asset and lease liability, as well as the related depreciation and interest expense. Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

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Amounts recognized in balance sheet

2024 EUR million	Land and water areas	Buildings	Machinery and equipment	Right-of-use assets total
Acquisition cost at beginning of year	5	171	36	212
Translation differences	0	1	-1	0
Business acquisitions	–	10	–	10
Additions	–	37	14	51
Derecognition	0	-28	-6	-34
Acquisition cost at end of year	5	192	43	240
Accumulated depreciation at beginning of year	0	-81	-15	-97
Translation differences	0	0	0	0
Accumulated depreciations for derecognized contracts	0	27	6	33
Depreciation charges for the year	0	-28	-10	-38
Accumulated depreciation at end of year	0	-83	-19	-102
Classified as held for sale	–	0	-1	-1
Net book value at end of year	**5**	**109**	**23**	**136**

2023 EUR million	Land and water areas	Buildings	Machinery and equipment	Right-of-use assets total
Acquisition cost at beginning of year	5	167	27	199
Translation differences	0	-3	0	-3
Business acquisitions	–	2	0	2
Additions	0	25	17	41
Derecognition	0	-19	-8	-27
Acquisition cost at end of year	5	171	36	212
Accumulated depreciation at beginning of year	0	-70	-14	-84
Translation differences	–	1	0	2
Accumulated depreciations for derecognized contracts	0	15	7	22
Depreciation charges for the year	0	-28	-9	-37
Accumulated depreciation at end of year	0	-81	-15	-97
Classified as held for sale	–	-1	0	-1
Net book value at end of year	**5**	**89**	**21**	**114**

Amounts recognized in profit and loss

EUR million	2024	2023
Operating profit		
Depreciation expense on right-of-use assets	-38	-37
Rental expense relating to leases of low-value assets	-2	-1
Rental expense relating to leases of short-term assets	-6	-4
Finance expenses		
Interest expense on lease liabilities	-5	-5
Total amount recognized in profit and loss	**-51**	**-46**

The total cash outflow for leases including short-term leases and leases of low-value assets in 2024 was EUR 50 million (EUR 47 million in 2023). A maturity analysis of lease liabilities is presented in note 4.5.

3.4. Depreciation and amortization

Figures in the tables comprise continuing operations.

Depreciation and amortization by asset class

EUR million	2024	2023
Intangible assets		
Intangible assets from acquisitions	-54	-49
Other intangible assets	-12	-15
Property, plant and equipment		
Buildings	-11	-9
Machinery and equipment	-45	-44
Right-of-use assets		
Land areas	0	0
Buildings	-28	-26
Machinery and equipment	-10	-9
Total	**-160**	**-153**

Depreciation and amortization by function

EUR million	2024	2023
Cost of goods sold	-85	-88
Selling, general and administrative expenses	-75	-64
Total	**-160**	**-153**

4. Capital structure and financial instruments

4.1. Financial risk management

As a global company, Metso is exposed to a variety of business and financial risks. Financial risks are managed centrally by the Group Treasury under annually reviewed written policies approved by the Board of Directors. Treasury operations are monitored by the Treasury Management Team chaired by the CFO. Group Treasury identifies, evaluates, and hedges financial risks in close cooperation with the operating units. Group Treasury functions as counterparty to the operating units, manages centrally external funding, and is responsible for the management of financial assets and appropriate hedging measures. The objective of financial risk management is to minimize potential adverse effects on Metso's financial performance.

Sensitivity analysis

Sensitivity analysis figures presented in connection with different financial risks are based on the risk exposures at the balance sheet date. The sensitivity is calculated by assuming a change in one of the risk factors of a financial instrument, such as interest or currency. It is not likely that the future volatility of a risk factor will develop in accordance with the test assumptions and that only one factor would be impacted.

When calculating the sensitivity, Metso has chosen to use market conventions in assuming a one percentage point (100 basis points) variation in interest rates, and a 10 percent change in foreign exchange rates because this provides better comparability from one period to another and information on volatility to users of financial statements. Metso is aware that such assumptions may not be realistic when compared to past volatility and they are not intended to reflect the future. Metso has chosen not to use past volatility as this could mislead the users of financial statements to assume the analysis reflects management's view on future volatility of the financial instruments.

Liquidity and refinancing risk and capital structure management

Liquidity or refinancing risk arises when a company is not able to arrange funding at terms and conditions corresponding to its creditworthiness. Sufficient cash, short-term investments, and committed and uncommitted credit facilities are maintained to protect short-term liquidity. Diversification of funding among different markets and an adequate number of financial institutions is used to safeguard the availability of liquidity at all times. Group Treasury monitors bank account structures, cash balances and forecasts of the operating units, and manages the utilization of the consolidated cash resources.

The liquidity position of Metso remained strong supported by the healthy operative cash flow, maturity structure of the funding, and available back up credit facilities. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 431 million (EUR 638 million in 2023), and there were no deposits or securities with a maturity more than three months (EUR 0 million in 2023).

In addition, Metso has a committed and undrawn syndicated EUR 600 million revolving credit facility with a maturity in 2026. At the end of the period the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program with EUR 30 million outstanding at the end of December.

Metso had bonds outstanding EUR 892 million at carrying value the end of December (EUR 1.081 million at the end of December 2023). During the third quarter, Metso signed a EUR 250 and EUR 50 million two-year term loans. During the fourth quarter, Metso signed a EUR 150 million three-year term loan where EUR 75 million was undrawn at the end of the period.

Metso's refinancing risk is managed by balancing the proportion of short-term and long-term debt as well as the average remaining debt maturity. The tables below analyze the repayments and interests on Metso's liabilities by the remaining maturities from the balance sheet date to the contractual maturity date. The net interest payments of interest-rate swaps hedging long-term loans are included in the long-term debt repayment figures.

Maturities of debts

	2024			2023		
EUR million	<1 year	1–5 years	> 5 years	<1 year	1–5 years	> 5 years
Long-term debt						
Repayments	–	948	360	–	813	368
Interests	–	123	14	–	162	35
Short-term debt						
Repayments	165	–	–	245	–	–
Interests	52	–	–	56	–	–
Trade payables	581	–	–	675	–	–
Total	**798**	**1,071**	**374**	**976**	**975**	**403**

Detailed information on balance sheet items is presented in other notes to the Consolidated financial statements. Capital structure is assessed regularly by the Board of Directors and managed operationally by Group Treasury.

Capital structure management in Metso comprises both equity and interest-bearing debt. As of December 31, 2024, the equity attributable to shareholders was EUR 2,601 million (EUR 2,608 million in 2023), and the amount of interest-bearing debt excluding lease liabilities was EUR 1,465 million (EUR 1,410 million in 2023).

Metso has a target to maintain an investment-grade credit rating. Moody's Investor Service has assigned a 'Baa2' long-term issuer rating with stable outlook and S&P Global Ratings a 'BBB' long-term issuer credit rating with stable outlook to Metso.

There are no prepayment financial covenants in Metso's financial contracts that would be triggered by changes in the credit rating. Financial covenants included in some financing agreements would only become valid, if Metso's credit rating was below Investment Grade, and a covenant requires that Metso's debt to capital ratio does not exceed 65%. Financial covenants are related to EUR 612 million drawn and undrawn loans from financial institutions and syndicated EUR 600 million revolving credit facility. Metso is in compliance with all financial covenants and other terms of its debt instruments.

A part of the Metso's trade payables are included in the supplier finance arrangement and are, thus, with a few counterparties rather than individual suppliers. These payables are settled at the maturity date with these counterparties rather than with suppliers directly. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk. Please refer to note 2.5 for further disclosures about the arrangement.

Interest rate risk

Interest rate risk arises when changes in market interest rates and interest margins influence finance costs, returns on financial investments and valuation of interest-bearing balance sheet items. Interest rate risks are managed by balancing the ratio between fixed and floating interest rates and by managing the duration of debt and investment portfolios. Additionally, Metso may use derivative instruments, such as forward rate agreements, swaps, options, and futures contracts, to mitigate the risks arising from interest-bearing assets and liabilities. The interest rate risk is managed and controlled by the Group Treasury and measured using sensitivity analysis and duration of debt. The duration of interest-bearing debt was 1.9 years as of December 31, 2024 (1.8 years in 2023).

At the end of 2024, the balance sheet items exposed to interest rate risk were interest-bearing assets of EUR 433 million (EUR 644 million in 2023), and interest-bearing debt excluding lease liabilities amounted to EUR 1,465 million (EUR 1,410 million in 2023).

The basis for the interest rate sensitivity analysis is an aggregate group-level interest exposure, composed of interest-bearing assets, interest-bearing debt, and financial derivatives, such as interest rate swaps and options, which are used to hedge the underlying exposures. For all interest-bearing current debt and assets to be fixed during the next 12 months, a one percentage point move upwards or downwards in interest rates with all other variables held constant would have an effect on Metso's net interest expenses, net of taxes, of EUR −/+1.8 million (EUR −/+0.1 million in 2023).

For financial assets valued at fair value, a one percentage point change upwards or downwards in all interest rates with all other variables held constant would have the following effects, net of taxes, in the income statement and equity:

EUR million	2024	2023
Effects in		
Income statement	+/−4.1	+/−4.4
Equity	+/−0.0	+/−0.0

The effect in the income statement comprises the changes in the fair value on the financial instruments, which are measured at fair value through profit and loss. The effect in equity is comprised of the changes in the fair value on the financial instruments, which are measured at fair value through other comprehensive income, such as derivatives under hedge accounting.

Foreign exchange risk

Metso operates globally and is exposed to foreign exchange risk in several currencies, although the geographical diversity of operations decreases the significance of any individual currency. About 79 percent of Metso's sales originate from outside the euro zone; the main currencies being euro, US dollar, Australian dollar, Chilean peso and Chinese yuan.

Transaction exposure

Foreign exchange transaction exposure arises when an operating unit has commercial or financial transactions and payments in other than its own functional currency and when related cash inflow and outflow amounts are not equal or concurrent.

In accordance with the Metso Treasury Policy, legal entities are required to hedge in full the foreign currency exposures on balance sheet and other firm commitments. Treasury Policy specifies certain currencies and certain legal entities, where the open exposures are left unhedged. Similarly open exposures below certain euro nominated amount are left unhedged. Future cash flows denominated in a currency other than the functional currency of the unit are hedged with internal foreign exchange contracts with the Group Treasury for periods that usually do not exceed two years. Operating units also do some hedging directly with banks in countries where regulation does not allow group internal cross-border foreign exchange hedging contracts.

Group Treasury monitors the net position of each currency and decides to what extent a currency position is to be closed. Group Treasury is, however, responsible for entering into an external forward transaction whenever an operating unit applies hedge accounting. Metso Treasury Policy defines upper limits on the open currency exposures managed by the Group Treasury; limits have been calculated on the basis of their potential profit impact. To manage the foreign currency exposure, Group Treasury may use forward exchange contracts and foreign exchange options.

Total amount of foreign currency exposures

EUR million	2024	2023
Operational items	566	529
Financial items	1,140	838
Hedges	−1,682	−1,414
Total exposure	**25**	**−47**

This aggregate group-level currency exposure is the basis for the sensitivity analysis of foreign exchange risk. This exposure, net of respective hedges, is composed of all assets and liabilities denominated in foreign currencies, projected cash flows for unrecognized firm commitments, both short- and long-term sales and purchase contracts, and anticipated operational cash flows to the extent their realization has been deemed highly probable and therefore hedged. This analysis excludes net foreign currency investments in subsidiaries together with instruments hedging these investments.

If the euro were to appreciate or depreciate ten percent against all other currencies, the impact on cash flows, net of taxes, derived from the year-end net exposure as defined above, would be EUR +5.4/−4.1 million (EUR +4.0/−8.0 million in 2023). Transaction exposure is spread to about 40 currencies and as of December 31, 2024, the biggest open exposures were in the US dollars, Chinese yuan and Canadian dollar (approximately 45 percent).

A sensitivity analysis of financial instruments as required by IFRS 7, excludes the following items: projected cash flows for unrecognized firm commitments, advance payments, both short- and long-term purchase contracts, and anticipated operational cash flows. The next table presents the effects, net of taxes, of a –/+10 percent change in EUR foreign exchange rates:

				2024	2023
EUR million	USD	CHF	Other	Total	Total
Effects in					
Income statement	+/-17.8	+/-6.5	+/-3.6	+/-14.9	+-24.7
Equity	+/-5.1	+/-0.0	+/-1.8	+/-3.3	+/-0.3

The effect in equity is the fair value change in derivatives contracts qualifying as cash flow hedges for unrecognized firm commitments. The effect in the income statement is the fair value change for all other financial instruments exposed to foreign exchange risk including derivatives, which qualify as cash flow hedges, to the extent the underlying sales transaction, recognized over time, has been recognized as revenue.

Translation or equity exposure

Foreign exchange translation exposure arises when the equity of a subsidiary is denominated in currency other than the functional currency of the Parent company. The major translation exposures are in Brazilian real, Canadian dollar, Indian rupee, Mexican peso and Australian dollar, which altogether comprise approximately 57 percent of the total equity exposure. Metso is currently not hedging any equity exposure.

Credit and counterparty risk

Credit or counterparty risk is defined as the possibility of a customer or a financial counterparty not fulfilling its commitments towards Metso. The operating units of Metso are primarily responsible for credit risks pertaining to sales and procurement activities. The units assess the credit quality of their customers, by taking into account their financial position, past experience, and other relevant factors. When appropriate, advance payments, letters of credit, and third-party guarantees, or credit insurance are used to mitigate credit risks. Group Treasury provides centralized services related to customer financing and seeks to ensure that the principles of the Treasury Policy are adhered to with respect to terms of payment and required collateral. Metso has no significant concentrations of credit risks.

The maximum credit risk equals the carrying value of trade and loan receivables. The credit quality is evaluated both on the basis of aging of the trade receivables and on the basis of customer specific analysis. The aging structure of trade receivables is presented in note 2.2.

Counterparty risk arises also from financial transactions agreed upon with banks, financial institutions and corporates. The risk is managed by careful selection of banks and other counterparties, by counterparty-specific limits determined in the Treasury Policy, and netting agreements, such as ISDA (Master agreement of International Swaps and Derivatives Association). The compliance with counterparty limits is regularly monitored.

Credit risk exposure relates to the carrying value of financial assets valued at amortized cost, such as trade receivables, interest-bearing receivables, other receivables, deposits and security investments, and cash and cash equivalents, and customer contract assets.

Impairment on cash on hand, bank accounts, deposits, and interest-bearing investments is assessed regularly, but deemed minor because of their high investment grade and short duration. Group Treasury makes a financial analysis of corporate counterparties regularly. In addition, the investments are constantly monitored by Group Treasury, and Metso does not expect any future credit losses from these investments.

For trade receivables and customer contract assets, Metso applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance to be assessed and recognized regularly, see note 2.2.

Fair value estimation

For those financial assets and liabilities that have been recognized at fair value in the balance sheet, the following measurement hierarchy and valuation methods have been applied:

Level 1 Unadjusted quoted prices in active markets at the balance sheet date. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service, or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include fund investments classified as fair value through profit and loss.

Level 2 The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service, or regulatory agency. Level 2 financial instruments include:

- Over-the-counter derivatives classified as financial assets/liabilities at fair value through profit and loss or qualified for hedge accounting
- Debt securities classified as financial instruments at fair value through profit and loss
- Fixed-rate debt under fair value hedge accounting

Level 3 A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Metso had no such instruments in 2024 nor in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets and liabilities measured at fair value

EUR million	2024 Level 1	2024 Level 2	2024 Level 3	2023 Level 1	2023 Level 2	2023 Level 3
Assets						
Financial assets at fair value through profit and loss						
Derivatives not under hedge accounting	–	25	–	–	33	–
Financial assets at fair value through other comprehensive income						
Derivatives under hedge accounting	–	18	–	–	12	–
Total	**–**	**43**	**–**	**–**	**46**	**–**
Liabilities						
Financial liabilities at fair value through profit and loss						
Derivatives not under hedge accounting	–	58	–	–	36	–
Financial liabilities at fair value through other comprehensive income						
Derivatives under hedge accounting	–	23	–	–	9	–
Total	**–**	**80**	**–**	**–**	**45**	**–**

4.2. Financial assets and liabilities by category

MATERIAL ACCOUNTING POLICIES Under IFRS 9, Metso classifies financial assets and liabilities in measurement categories according to contractual terms of the cash flows and Metso's business model to manage the investment at the inception. Reclassification of the categories will be made only if the business model for managing those assets changes. Financial assets and liabilities are classified as non-current items when the remaining maturity exceeds 12 months and as current items when the remaining maturity is 12 months or less. Financial assets and liabilities are classified as follows:

At amortized cost

Financial assets

Financial assets valued at amortized cost are investments in debt instruments or receivables, that are held to maturity and for the collection of contractual cash flows, where those cash flows are solely payments of principal and/or interest. These are recognized at fair value, less transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest income is recognized in finance income in the income statement. Financial assets at amortized cost include deposits, commercial papers, interest-bearing loans and receivables, trade receivables, and non-interest-bearing receivables. Impairment is assessed regularly, and when the carrying value exceeds the recoverable value of discounted cash flows, the appropriate impairment is recognized in the income statement.

For trade receivables, Metso applies the IFRS 9 simplified method, which requires expected lifetime losses to be recognized from the initial recognition of the receivables. See more in note 2.2. Trade receivables.

Financial liabilities

Issued bonds and withdrawn loan facilities from financial institutions as well as trade and other liabilities are valued at fair value, net transaction costs, and subsequently measured at amortized cost using the effective interest method. Trade and other receivables are non-interest-bearing short-term unpaid debts.

The difference between the debt amount, net transaction costs of bonds and loans from financial institutions and the redemption amount is recognized in the income statement as an interest expense over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized in the income statement as other finance expenses over the period of the facility, or, if withdrawal of the loan is probable, as part of the transaction cost.

At fair value through other comprehensive income (FVOCI)

Financial assets

Financial assets valued at fair value through other comprehensive income are debt instruments or receivables, which are held for collection of contractual cash flows or held for selling the assets, and where contractual cash flows are solely payments of principal and/or interest. Interest income is recognized in the income statement using the effective interest method. Change in fair value is recognized in other comprehensive income (OCI). At derecognition, the cumulative previously booked gains and losses in OCI are released from equity to the income statement. Metso includes in this measurement category derivatives under hedge accounting, trade receivables for sale, and security investments with a maturity of less than three months.

At fair value through profit and loss (FVPL)

Financial assets

Financial assets valued at fair value through profit and loss are equity investments, investments in funds, derivatives used in fair value hedging and derivatives not under hedge accounting. Change in fair value and gain or loss at derecognition will be recognized in the income statement. The change in fair value includes the valuation of impairment risk as well.

The fair value of listed equity shares or investments in funds is the quoted market price on the balance sheet date. Unlisted shares are valued at cost less impairment, if any.

Financial liabilities

Financial liabiities valued at fair value through profit and loss include derivatives used in fair value hedging and derivatives not under hedge accounting. Change in fair value and gains or losses at derecognition are recognized in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets and liabilities by category

2024 EUR million	At fair value through profit and loss	At fair value through other comprehen-sive income	At amortized cost	Carrying value	Fair value
Non-current financial assets					
Equity investments	2	–	–	2	2
Derivatives financial instruments	9	–	–	9	9
Other receivables	–	–	23	23	23
Total	11	–	23	34	34
Current financial assets					
Trade receivables	–	–	927	927	927
Trade receivables, for sale	–	10	–	10	10
Loan receivables	–	–	2	2	2
Derivatives financial instruments	24	10	–	34	34
Deposits and securities, maturity three months or less	–	–	43	43	43
Cash on hand and in bank accounts	–	–	388	388	388
Total	24	20	1,360	1,404	1,404
Non-current liabilities					
Bonds [1]	–	–	892	892	894
Loans from financial institutions	–	–	408	408	408
Lease liabilities	–	–	99	99	99
Derivatives financial instruments	13	–	–	13	13
Other liabilities	–	–	5	5	5
Total	13	–	1,405	1,417	1,420
Current liabilities					
Current portion of non-current debt	–	–	128	128	128
Loans from financial institutions	–	–	7	7	7
Commercial papers	–	–	29	29	29
Lease liabilities	–	–	42	42	42
Trade payables	–	–	581	581	581
Derivatives financial instruments	58	10	–	68	68
Total	58	10	788	856	856

[1] The bonds have been measured at amortized cost, adjusted by the fair value to the extent of the hedged risk.

2023 EUR million	At fair value through profit and loss	At fair value through other comprehen-sive income	At amortized cost	Carrying value	Fair value
Non-current financial assets					
Equity investments	2	–	–	2	2
Derivatives financial instruments	10	–	–	10	10
Other receivables	–	–	20	20	20
Total	12	–	20	31	31
Current financial assets					
Trade receivables	–	–	845	845	845
Trade receivables, for sale	–	10	–	10	10
Loan receivables	–	–	6	6	6
Derivatives financial instruments	23	12	–	36	36
Deposits and securities, maturity three months or less	–	–	194	194	194
Cash on hand and in bank accounts	–	–	445	445	445
Total	23	22	1,490	1,535	1,535
Non-current liabilities					
Bonds [1]	–	–	886	886	876
Loans from financial institutions	–	–	281	281	281
Lease liabilities	–	–	86	86	86
Derivatives financial instruments	18	–	–	18	18
Other liabilities	–	–	7	7	7
Total	18	–	1,260	1,278	1,267
Current liabilities					
Current portion of non-current debt	–	–	203	203	202
Loans from financial institutions	–	–	39	39	39
Lease liabilities	–	–	32	32	32
Trade payables	–	–	675	675	675
Derivatives financial instruments	19	9	–	28	28
Total	19	9	950	978	976

[1] The bonds have been measured at amortized cost, adjusted by the fair value to the extent of the hedged risk.

For more information on derivative financial instruments, see note 4.8.

4.3. Liquid funds

MATERIAL ACCOUNTING POLICIES Cash and cash equivalents consist of cash on hand and bank accounts, deposits, and interest-bearing investments, which can be readily converted into a known amount of cash.

Cash on hand, bank accounts, deposits, and interest-bearing investments are measured at amortized cost. Impairment on cash on hand, bank accounts, deposits, and interest-bearing investments is assessed regularly, but deemed minor because of their high investment grade and short duration.

EUR million	2024	2023
Cash and cash equivalents		
Deposits and securities, maturity three months or less	43	194
Cash on hand and bank accounts	388	445
Cash and cash equivalents total	431	638
Liquid funds total	**431**	**638**

Average returns for deposits and securities

%	2024	2023
With maturity three months or less	9.91%	5.19%

4.4. Equity

MATERIAL ACCOUNTING POLICIES

Issue of new shares and own shares

Transaction costs directly attributable to the issue of new shares or options are shown net of their tax effect in equity as a deduction from the proceeds.

Own shares held by the Parent company valued at the historical acquisition price are deducted from equity. Should such shares be subsequently sold or reissued, the consideration received, net of any directly attributable transaction costs and related income tax, is recorded in equity.

Translation differences

The translation differences arising from subsidiary net investments and non-current subsidiary loans without agreed settlement dates are recognized through Other Comprehensive Income (OCI) to cumulative translation adjustments under equity. When Metso hedges the net investment of its foreign subsidiaries with foreign currency loans and with financial derivatives, the translation difference is adjusted by the currency effect of the hedging instruments which has been recorded, net of taxes, through OCI in equity. When a foreign entity is disposed of, the respective accumulated translation difference, including the effect from qualifying hedging instruments, is reversed through OCI and recognized in the consolidated statements of income as part of the gain or loss on the sale. If the equity of a subsidiary denominated in a foreign currency is reduced by a return of capital, the translation difference relating to the reduction is reversed through OCI and recognized in the consolidated statements of income.

Dividends

Dividends proposed by the Board of Directors are not recognized in the financial statements until they have been approved by the shareholders in the Annual General Meeting.

Share capital and number of shares

Metso Corporation's registered share capital, which is fully paid, was EUR 107,186,442.52 on December 31, 2024, and December 31, 2023. Metso's shares have no nominal value.

	2024	2023
Number of outstanding shares at beginning of year	826,328,191	825,635,935
Shares granted from share ownership plans	1,023,139	692,256
Number of outstanding shares at end of year	827,351,330	826,328,191
Own shares held by the Parent Company	1,621,110	2,644,249
Total number of shares at end of year	**828,972,440**	**828,972,440**

As of December 31, 2024, the acquisition price of 1,621,110 own shares held by the Parent company was EUR 13,380,644.79 and was recognized in treasury shares.

Dividend proposals

The Board of Directors proposes that a dividend of EUR 0.38 per share be paid based on the balance sheet to be adopted for the financial year, which ended December 31, 2024. Insofar as the dividend to be paid exceeds the net profit for the year ended December 31, 2024, the remaining amount will be paid from retained earnings from previous years. These financial statements do not reflect this dividend payable of EUR 314 million.

Fair value and other reserves

The hedge reserve includes the fair value movements of derivative financial instruments which qualify as cash flow hedges.

The fair value reserve includes the change in fair values of trade receivables for sale as well as share-based payments.

The legal reserve consists of restricted equity, which has been transferred from distributable funds under the Articles of Association, local company act, or by a decision of the shareholders.

The other reserves consist of the distributable fund and the invested non-restricted equity fund held by the Parent company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in fair value and other reserves

2024 EUR million	Treasury shares	Hedge reserve	Fair value reserve	Legal reserve	Other reserves	Total
Balance at beginning of year	-23	-3	22	0	1,134	1,131
Cash flow hedges						
Fair value gains (+) / losses (–), net of tax	–	-9	–	–	–	-9
Transferred to profit and loss, net of tax						
Sales	–	2	–	–	–	2
Cost of goods sold / Administrative expenses	–	10	–	–	–	10
Share-based payments, net of tax	9		-8			1
Other	–	–	–	0	2	2
Balance at end of year	**-13**	**1**	**14**	**0**	**1,136**	**1,137**

2023 EUR million	Treasury shares	Hedge reserve	Fair value reserve	Legal reserve	Other reserves	Total
Balance at beginning of year	-28	-1	18	0	1,133	1,122
Cash flow hedges						
Fair value gains (+) / losses (–), net of tax	–	-16	–	–	–	-16
Transferred to profit and loss, net of tax						
Sales	–	0	–	–	–	0
Cost of goods sold / Administrative expenses	–	14	–	–	–	14
Share-based payments, net of tax	5	–	4	–	–	10
Other	–	–	–	0	1	1
Balance at end of year	**-23**	**-3**	**22**	**0**	**1,134**	**1,131**

Cumulative translation adjustments included in shareholders' equity

EUR million	2024	2023
Cumulative translation adjustment at beginning of year	-177	-150
Currency translation, change	-37	-27
Cumulative translation adjustment at end of year	**-215**	**-177**

4.5. Borrowings and lease liabilities

MATERIAL ACCOUNTING POLICIES Long-term debt is initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method. The difference between the debt amount recognized and the redemption amount is recognized in the income statement as an interest expense over the period of the borrowings. The fair value changes in borrowings covered by fair value hedge are, in respect of hedged risk, recognized through profit and loss. A portion of long-term debt is classified as short-term debt when the settlement of the liability is due within 12 months from the balance sheet date. Borrowings are derecognized only if the contractual obligation is discharged, cancelled, or expired.

Fees paid on the establishment of loan facilities are recognized in the income statement as other finance expenses over the period of the facility, or, if withdrawal of the loan is probable, as part of the transaction cost. Transaction costs arising from modification to debt instruments are included in the carrying value of the debt and amortized using the effective interest method over the remaining period of the modified liability, provided that the new conditions obtained through the modification do not substantially differ from those of the original debt. Modification gains or losses are recognized in the income statement at the time of non-substantial modification.

	2024		2023	
EUR million	Carrying values	Fair values	Carrying values	Fair values
Long-term interest-bearing debt				
Bonds	892	894	886	876
Loans from financial institutions	408	408	281	281
Other long-term debt	–	–	0	–
Total long-term borrowings	1,300	1,303	1,167	1,157
Lease liabilities	99	99	86	86
Total long-term interest-bearing debt	**1,399**	**1,402**	**1,253**	**1,243**
Short-term borrowings				
Bonds, current portion	–	–	194	193
Loans from financial institutions, current portion	128	128	9	9
Loans from financial institutions	7	7	39	39
Commercial papers	29	29	–	–
Total short-term borrowings	**165**	**165**	**243**	**241**
Lease liabilities	42	42	32	32
Total short-term interest-bearing debt	207	207	275	274
Total interest-bearing debt	**1,606**	**1,609**	**1,528**	**1,517**

Bonds

2024 EUR million	Nominal interest rate	Effective interest rate	Outstanding original loan amount	Outstanding carrying value
Public bond 2020–2028	0.875%	1.04%	300	287
Public bond 2022–2027	4.875%	4.98%	300	302
Public bond 2023–2030	4.375%	4.54%	300	303
Bonds total			**900**	**892**

2023 EUR million	Nominal interest rate	Effective interest rate	Outstanding original loan amount	Outstanding carrying value
Public bond 2017–2024	1.125%	1.92%	197	194
Public bond 2020–2028	0.875%	1.04%	300	282
Public bond 2022–2027	4.875%	4.98%	300	300
Public bond 2023–2030	4.375%	4.54%	300	304
Bonds total			**1,097**	**1,081**

Metso had EUR 892 million (EUR 1,081 million in 2023) bonds outstanding at carrying value at the end of 2024.

Metso maintains a committed syndicated revolving credit facility of EUR 600 million, maturing in 2026. This facility incorporates sustainability performance targets that influence borrowing costs. As of the end of the year, the facility remained undrawn. Additionally, the company operates a EUR 600 million Finnish commercial paper program, with EUR 30 million outstanding at the end of December.

On December 31, 2024 the average interest rate of total loans and derivatives was 3.8% (4.3%), the duration of total interest-bearing debt 1.9 years (1.8 years) and the average maturity 3.3 years (3.9 years).

Short-term loans from financial institutions consist of bank loans withdrawn by Metso subsidiaries to fund local operations in local currency. The weighted average interest rate applicable to the short-term borrowing on December 31, 2024, was 6.34% (6.16% in 2023). In 2025, interest amounting to EUR 0.1 million is expected to be paid concurrently with respective principals on the short-term debt.

Metso announced on June 3, 2024, that it will build a modern aggregates Lokomotion technology center in Tampere, Finland. The new technology center will enable transferring current operations in Tampere city centre into modern and sustainable manufacturing premises. Construction work started in July 2024, and the first phase investment of approximately EUR 150 million is expected to be completed in 2027. The new technology center is expected to be fully completed by the mid-2030s. In year 2024 the recorded investment amount was EUR 11 million. The financing arrangement of the project has been presented in other long-term debt. The amount of interest directly attributable to the construction and capitalized in the balance sheet in 2024, was EUR 0.2 million.

Maturities of interest-bearing debt at nominal value

2024 EUR million	Borrowings	Repayments	Interests	Lease liabilities [1]
2025	217	165	52	47
2026	267	218	49	36
2027	433	393	40	23
2028	339	318	20	15
2029	33	19	14	12
Later	374	360	14	24
Total	**1,662**	**1,473**	**189**	**157**

2023 EUR million	Borrowings	Repayments	Interests	Lease liabilities [1]
2024	301	245	56	36
2025	209	158	51	27
2026	63	18	45	20
2027	363	318	45	15
2028	339	318	21	10
Later	403	368	35	24
Total	**1,678**	**1,426**	**252**	**132**

[1] Future lease payments at nominal value.

The maturities of derivative financial instruments are presented in note 4.8.

4.6. Interest-bearing net debt reconciliation

Net interest-bearing liabilities

EUR million	2024	2023
Borrowings, non-current [1]	1,428	1,371
Lease liabilities [2]	141	118
Borrowings, current	37	39
Loan receivables	-2	-6
Liquid funds	-431	-638
Net interest-bearing liabilities	**1,173**	**884**

[1] The amount of non-current borrowings for year 2024 includes the current portion of EUR 128 million (EUR 203 million in 2023).
[2] The amount of lease liabilities for year 2024 includes the current portion of EUR 42 million (EUR 32 million in year 2023).

Changes in net interest-bearing liabilities

2024 EUR million	Balance at beginning of year	Cash flows	Acquisitions	Translation differences	Other non-cash movements	Balance at end of year
Borrowings, non-current	1,371	37	5	0	16	1,428
Lease liabilities	118	-38	10	1	50	141
Borrowings, current	39	-16	13	–	–	37
Loan receivables	-6	4	0	0	–	-2
Liquid funds	-638	208	-1	–	–	-431
Net interest-bearing liabilities	**884**	**195**	**27**	**2**	**66**	**1,173**

2023 EUR million	Balance at beginning of year	Cash flows	Acquisitions	Translation differences	Other non-cash movements	Balance at end of year
Borrowings, non-current	998	347	–	0	25	1,371
Lease liabilities	118	-37	2	-2	37	118
Borrowings, current	176	-139	4	-2	–	39
Loan receivables	-8	5	0	0	-3	-6
Liquid funds	-601	-42	-5	10	–	-638
Net interest-bearing liabilities	**684**	**134**	**1**	**5**	**59**	**884**

4.7. Contingent liabilities and other commitments

MATERIAL ACCOUNTING POLICIES Guarantees have been given for obligations arising in the ordinary course of business of Metso Group companies. Guarantees have been given by financial institutions or by Metso Corporation on behalf of Group companies. These guarantees have typically been given to secure a customer's advance payments or to secure commercial contractual obligations, or given as counter guarantees to banks, which have given commercial guarantees to a Group company.

The repurchase commitments represent engagements whereby Metso agrees to purchase back equipment sold to customer. The conditions triggering the buy-back obligation are specific to each sales contract.

EUR million	2024	2023
Guarantees		
External guarantees given by parent and group companies	1,470	1,608
Other commitments		
Other contingencies	0	0
Total	**1,470**	**1,608**

More information about lawsuits and claims is presented in note 6.2.

4.8. Derivative instruments

MATERIAL ACCOUNTING POLICIES Derivatives are initially recognized in the balance sheet at fair value and subsequently measured at their fair value at each balance sheet date. Derivatives are designated at inception either as hedges of firm commitments or forecasted transactions (cash flow hedge) or as hedges of fixed-rate debt (fair value hedge), or as hedges of net investment in a foreign operation (net investment hedge), or as derivatives at fair value through profit and loss that do not meet the hedge accounting criteria.

In hedge accounting, Metso documents at inception the relationship between the hedging instruments and the hedged items in accordance with its risk management strategy and objectives. Metso also tests the effectiveness of the hedge relationships at hedge inception, and quarterly, both prospectively and retrospectively.

Derivatives are classified as non-current assets or liabilities when the remaining maturities exceed 12 months and as current assets or liabilities when the remaining maturities are less than 12 months.

Cash flow

Metso applies cash flow hedge accounting to certain interest rate swaps, foreign currency forward contracts and to electricity forwards.

Metso designates only the currency component of the foreign currency forward contracts as the hedging instrument to hedge foreign currency-denominated firm commitments. The interest component is recognized under other operating income and expenses, net. The gain or loss relating to the effective portion of the currency forward contracts is recognized in the income statement concurrently with the underlying in the same line item. The effective portion of foreign currency forwards hedging sales and purchases is recognized in the sales and the cost of goods sold, respectively. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is reversed from the hedge reserve through other comprehensive income (OCI) to the income statement within financial items concurrently with the recognition of the underlying liability. Both at hedge inception and at each balance sheet date, an assessment is performed to ensure the continued effectiveness of the designated component of the derivatives in offsetting changes in the fair values of the cash flows of hedged items.

The effective portion of the derivatives is recognized through OCI in the hedge reserve under equity and reversed through OCI to be recorded through profit and loss concurrently with the underlying transaction being hedged. The gain or loss relating to the ineffective portion of the derivatives is reported under other operating income or expenses, net or under financial items when contracted to hedge variable rate borrowings. Should a hedged transaction no longer be expected to occur, any cumulative gain or loss previously recognized under equity is reversed through OCI to profit and loss.

Fair value hedge

Metso applies fair value hedge accounting to certain fixed-rate loans. The change in fair value of the interest rate swap hedging the loan is recognized through profit and loss concurrently with the change in value of the underlying. Both at inception and quarterly, the effectiveness of the derivatives is tested by comparing their change in fair value against those of the underlying instruments.

Derivatives at fair value through profit and loss

Certain derivative instruments do not qualify for hedge accounting. These instruments, which have been contracted to mitigate risks arising from operating and financing activities, comprise foreign exchange forward contracts, currency and interest rate options and interest rate swaps.

Changes in the fair value of interest rate swaps are recognized in interest expenses. Changes in the fair value of foreign exchange forward contracts are mainly recognized in other operating income and expenses. However, when the foreign exchange forwards have been contracted to mitigate the exchange rate risks arising from foreign currency-denominated cash and from financial instruments used for cash management, the changes in fair value of the derivatives are recognized in finance income and expenses. Changes in the fair value of other derivative instruments, such as commodity instruments, are recognized in other operating income and expenses.

Fair value estimation of derivative instruments

The fair value of the foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of options is determined using the Black-Scholes valuation model.

Notional amounts and fair values of derivative financial instruments on December 31

2024 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts [1]	3,515	34	68	-34
Interest rate swaps	505	9	13	-4
Total	**4,020**	**43**	**80**	**-37**

2023 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts [1]	3,269	36	26	9
Interest rate swaps	605	10	19	-9
Total	**3,874**	**46**	**45**	**0**

[1] Some 21 percent of the notional amount at the end of 2024 qualified for cash flow hedge accounting (some 28 percent in 2023).

The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Derivative financial instruments recognized in the balance sheet at the end of year

	2024		2023	
EUR million	Assets	Liabilities	Assets	Liabilities
Interest rate swaps — cash flow hedges	1	–	–	–
Interest rate swaps — fair value hedges	7	13	8	19
Interest rate swaps — non-qualifying hedges	1	–	1	–
Interest rate swaps total	9	13	10	19
Forward exchange contracts — cash flow hedges	10	10	12	9
Forward exchange contracts — non-qualifying hedges	24	58	23	17
Forward exchange contracts total	34	68	36	26
Derivatives total	**43**	**80**	**46**	**45**

In 2024 and 2023, there was no ineffectiveness related to the cash flow hedges. As of December 31, 2024, the fixed interest rates of swaps varied from −0.37 percent to 3.09 percent (from −0.38 percent to 3.09 percent as of December 31, 2023).

Maturities of financial derivatives on (expressed as notional amounts)

2024 EUR million	2025	2026	2027	2028	2029 and later
Forward exchange contracts	3,470	45	–	–	–
Interest rate swaps	–	–	150	150	205

Notional and carrying amounts of financial derivatives applying hedge accounting

2024 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts	751	10	10	0
Interest rate swaps	480	8	13	-5
Total	**1,231**	**18**	**23**	**-5**

2023 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts	911	36	26	9
Interest rate swaps	580	8	19	-11
Total	**1,491**	**44**	**45**	**-1**

Forward exchange contracts hedge commercial cash flows of projects applying hedge accounting. The hedge ratio is 1:1. 99% of hedged cash flows mature in year 2025, 1% in year 2026.

Impact of cash flow hedge in the statement of financial position

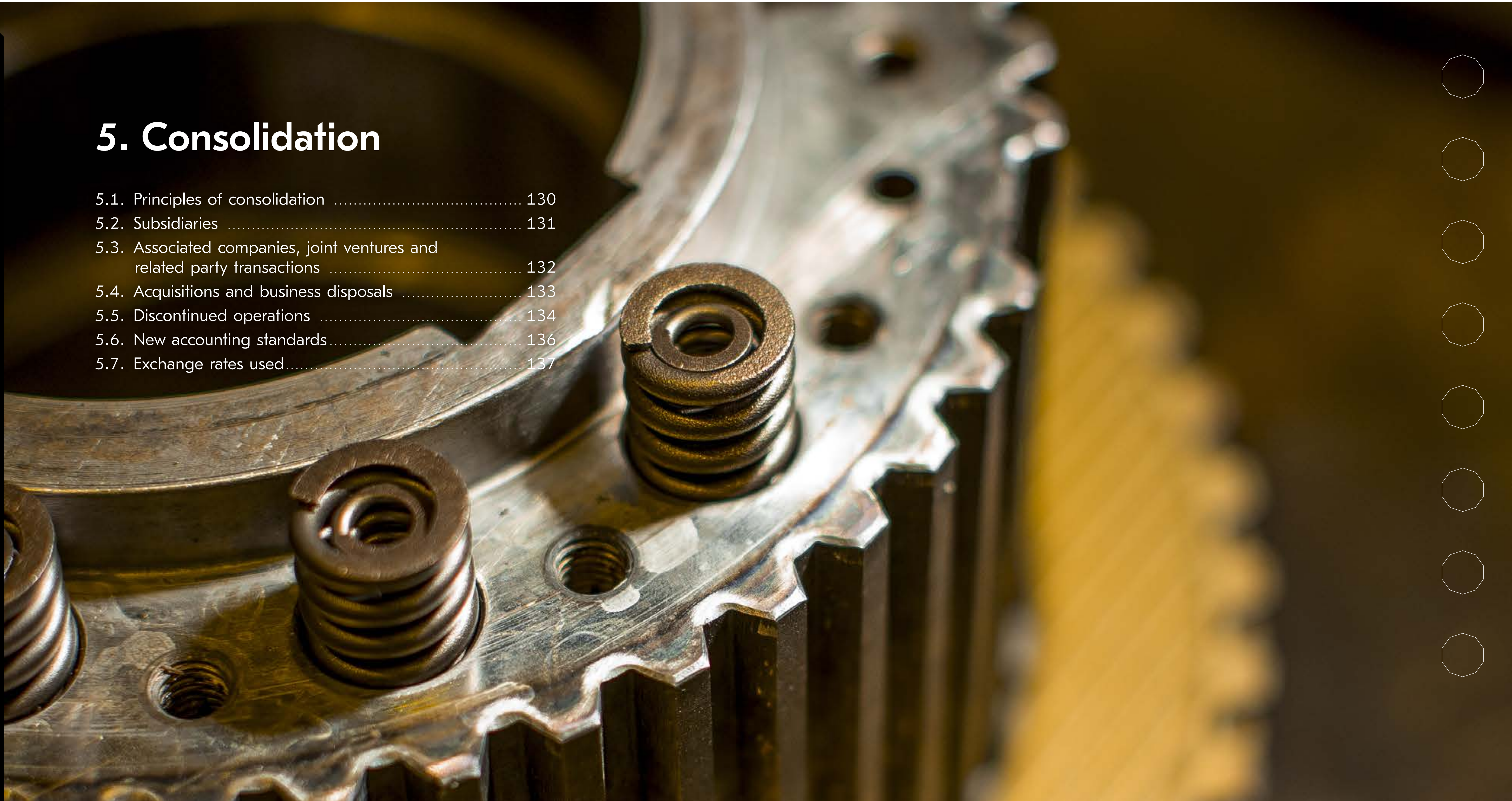
2024 EUR million	Notional amount	Hedging gain / loss recognized in OCI, net of tax	Amount reclassified from OCI to P/L	Cost of hedging recognized in P/L
	3,515	4	-2	2

Metso applies fair value hedge accounting to the bonds maturing in 2027, 2028 and 2030 and cash flow hedge accounting to one bank loan maturing 2030. The hedge accounted total notional value is EUR 480 million (EUR 580 million in 2023). The terms of the interest rate swap match the terms of the fixed rate bonds (maturity date, interest fixing and payments dates). Fair values of cash flows of interest rate swap and bond are compared when measuring hedge accounting effectiveness. Credit margin is added to the discount curve of the bond.

Bonds applying fair value hedge accounting at end of year 2024

Notional amount of loan, EUR million	Hedge ratio	Maturity date of loan	Fair value of loan, EUR million	Notional amount of interest rate swap	Maturity date of interest rate swap	Fair value of interest rate swap, EUR million
300	50%	December 7, 2027	-2	150	December 7, 2027	2
300	50%	May 26, 2028	11	150	May 26, 2028	-13
300	43%	November 22, 2030	-6	130	November 22, 2030	5

5. Consolidation



5.1. Principles of consolidation

Subsidiaries

The Consolidated financial statements include the financial statements of the Parent company and each of those companies over which Metso exercises control. Control is achieved when Metso is exposed, or has rights, to variable returns from the investee and has the ability to affect those returns through its power over the investee. The companies acquired during the financial period have been consolidated from the date Metso acquired control. Subsidiaries sold or distributed to the owners have been included up to their date of disposal.

All intercompany transactions, balances, and gains or losses on transactions between subsidiaries are eliminated as part of the consolidation process. Non-controlling interests are presented in the consolidated balance sheet within equity, separate from equity attributable to shareholders. Non-controlling interests are separately disclosed in the consolidated statement of income.

Acquisitions of businesses are accounted for using the acquisition method. The purchase consideration of an acquisition is measured at fair value over the assets given up, shares issued, or liabilities incurred or assumed at the date of acquisition. For each acquisition, the non-controlling interest in the acquiree, if any, can be recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess acquisition price over the fair value of net assets acquired is recognized as goodwill and/or intangible assets. If the purchase consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly through profit and loss.

When Metso ceases to have control, any retained interest in equity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity is accounted for as if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest

Transactions with non-controlling interests are regarded as transactions with equity owners. In the case of purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets acquired in the subsidiary is recorded in shareholders' equity. Gains or losses on disposal to non-controlling interests are also recorded directly in shareholders' equity.

Non-current assets or disposal group held-for-sale

Metso classifies a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are valued at the lower of its carrying value and fair value, less costs to sell, and assets subject to depreciation or amortization are no longer amortized. Assets related to non-current assets, or a disposal group classified as held-for-sale are disclosed separately from other assets, but financial statements for prior periods are not reclassified.

Foreign currency translation

The financial statements are presented in euros, which is the Parent company's functional currency and Metso's presentation currency.

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period, unsettled foreign currency transaction balances are valued at the rates of exchange prevailing at the balance sheet date. Trade-related foreign currency exchange gains and losses are recorded in other operating income and expenses, unless the foreign currency-denominated transactions are subject to hedge accounting, in which case the related exchange gains and losses are recorded in the same line item as the hedged transaction. Foreign exchange gains and losses associated with financing are entered as a net amount under finance income and expenses.

The statement of income of a subsidiary with a functional currency different from the presentation currency is translated into euros at the average month end exchange rate for the financial year, and the balance sheet is translated at the exchange rate in effect on the balance sheet date. This exchange rate difference is recorded through other comprehensive income (OCI) within cumulative translation adjustments under equity.

The translation differences arising from subsidiary net investments and long-term subsidiary loans without agreed settlement dates are recognized through OCI within cumulative translation adjustments under equity. When Metso hedges the net investment of its foreign subsidiaries with foreign currency loans and financial derivatives, the translation difference is adjusted by the currency effect of hedging instruments that has been recorded, net of taxes, through OCI under equity. When a foreign entity is disposed of, the respective accumulated translation difference, including the effect from qualifying hedging instruments, is reversed through OCI and recognized in the consolidated statement of income as part of the gain or loss on the sale. If the equity of a foreign currency-denominated subsidiary is reduced by reimbursement of invested funds, the translation difference relating to the reduction is reversed through OCI and recognized in the consolidated statement of income.

Net investment hedge

The equity of subsidiaries reporting in certain currencies can be hedged mainly by foreign currency loans and foreign currency forward contracts. Both realized and unrealized exchange gains and losses measured on these instruments are recorded, net of taxes, through OCI in a separate component of equity against the translation differences arising from consolidation to the extent these hedges are effective. The interest portion of derivatives qualifying as hedges of net investment is recognized under finance income and expenses.

5.2. Subsidiaries

Country	Company name	Ownership 2024
Algeria	Metso Algerie EURL	100.0%
Argentina	Metso Argentina SA	100.0%
Australia	Brouwer Engineering Pty Ltd	100.0%
	Jindex Pty Ltd	100.0%
	Metso Australia Ltd	100.0%
	Outotec Pty. Ltd.	100.0%
Austria	Metso Austria GmbH	100.0%
Brazil	Metso Brazil Indústria e Comércio Ltda	100.0%
	Outotec Tecnologia Brazil Ltda	100.0%
Bulgaria	Metso Bulgaria EOOD	100.0%
Canada	McCloskey International Limited	100.0%
	Metso Canada Inc.	100.0%
Chile	Metso Chile SpA	100.0%
	Metso Industrial Services SpA	100.0%
	Outotec Servicios Industriales Ltda.	100.0%
China	Metso (Tianjin) Investment Co., Ltd.	100.0%
	Metso Heavy Industries (Quzhou) Co., Ltd.	100.0%
	Metso Heavy Industries (Tianjin) Co., Ltd.	100.0%
	Metso Machinery Heavy Industries (Suzhou) Co., Ltd.	100.0%
	Metso Outotec New Material Technology (Shanghai) Co., Ltd.	100.0%
	Powertrack Machinery (Jiangsu) Co., Ltd	100.0%
	Shaorui Heavy Industries (Guangdong) Co. Ltd	100.0%
	SISUPER Machinery Heavy Industry (Suzhou) Co Ltd	100.0%
Czech Republic	Metso Czech Republic s.r.o.	100.0%
Ecuador	Metso Ecuador S.A.	100.0%
Egypt	Metso Outotec Egypt Company LLC	100.0%
Finland	Ab A. Häggblom Oy	100.0%
	International Project Services Ltd. Oy	100.0%
	Metso (Ceramics) Oy	100.0%
	Metso Finland Oy	100.0%
	Metso Metals Oy	100.0%
	Outotec International Holdings Oy	100.0%
	Rauma Oy	100.0%
France	Metso France SAS	100.0%
Germany	Metso Germany GmbH	100.0%
	Outotec Deutschland GmbH	100.0%
	Outotec FHT GmbH	100.0%
	Outotec GmbH & Co KG	100.0%
	Outotec Holding GmbH	100.0%

Country	Company name	Ownership 2024
Ghana	Metso Ghana Ltd	100.0%
	Outotec (Ghana) Limited	100.0%
Greece	Metso Greece IKE	100.0%
Hong Kong	Metso International (Hong Kong) Co. Ltd	100.0%
India	Metso Outotec India Private Ltd	100.0%
	Metso Outotec Metals India Private Limited	100.0%
	Outotec India Private Ltd.	100.0%
Indonesia	PT Metso Technology Solutions [1]	99.9%
	PT Outotec Technology Solutions	100.0%
Iran	Outotec Iranian Minerals and Metals Processing [2]	100.0%
Italy	Metso Italy Srl	100.0%
Japan	Metso Japan Godo-Kaisha	100.0%
Kazakhstan	Metso Kazakhstan LLP	100.0%
	Metso Management LLP	100.0%
Lithuania	Metso Global Business Services UAB	100.0%
	Metso Lithuania UAB	100.0%
Macedonia	Metso Dooel Skopje	100.0%
Malaysia	Metso Outotec Malaysia Sdn Bhd	100.0%
Morocco	Metso Minerals Morocco LLC	100.0%
	Metso Outotec Morocco LLC	100.0%
Mexico	Metso Mexico SA de CV	100.0%
Mongolia	Metso Mongolia LLC	100.0%
Namibia	Metso Technologies Namibia (Pty) Ltd	100.0%
Netherlands	Metso Netherlands B.V.	100.0%
	Outotec B.V.	100.0%
Norway	Metso Norway A/S	100.0%
Panama	Metso Central America SA	100.0%
Papua New Guinea	Metso PNG Limited	100.0%
Peru	Metso Perú SA	100.0%
Poland	Metso Poland Sp. z o.o.	100.0%
Portugal	Metso Portugal, Lda	100.0%
Qatar	Outotec Trading & Contracting WLL [3]	49.0%
Russia	OOO Metso Outotec [2]	100.0%
Romania	Metso Romania S.R.L.	100.0%
Saudi Arabia	Metso LLC	100.0%
	Outotec Technology Saudi LLC	100.0%

[1] Has been 100% consolidated due to the control established.
[2] Non-operative and dormant.
[3] Has been 70% consolidated due to the control established.

Country	Company name	Ownership 2024
Serbia	Metso d.o.o. Beograd	100.0%
Singapore	Metso Outotec Asia Pacific Pte Ltd	100.0%
South Africa	Metso South Africa Pty Ltd	74.9%
	Metso South Africa Sales Pty Ltd	100.0%
	Outotec Africa Holdings (Pty) Ltd	100.0%
	Outotec Biomin (Pty) Ltd	100.0%
Spain	Metso Espana SA	100.0%
Sweden	AB P. J. Jonsson och Söner	100.0%
	Häggblom Sverige AB	100.0%
	Larox AB	100.0%
	Metso Outotec Metals Sweden AB	100.0%
	Metso Sweden AB	100.0%
Thailand	Metso Outotec (Thailand) Limited	100.0%
Türkiye	Metso Maden Teknolojileri Anonim Sirketi	100.0%
United Arab Emirates	Metso DMCC	100.0%
United Kingdom	McCloskey International Ltd	100.0%
	Metso Captive Insurance Limited	100.0%
	Metso UK Ltd	100.0%
	Tedd Engineering Ltd	100.0%
	Tesab Engineering Ltd	100.0%
United States	DZ Grinders LLC	100.0%
	Metso McCloskey USA LLC	100.0%
	Metso USA Inc	100.0%
	Outotec USA Inc	100.0%
	Screen Machine Industries LLC	100.0%
Uzbekistan	FE Metso LLC	100.0%
Vietnam	Metso Vietnam Co. Ltd	100.0%
Zambia	Metso Zambia Ltd	100.0%
	Outotec (Zambia) Limited	100.0%

5.3. Associated companies, joint ventures and related party transactions

MATERIAL ACCOUNTING POLICIES The equity method of accounting is used for investments in associated companies in which the investment provides Metso the ability to exercise significant influence over the operating and financial policies of the investee company. Such influence is presumed to exist for investments in companies in which Metso's direct or indirect shareholding is between 20 and 50 percent of the voting rights or if Metso is able to exercise significant influence. Investments in associated companies are initially recognized at cost after which Metso's share of their post-acquisition retained profits and losses is included as part of investments in associated companies in the consolidated balance sheets.

Under the equity method, the share of profits and losses of associated companies and joint ventures is presented separately in the consolidated statements of income.

A joint arrangement is an arrangement in which two or more parties have joint control. Within Metso, all the joint arrangements are joint ventures. Investments in joint ventures in which Metso has the power to jointly govern the financial and operating activities of the investee company are accounted for using the equity method. Investments in joint ventures in which Metso has control over the financial and operating activities of the investee company are fully consolidated and a non-controlling interest is recognized.

Associated companies and joint ventures

	2024		2023	
Company	Ownership	Carrying value	Ownership	Carrying value
Enefit Outotec Technology Oü	40.0%	3	40.0%	3
Sidvin Outotec Engineering Private Ltd	25.1%	1	25.1%	1
Total		**3**		**3**

Movements in the carrying value of investments in associated companies and joint ventures

EUR million	2024	2023
Investments in associated companies and joint ventures		
Acquisition cost at beginning of year	2	10
Liquidation	–	-7
Acquisition cost at end of year	2	2
Equity adjustments in investments in associated companies and joint ventures		
Equity adjustments at beginning of year	1	-3
Share of results	1	2
Dividends received	-1	–
Liquidation	–	3
Equity adjustments at end of year	1	1
Classified as held for sale	-3	-3
Carrying value at end of year	**1**	**1**

Liugong Metso Construction Equipment (Shanghai) Co. Ltd was liquidated in year 2023.

Metso's share of the assets and liabilities, sales and results of the associated companies and joint ventures, which have been accounted for using the equity method

EUR million	2024	2023
Assets	4	4
Liabilities	0	0
Sales	2	2
Profit	1	2

Related party transactions

Transactions carried out and related balances with associated companies and joint ventures

EUR million	2024	2023
Sales	1	0
Purchases	-2	-1
Receivables	0	–
Payables	–	–

Metso Board of Directors, Chief Executive Officer and other Executive Team members

Information on remuneration of the Board as well as Chief Executive Officer and other Executive Team members can be found in note 1.5.

5.4. Acquisitions and business disposals

Acquisitions in 2024

Metso completed the acquisition of Diamond Z and Screen Machine Industries on October 1, 2024 by acquiring a 100% share of the companies. Diamond Z increases Metso's offering in mobile equipment for the organic recycling markets. Screen Machine Industries broadens Metso's portfolio in the North American mobile crushing and screening markets. Acquired businesses were consolidated into the Aggregates segment. The companies' sales in the financial year that ended in December 2023 were approximately EUR 71 million. Together, the companies employ approximately 190 people.

Metso acquired a 100% share of Jindex Pty Ltd on August 1, 2024. Jindex is an Australian company with extensive expertise in valve technology and control equipment, as well as in many types of slurry valve projects. The acquired business was consolidated into the Minerals segment. Jindex's sales in the financial year that ended in June 2024 were approximately EUR 9 million. The company employs about 25 people.

Assets and liabilities recognized as a result of the acquisitions

EUR million	2024
Fixed assets	45
Inventory	23
Receivables	3
Liquid funds	1
Liabilities	-40
Net identifiable assets acquired at fair value	32
Goodwill	28
Purchase consideration	**60**

Goodwill is mainly attributable to synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of the acquired company, adjusted by changes in accounting principles and effects from the fair value adjustment of acquired assets and related tax adjustments.

Net cash flow impact of the acquisitions

EUR million	2024
Cash consideration paid	-60
Cash and cash equivalents acquired	1
Net cash flow for the year	-60
Cash considerations, total	**-60**

Acquisition costs of EUR 0.6 million related to the acquisitions were expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows.

Acquisitions in 2023

Metso completed the acquisition of Ab A. Häggblom Oy, a Finnish engineering and manufacturing company on August 1, 2023. The acquisition will broaden Metso's offering in bodies and buckets and strengthens the company's position in the aftermarket. The acquired business was consolidated into the Minerals segment. Häggblom's sales in 2022 were approximately EUR 26 million. The company employs about 100 people. Metso's ownership in Häggblom covers 100% of the company's shares.

On August 1 2023, Metso acquired a 100% share of of Brouwer Engineering Ltd. Brouwer is an Australian company specialized in automation, control systems, and electrical solutions for bulk material handling solutions. The acquired business was consolidated into the Minerals segment. Brouwer's sales in the financial year that ended in June 2023 were approximately EUR 8 million. The company employs about 30 people.

Metso completed the acquisition of Tedd Engineering Ltd on November 1, 2023 by acquiring 100% of the company's shares. Tedd Engineering employs approximately 70 employees and it is based in Chesterfield, UK. The company is specialized in automation, control systems, and electrical solutions for mobile equipment and aftermarket, primarily focusing on the aggregates business. The acquired business was consolidated into the Aggregates segment. The company's sales in the financial year that ended in June 2023 were approximately EUR 17 million.

Assets and liabilities recognized as a result of the acquisitions

EUR million	2023
Fixed assets	32
Inventory	10
Receivables	7
Liquid funds	5
Liabilities	-29
Net identifiable assets acquired at fair value	26
Goodwill	14
Purchase consideration	**40**

Goodwill is mainly attributable to synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of the acquired company, adjusted by changes in accounting principles and effects from the fair value adjustment of acquired assets and related tax adjustments.

Net cash flow impact of the acquisitions

EUR million	2023
Cash consideration paid	-34
Cash and cash equivalents acquired	5
Net cash flow for the year	-29
Contingent consideration	-6
Cash considerations, total	**-35**

Acquisition costs of EUR 1.7 million related to the acquisitions were expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows.

Business disposals

There were no business disposals in years 2024 and 2023. In 2022, Metso announced the completion of the divestment of the Metal Recycling business line to Mimir, a Swedish investment company. The final cash settlement of the disposal was completed in 2024.

5.5. Discontinued operations

MATERIAL ACCOUNTING POLICIES Discontinued operations is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The result from discontinued operations is shown separately in the consolidated statement of income, and the comparative figures are restated accordingly.

Non-current assets and assets and liabilities related to discontinued operations are classified as held for sale if their carrying amounts are expected to be recovered primarily through sale rather than through continuing use. Classification as held for sale requires that the following criteria are met: the sale is highly probable, the asset is available for immediate sale in its present condition – subject to usual and customary terms, the management is committed to the sale, and the sale is expected to be completed within one year from the date of classification.

Prior to classification as held for sale, the assets or assets and liabilities related to a disposal group in question are measured according to the respective IFRS standards. From the date of classification, non-current assets held for sale are measured at the lower of the carrying amount and the fair value, less costs to sell, and the recognition of depreciation and amortization is discontinued. Non-current assets held for sale are presented in the statement of financial position separately from other items. The comparative figures for statement of financial position are not restated.

Metals & Chemical Processing and Ferrous & Heat Transfer businesses

In year 2023 Metso decided to initiate the divestment of the Metals & Chemical Processing and Ferrous & Heat Transfer businesses. These businesses have been classified as discontinued operations starting from September 30, 2023. Despite longer than planned sales processes Metso's management continues to be committed to divesting the businesses and considers the completion of the processes highly probable. Consequently, the figures related to the consolidated statement of income are presented separately from the continuing operations. Recording of the amortization and depreciation of intangible, tangible and right-of-use assets has been discontinued on the classification date. The assets and liabilities held for sale have been transferred to separate lines in the consolidated balance sheet.

Waste-to-energy business

The result of discontinued operations also includes the income statement items related to the Waste-to-energy business, which has been reported as part of discontinued operations in Outotec since December 2019 and in Metso since 2020, following the merger of Metso Minerals and Outotec. On September 4, 2024, Metso announced the termination of its waste-to-energy business and settled remaining legal processes concerning historic projects. As a result, Metso booked a one-time expense of EUR 250 million in the results of its discontinued operations in 2024. The impact of this expense on the net cash flow from operating activities in 2024 was EUR 275 million.

Condensed consolidated statement of income statement

2024 EUR million	Continuing operations	Discontinued operations	Metso total
Sales	4,863	214	5,076
Cost of sales	-3,237	-163	-3,400
Gross profit	1,626	51	1,677
Selling and marketing expenses	-426	-19	-445
Administrative expenses	-356	-13	-369
Research and development expenses	-103	-6	-109
Other income and expenses, net	-14	-244	-257
Share of results of associated companies	0	1	1
Operating profit	727	-230	497
Finance income and expenses, net	-80	–	-80
Profit before taxes	648	-230	417
Income taxes	-162	74	-88
Profit for the period	**486**	**-156**	**330**
Profit attributable to			
Shareholders of the Parent Company	485	-156	329
Non-controlling interests	1	–	1
Earnings per share, EUR	0.59	-0.19	0.40

Condensed consolidated balance sheet

2024 EUR million	Continuing operations	Discontinued operations	Metso total
Non-current assets	2,913	92	3,005
Inventories	1,900	58	1,958
Trade and other receivables	1,496	125	1,621
Cash and cash equivalents	431	–	431
Total assets	**6,739**	**276**	**7,015**
Non-current liabilities	1,739	30	1,769
Current liabilities	2,451	184	2,635
Total liabilities	**4,190**	**214**	**4,405**

Condensed consolidated statement of cash flows

2024 EUR million	Continuing operations	Discontinued operations	Metso total
Profit for the period	486	-156	330
Adjustments to profit for the period	441	-76	365
Change in net working capital	-64	-55	-119
Cash flow from operations	864	-287	576
Financing items, net	-62	–	-62
Income taxes paid	-180	-2	-183
Net cash flow from operating activities	**622**	**-290**	**332**
Net cash flow from investing activities	**-225**	**1**	**-224**
Net cash flow from financing activities	**-315**	**0**	**-315**
Net change in liquid funds	**82**	**-288**	**-207**

Condensed consolidated statement of income statement, comparison period

2023 EUR million	Continuing operations	Discontinued operations	Metso total
Sales	5,390	357	5,747
Cost of sales	-3,687	-301	-3,987
Gross profit	1,703	56	1,759
Selling and marketing expenses	-438	-12	-449
Administrative expenses	-372	-17	-389
Research and development expenses	-66	-9	-75
Other income and expenses, net	-25	2	-23
Share of results of associated companies	0	1	2
Operating profit	805	21	825
Finance income and expenses, net	-80	–	-80
Profit before taxes	724	21	745
Income taxes	-187	-12	-199
Profit for the period	**537**	**8**	**546**
Profit attributable to			
Shareholders of the Parent Company	535	8	543
Non-controlling interests	2	–	2
Earnings per share, EUR	0.65	0.01	0.66

Condensed consolidated balance sheet, comparison period

2023 EUR million	Continuing operations	Discontinued operations	Metso total
Non-current assets	2,744	97	2,841
Inventories	1,951	53	2,004
Trade and other receivables	1,585	87	1,673
Cash and cash equivalents	638	–	638
Total assets	**6,919**	**238**	**7,156**
Non-current liabilities	1,614	33	1,647
Current liabilities	2,756	136	2,892
Total liabilities	**4,369**	**169**	**4,539**

Condensed consolidated statement of cash flows, comparison period

2023 EUR million	Continuing operations	Discontinued operations	Metso total
Profit for the period	537	8	546
Adjustments to profit for the period	420	32	453
Change in net working capital	-372	-76	-449
Cash flow from operations	585	-35	550
Financing items, net	-17	–	-17
Income taxes paid	-227	-4	-231
Net cash flow from operating activities	**341**	**-39**	**302**
Net cash flow from investing activities	**-180**	**2**	**-178**
Net cash flow from financing activities	**-76**	**–**	**-76**
Net change in liquid funds	**84**	**-37**	**47**

5.6. New accounting standards

New and amended accounting standards effective in 2024

The following new or revised IFRS accounting standards have been adopted from January 1, 2024, in these Consolidated financial statements.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments have had no impact on Metso's financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the group's liabilities.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of implementing the amendments, the group has provided additional disclosures about its supplier finance arrangements. See note 2.5.

New and amended accounting standards to be applied

Metso has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective [and (in some cases) have not yet been adopted by the EU (marked with *)]:

- Amendments to IAS 21 — Lack of Exchangeability (IASB effective date January 1, 2025)
- IFRS 18 — Presentation and Disclosure in Financial Statements (IASB effective date January 1, 2027) *
- IFRS 19 — Subsidiaries without Public Accountability: Disclosures (IASB effective date January 1, 2027) *
- Amendments to IFRS 9 and IFRS 7 — Contracts Referencing Nature-dependent Electricity (IASB effective date January 1, 2026) *
- Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments (IASB effective date January 1, 2026) *
- Annual Improvements Volume 11 (IASB effective date January 1, 2026) *

Metso is currently working to identify all impacts IFRS 18 will have on the primary financial statements and notes to the financial statements. The directors do not expect that the adoption of the other Standards and amendments listed above will have a material impact on the financial statements of Metso in future periods.

5.7. Exchange rates used

		Average rates		Year-end rates	
		2024	2023	2024	2023
USD	(US dollar)	1.0826	1.0816	1.0389	1.1050
SEK	(Swedish krona)	11.4226	11.4563	11.4590	11.0960
GBP	(Pound sterling)	0.8469	0.8702	0.8292	0.8691
CAD	(Canadian dollar)	1.4820	1.4606	1.4948	1.4642
BRL	(Brazilian real)	5.8500	5.4128	6.4253	5.3618
CNY	(Chinese yuan)	7.7793	7.6589	7.5833	7.8509
AUD	(Australian dollar)	1.6424	1.6297	1.6772	1.6263

6. Other notes

6.1. Audit fees

EUR million	2024	2023
Audit services	-3.7	-3.8
Assurance services	-0.4	0.0
Tax services	-0.1	0.0
Other services	0.0	-0.1
Total	**-4.3**	**-3.9**

The above table discloses fees to Metso's auditor Ernst & Young Oy.

6.2. Lawsuits and claims

Several lawsuits, legal claims and disputes based on various grounds are pending against Metso in various countries related, among other things, to Metso's products, projects, other operations, and customer receivables. Metso's management assesses, however, to the best of its present understanding that the outcome of these lawsuits, claims, and legal disputes would not have a material adverse effect on Metso in view of the grounds presented for them, provisions made, insurance coverage in force, and the extent of Metso's total business activities. It should be noted, however, that outcomes of pending lawsuits, legal claims, and disputes are beyond the direct influence of Metso's management and may, therefore, materially deviate from management's current assessment.

6.3. Events after the financial year

On October 2, 2024, Metso signed an agreement to acquire all the shares of its long-term partner Swiss Tower Mills Minerals AG (STM). Metso decided to exercise its right of first refusal following the divestment decision of STM's other shareholders. Swiss Tower Mills Minerals, based in Baden, Switzerland, specializes in vertical grinding mill solutions. It is best known for the HIGmill™ grinding mill, which has been exclusively sold and serviced by Metso. As a result of the transaction, Metso's ownership will increase to 100%. Metso has reported its previous 15% shareholding as a non-current financial asset. The acquisition, which is subject to the approvals of anti-trust authorities, is expected to close in the first half of 2025.

Metso announced on February 10, 2025, that it is investing in the expansion of its screening solutions in China. The initial investment includes an agreement to acquire screening business, operations and key assets of Selm (Beijing) Technology Co., Ltd., a privately owned company. By combining the new offering with Metso's expertise in screening equipment, media, repairs and services, Metso can strengthen its services to better support mining and aggregates customers in China. The company has around 180 employees and its operations are in Shenyang, Northeast China. Acquisition has no material impact on Metso's financials, and it is subject to conditions precedent and expected to close during the second quarter of 2025.

Financial statements of the Parent company, FAS

Statement of income of the Parent company

EUR	Note	2024	2023
Sales		24,505,603.90	24,754,086.88
Other operating income	2.	336,788.03	3,493,569.16
Personnel expenses	3.	-23,687,086.59	-25,636,945.07
Depreciation and amortization	4.	-193,391.48	-371,464.80
Other operating expenses	5.	-23,648,007.85	-30,092,851.61
Operating profit / loss		-22,686,093.99	-27,853,605.44
Financial income and expenses, net	7.	116,227,188.84	160,876,187.53
Profit before appropriations and taxes		93,541,094.85	133,022,582.09
Appropriations	8.	166,000,000.00	260,000,000.00
Profit before taxes		259,541,094.85	393,022,582.09
Income taxes	9.		
Current tax expense		-28,852,161.65	-43,473,972.16
Change in deferred taxes		99,078.24	-299,040.60
Profit for the year		**230,788,011.44**	**349,249,569.33**

Balance sheet of the Parent company

Assets

EUR	Note	2024	2023
Non-current assets			
Intangible assets	10.	233,793.55	421,471.02
Tangible assets	10.	218,363.42	225,904.91
Investments	11.		
Shares in Group companies		1,250,466,871.28	1,245,231,528.75
Other investments		897,757,775.84	510,594,929.87
Total non-current assets		2,148,676,804.09	1,756,473,834.55
Current assets			
Long-term receivables	13.	9,151,779.39	9,786,290.55
Short-term receivables	13.	1,078,783,840.99	1,110,398,075.46
Securities		–	159,000,000.00
Bank and cash		205,060,310.91	248,911,504.97
Total current assets		1,292,995,931.29	1,528,095,870.98
Total assets		**3,441,672,735.38**	**3,284,569,705.53**

Shareholders' equity and liabilities

EUR	Note	2024	2023
Shareholders' equity	14.		
Share capital		107,186,442.52	107,186,442.52
Share premium fund		20,180,000.00	20,180,000.00
Treasury shares		-13,380,644.79	-22,514,857.99
Invested non-restricted equity fund		435,804,850.76	434,272,229.86
Reserve for cash hedges		482,261.00	–
Retained earnings		432,674,350.92	381,257,274.03
Profit for the year		230,788,011.44	349,249,569.33
Total shareholders' equity		1,213,735,271.85	1,269,630,657.75
Liabilities			
Long-term liabilities	15.	1,302,408,965.27	1,184,800,070.66
Current liabilities	16.	925,528,498.26	830,138,977.12
Total liabilities		2,227,937,463.53	2,014,939,047.78
Total shareholders' equity and liabilities		**3,441,672,735.38**	**3,284,569,705.53**

Cash flow statement of the Parent company

EUR thousand	2024	2023
Cash flows from operating activities		
Profit for the year	230,788	349,250
Adjustments to profit for the year		
Depreciation and amortization	193	370
Impairment	–	5,002
Unrealized exchange gains and losses	1,026	-3,741
Financial income and expenses	-116,227	-166,076
Gains / losses on sale	-7	-3,197
Group contributions	-166,000	-260,000
Taxes	28,753	43,773
Other non-cash items	2,816	3,194
Total adjustments to profit for the year	-249,444	-380,674
Increase / decrease in short-term non-interest-bearing trade receivables	-28,084	25,670
Increase / decrease in short-term non-interest-bearing debt	57,804	-45,869
Change in working capital	29,720	-20,199
Interest paid	-66,495	-68,264
Other financial expenses paid	-14,673	-11,988
Dividends received	122,161	186,118
Interest received	15,942	5,183
Income taxes paid	-43,021	-54,682
Net cash provided by operating activities	24,977	4,744

EUR thousand	2024	2023
Cash flows from investing activities		
Divestments in tangible and intangible assets	8	–
Investments in subsidiary shares	-5,235	-5,632
Decrease in subsidiary shares	–	3,203
Long-term loans granted	-785,757	-886,908
Repayments of long-term loans	343,877	640,134
Short-term loans granted	-532,715	-667,730
Repayments of short-term loans	563,641	536,139
Withdrawals and repayments of short-term loans, net	-53,664	9,112
Purchase of other investments	159,000	-109,000
Interest received from investments	60,382	47,632
Net cash used in investing activities	-250,463	-433,049
Cash flows from financing activities		
Invested non-restricted equity fund	603	–
Sales from treasury shares to subsidiaries	7,850	4,228
Changes of short term loans, net	29,464	-79,643
Withdrawal of long-term loans	374,314	347,288
Repayments of long-term loans	-336,593	–
Dividends paid	-298,012	-247,748
Change in Group pool accounts	144,009	146,100
Group contributions	260,000	200,000
Net cash provided by / used in financing activities	181,635	370,224
Net increase / decrease in bank and cash	**-43,851**	**-58,081**
Bank and cash on Jan 1	248,912	306,993
Bank and cash on Dec 31	205,060	248,912

Notes to the financial statements of the Parent company

1. Accounting principles

The Parent Company Financial Statements have been prepared in accordance with the Finnish Generally Accepted Accounting Principles. The financial statements are presented in euros.

Foreign currency translations

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the accounting period, monetary items are valued at the rate of exchange prevailing at the end of period.

Tangible and intangible assets

Tangible and intangible assets are valued at historical cost, less accumulated depreciation according to plan. Land and water areas are not depreciated.

Depreciation and amortization is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Computer software	3–5 years
Other intangibles	10 years
Buildings	20–25 years
Machinery and equipment	3–5 years
Other tangible assets	20 years

Financial instruments

Metso's financial risk management is carried out by a central treasury department (Group Treasury) under the policies approved by the Board of Directors. Group Treasury functions in cooperation with the operating units to minimize financial risks in both the Parent Company and the Group. Long-term debt is initially recognized at fair value, net of transaction costs incurred. In subsequent periods, they are valued at amortized cost using the effective interest rate method. The fair value changes in borrowings covered by fair value hedge are, in respect of hedged risk, recognized through financial income and expenses. Transaction costs arising from issuance of bonds are recognized over the life of the bond using the effective yield method. The unrecognized portion as of the balance sheet date is presented as a decrease in liabilities. Derivatives outside hedge accounting are valued at fair value through profit and loss according to the Finnish Accounting Act 5:2 a §. Forward exchange contracts are measured at fair value. The change in fair value is recognized as income or expense in the income statement. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. Bank and cash, as well as securities, consist of cash in bank accounts and investments of liquid funds in interest-bearing instruments. Financial assets are measured at historical cost, less possible impairment loss.

Provisions

Provisions are unrealized costs, for which the company is committed, and which will not provide any income in the future, and which are likely to occur. Provision changes are included in profit and loss.

Leases

Leases of assets, where the lessor retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating lease agreements are expensed on a straight-line basis over the lease periods.

Income taxes

Income tax expense includes taxes calculated for the financial year, adjustments to prior year taxes, and changes in the deferred taxes. Deferred tax liability or asset has been determined for all temporary differences in between the tax bases of assets and liabilities and their amounts in financial reporting, using the enacted tax rates effective for the future years. Deferred tax liabilities are recognized in the balance sheet in full, and deferred tax assets are recognized when it's probable that there will be sufficient taxable profit against which the asset can be utilized.

2. Other operating income

EUR thousand	2024	2023
Gain on disposal of subsidiary shares	–	3,197
Gain on sale of fixed assets	7	–
Other	330	296
Total	**337**	**3,494**

3. Personnel expenses

EUR thousand	2024	2023
Salaries and wages	-20,584	-21,615
Pension costs	-2,706	-3,507
Other indirect employee costs	-397	-516
Total	**-23,687**	**-25,637**

Remuneration paid to Chief Executive Officer and Board members

EUR thousand	2024	2023
Chief Executive Officer	-4,462	-4,503
Board members	-1,022	-966
Total	**-5,484**	**-5,469**

Remuneration of the CEO, the leadership team and the Board is presented in note 1.5 of the Consolidated financial statements.

Number of personnel

	2024	2023
Personnel at end of year	145	143
Average number of personnel during the year	144	138

4. Depreciation and amortization

Depreciation and amortization expenses

EUR thousand	2024	2023
Capitalized software	-173	-204
Other intangible assets	-14	-132
Machinery and equipment	-6	-35
Total	**-193**	**-371**

5. Other operating expenses

EUR thousand	2024	2023
Foreign exchange losses	-1,081	-5,568
Other	-22,567	-24,525
Total	**-23,648**	**-30,093**

6. Audit fees

EUR thousand	2024	2023
Audit	-578	-840
Assurance services	-436	–
Other services	–	-54
Total	**-1014**	**-894**

7. Finance income and expenses

EUR thousand	2024	2023
Dividends received from		
Group companies	122,161	186,118
Total	122,161	186,118
Interest income from investments from		
Group companies	60,382	47,627
Others	–	5
Total	60,382	47,632
Other interest and financial income from		
Group companies	34,796	33,633
Others	12,373	13,550
Interest and financial income, total	**229,712**	**280,933**
Interest expenses to		
Group companies	-13,137	-15,812
Others	-84,931	-86,339
Other financial expenses		
Fair value change in derivatives	-743	-720
Exchange rate differences	-7,929	-4,710
Impairment loss on non-current assets	–	-5,198
Others	-6,745	-7,278
Interest and other financial expenses, total	**-113,485**	**-120,057**
Financial income and expenses, net	**116,227**	**160,876**

8. Appropriations

EUR thousand	2024	2023
Group contributions received	166,000	260,000

9. Income taxes

EUR thousand	2024	2023
Income taxes on operating activities	-29,458	-43,125
Income taxes for prior years	606	-349
Change in deferred taxes	99	-299
Total	**-28,753**	**-43,773**

10. Fixed assets

2024 EUR thousand	Patents and licenses	Capitalized software	Other intangible assets	Intangible assets total	Land areas	Buildings and structures	Machinery and equipment	Tangible assets total	Total
Acquisition cost Jan 1	1,539	2,374	289	4,203	156	733	334	1,223	5,425
Decreases	–	–	–	–	–	–	-201	-201	-201
Acquisition cost Dec 31	1,539	2,374	289	4,203	156	733	133	1,022	5,225
Accumulated depreciation Jan 1	-1,539	-1,967	-275	-3,781	–	-733	-264	-997	-4,778
Accumulated depreciation of decreases	–	–	–	–	–	–	199	199	199
Depreciation for the period	–	-173	-14	-188	–	–	-6	-6	-193
Accumulated depreciation Dec 31	-1,539	-2,140	-289	-3,969	–	-733	-70	-804	-4,772
Net carrying value Dec 31	**–**	**234**	**–**	**234**	**156**	**–**	**63**	**218**	**452**

2023 EUR thousand	Patents and licenses	Capitalized software	Other intangible assets	Intangible assets total	Land areas	Buildings and structures	Machinery and equipment	Tangible assets total	Total
Acquisition cost Jan 1	1,539	2,374	1,150	5,063	156	733	974	1,863	6,926
Decreases	–	–	-860	-860	–	–	-641	-641	-1,501
Acquisition cost Dec 31	1,539	2,374	289	4,203	156	733	334	1,223	5,425
Accumulated depreciation Jan 1	-1,539	-1,780	-986	-4,305	–	-733	-869	-1,602	-5,908
Accumulated depreciation of decreases	–	–	859	859	–	–	641	641	1,500
Depreciation for the period	–	-187	-148	-335	–	–	-35	-35	-370
Accumulated depreciation Dec 31	-1,539	-1,967	-275	-3,781	–	-733	-264	-997	-4,778
Net carrying value Dec 31	**–**	**407**	**14**	**421**	**156**	**–**	**70**	**226**	**647**

11. Investments

2024 EUR thousand	Shares in Group companies	Other shares	Receivables from Group companies	Other investments total
Acquisition cost at Jan 1	1,245,232	594	510,001	510,595
Additions	5,235	–	1,122,925	1,122,925
Decreases	–	–	-735,762	-735,762
Net carrying value at Dec 31	**1,250,467**	**594**	**897,164**	**897,758**

2023 EUR thousand	Shares in Group companies	Other shares	Receivables from Group companies	Other investments total
Acquisition cost at Jan 1	1,244,705	594	346,578	347,172
Additions	10,632	–	803,306	803,306
Decreases	-10,105	–	-639,884	-639,884
Net carrying value at Dec 31	**1,245,232**	**594**	**510,001**	**510,595**

12. Shareholdings

Subsidiaries on December 31, 2024

Subsidiary	Domicile	Ownership, %
International Project Services Ltd. Oy	Finland	44.50
Metso Canada Inc.	Canada	100.00
Metso Captive Insurance Limited	United Kingdom	100.00
Metso Chile S.A.	Chile	24.75
Metso Finland Oy	Finland	100.00
Metso France SAS	France	100.00
Metso Metals Oy	Finland	100.00
Metso Mexico SA de CV	Mexico	10.10
Metso Outotec Morocco LLC	Morocco	100.00
Metso Outotec New Material Technology (Shanghai) Co., Ltd.	China	100.00
Metso Ecuador S.A.	Ecuador	99.90
Metso Perú SA	Peru	10.18
Metso Poland Sp. z o.o.	Poland	46.30
Metso South Africa Pty Ltd	South-Africa	15.30
Metso USA Inc	United States	100.00
Outotec Africa Holdings (Pty) Ltd	South-Africa	100.00
Outotec Holding GmbH	Germany	100.00
Outotec International Holdings Oy	Finland	100.00
Rauma Oy	Finland	100.00

13. Specification of receivables

Long-term receivables

EUR thousand	2024	2023
Deferred tax asset	193	94
Derivatives	8,959	9,692
Long-term receivables total	**9,152**	**9,786**

Short-term receivables

EUR thousand	2024	2023
Trade receivables from		
Group companies	50,179	42,422
Others	1,445	–
Total	51,624	42,422
Loan receivables from		
Group companies	745,854	706,173
Total	745,854	706,173
Prepaid expenses and accrued income from		
Group companies	227,969	311,237
Others	51,634	50,021
Total	279,603	361,257
Other receivables		
VAT receivable	1,676	6
Other receivables	27	539
Total	1,702	545
Short-term receivables total	**1,078,784**	**1,110,398**

Specification of prepaid expenses and accrued income

EUR thousand	2024	2023
Prepaid expenses and accrued income from Group companies		
Group contribution receivables	166,000	260,000
Accrued interest income	34,289	22,615
Accrued derivatives	26,682	24,408
Other accrued items	997	4,214
Total	**227,969**	**311,237**
Prepaid expenses and accrued income from others		
Accrued interest income	–	627
Accrued derivatives	33,500	35,808
Other accrued items	18,134	13,585
Total	**51,634**	**50,021**

14. Statement of changes in shareholders' equity

EUR thousand	2024	2023
Share capital on Jan 1	107,186	107,186
Share capital on Dec 31	107,186	107,186
Share premium fund on Jan 1	20,180	20,180
Share premium fund on Dec 31	20,180	20,180
Treasury shares on Jan 1	-22,515	-27,935
Change	9,134	5,420
Treasury change on Dec 31	-13,381	-22,515
Invested non-restricted equity fund on Jan 1	434,272	433,377
Change	1,533	895
Invested non-restricted equity fund on Dec 31	435,805	434,272
Reserve for cash hedges on Jan 1	–	–
Change	482	–
Reserve for cash hedges on Dec 31	482	–
Retained earnings on Jan 1	730,507	629,156
Dividend distribution	-297,832	-247,898
Retained earnings on Dec 31	432,674	381,257
Profit for the year	230,788	349,250
Total shareholders' equity on Dec 31	**1,213,735**	**1,269,631**

Statement of distributable funds on December 31

EUR thousand	2024	2023
Invested non-restricted equity fund	435,805	434,272
Treasury shares	-13,381	-22,515
Retained earnings	432,674	381,257
Profit for the year	230,788	349,250
Total distributable funds	**1,085,887**	**1,142,264**

At the end of the year 2024, Metso Oyj held 1,621,110 own shares (2,644,249 at the end of the year 2023).

15. Long-term liabilities

EUR thousand	2024	2023
Bonds	892,165	886,344
Loans from financial institutions	397,540	280,909
Deferred tax liability	121	–
Derivatives	12,584	17,547
Total	**1,302,409**	**1,184,800**

Debt maturing after more than in five years

EUR thousand	2024	2023
Bonds	300,000	300,000
Loans from financial institutions	50,000	68,182
Total	**350,000**	**368,182**

Presented at nominal value.

16. Short-term liabilities

EUR thousand	2024	2023
Current portion of long-term liabilities		
Bonds	–	195,349
Loans from financial institutions	127,682	10,465
Total	127,682	205,814
Short-term interest-bearing debt		
Loans from financial institutions	29,464	–
Group pool accounts	369,639	239,470
Total	399,102	239,470
Trade payables to		
Group companies	28,310	23,878
Others	2,466	3,123
Total	30,776	27,001
Accrued expenses and deferred income to		
Group companies	33,292	37,484
Others	80,005	51,871
Total	113,298	89,355
Other short-term non-interest-bearing debt to		
Group companies	253,576	267,148
Others	1,095	1,351
Total	254,670	268,499
Short-term liabilities total	**925,528**	**830,139**
Short-term liabilities to Group companies total	684,817	567,980

Specification of accrued expenses and deferred income

EUR thousand	2024	2023
Accrued expenses and deferred income to Group companies		
Accrued interest expenses	7,682	1,369
Accrued derivatives	25,126	35,193
Other accrued items	484	923
Total	**33,292**	**37,484**
Accrued expenses and deferred income to others		
Accrued interest expenses	7,599	7,799
Accrued derivatives	67,664	26,269
Accrued salaries, wages and social costs	4,535	6,977
Other accrued items	208	10,826
Total	**80,005**	**51,871**

17. Other contingencies

Guarantees and mortgages

EUR thousand	2024	2023
Guarantees on behalf of group companies	1,278,183	1,373,689

Lease commitments

EUR thousand	2024	2023
Payments in the following year	224	127
Payments later	10,775	133
Total	**10,998**	**260**

18. Derivative instruments

EUR thousand	2024	2023
Net fair values		
Contracts made with financial institutions		
Foreign exchange forward contracts	-33,807	9,487
Interest rate swaps	-3,625	-9,229
Contracts made with subsidiaries		
Foreign exchange forward contracts	2,361	-10,962
Total	**-35,071**	**-10,704**
Nominal values		
Contracts made with financial institutions		
Foreign exchange forward contracts	3,515,028	3,268,945
Interest rate swaps	505,000	605,000
Contracts made with subsidiaries		
Foreign exchange forward contracts	2,403,483	2,748,165
Total	**6,423,511**	**6,622,110**

Signatures of the Board of Directors' report and financial statements 2024

This financial statement has been prepared in accordance with applicable accounting regulations and it gives a true and fair view of the assets, liabilities, financial position, and profit and loss of both Metso Corporation and its subsidiaries included in the consolidated financial statements. The report of the Board of Directors gives a truthful summary of the development and result of Metso Group's business, as well as a description of the most significant risks, uncertainties, and other aspects of the company. The sustainability report included in the Board of Directors' report has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Espoo, February 12, 2025

Kari Stadigh
Chair of the Board

Klaus Cawén
Vice Chair of the Board

Brian Beamish
Member of the Board

Terhi Koipijärvi
Member of the Board

Niko Pakalén
Member of the Board

Ian W. Pearce
Member of the Board

Reima Rytsölä
Member of the Board

Emanuela Speranza
Member of the Board

Arja Talma
Member of the Board

Sami Takaluoma
President and CEO

Auditor's note

Our auditor's report has been issued today.

Espoo, February 12, 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
APA

AUDITOR'S REPORT

Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Metso Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Metso Corporation (business identity code 0828105–4) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit and Risk Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6.1 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition over time, including valuation of project receivables and project loss provisions *The accounting principles and disclosures about revenue, project receivables and project loss provisions are included in Note 1.2, Note 2.2 and Note 2.6.* Metso delivers to its customers customized engineered solutions, where the signing of a delivery contract and the final acceptance of a delivery by the customer may take place in different financial periods. In accordance with Metso's accounting principles, revenue from such projects is recognized over time. The recognition of revenue and the estimation of the outcome of a project require significant management judgment, in particular with respect to estimating the stage of completion and cost to complete. Significant judgment is also required to assess the recoverability of project receivables and particularly to determine the project loss provision when it is expected that the total costs will exceed the total revenues from the delivery contract. Based on above, revenue recognition over time, including valuation of project receivables and project loss provisions, was a key audit matter. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of the revenue recognition over time, including valuation of project receivables and project loss provisions, included, among others: • Assessment of the Group's accounting policies over revenue recognition over time and valuation of project receivables and project loss provisions. • Inspection of the project documentation such as contracts, legal opinions and other written communication. • Evaluation of financial development and current status of projects by – analyzing the changes in assumptions relating to estimated revenues and costs, receipts of project payments and loss provisions, and – discussions with different levels of the organization including project management and group management. • Evaluation of the appropriateness of the Group's disclosures in respect of revenue recognition over time and valuation of projects receivables and project loss provisions.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of goodwill *The accounting principles and disclosures about goodwill are included in Note 3.1.* As of balance sheet date December 31, 2024, the value of goodwill in continuing operations amounted to 1.123 million euros representing 16% of the total assets and 43% of the total equity. The annual impairment testing of goodwill was based on the management's estimate about the value-in-use of the cash generating units. There are a number of assumptions used to determine the value-in-use of the cash generating units, including revenue growth, margins and the discount rate applied on net cash-flows. The estimated value-in-use may vary significantly when underlying assumptions are changed and the changes in above-mentioned individual assumptions may result in an impairment of goodwill. The valuation of goodwill was a key audit matter because the annual impairment testing included management judgment with respect to the key assumptions used and because of the significance of goodwill to the financial statements.	Our audit procedures in respect of valuation of goodwill included, among others: • Evaluation of the determination of cash generating units and the goodwill allocated to those units. • Involvement of our valuation specialists to assist us in evaluating the key assumptions used in impairment testing by comparing the management's assumptions to externally derived data and to our independently calculated industry averages, in particular those relating to – the forecasted revenue growth, – the forecasted margin and – the weighted average cost of capital used to discount the net cash-flows. • Testing of the accuracy of the impairment calculations prepared by the management and comparison of the sum of discounted cash flows against Metso's market capitalization. • Evaluation of the adequacy of the disclosures of the impairment testing results.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 30.3.2020, and our appointment represents a total period of uninterrupted engagement of five years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Espoo 12.2.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

Assurance report on the sustainability statement

(Translation of the Finnish original)

To the Annual General Meeting of Metso Corporation

We have performed a limited assurance engagement on the group sustainability statement of Metso Corporation (0828105-4) that is referred to in Chapter 7 of the Accounting Act and that is included in the Report of the Board of Directors for the financial year 1.1.—31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Metso Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Metso Corporation that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.—31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Metso Corporation are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Espoo 12. 2. 2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Mikko Järventausta
Authorized Sustainability Auditor

AUDITOR'S REPORT

Independent Auditor's Report on the ESEF Consolidated Financial Statements of Metso Corporation

To the Board of Directors of Metso Corporation

We have performed a reasonable assurance engagement on the financial statements 549300R0VN9C371W0E07-2024-12-31-fi.zip of Metso Corporation (y-identifier: 0828105-4) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Metso Corporation 549300R0VN9C371W0E07-2024-12-31-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Metso Corporation for the financial year ended 31.12.2024 has been expressed in our auditor's report 12.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 21.3.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

Investor information

Investor Relations function and policies

The main task of Investor Relations is to support the correct valuation of Metso's share by providing up-to-date information on matters concerning our operations, operating environment, strategy, objectives, financial performance, and market outlook. Our goal is to provide correct, adequate, and current information regularly and impartially to all market participants. In our work, we aim for promptness, transparency, agility, and excellent service.

Investor Relations is responsible for all investor communications, including contacts with representatives of the capital markets. All investor meeting requests are processed by Investor Relations. In addition to financial reports and actively updated webpages, our investor communications include investor meetings, as well as conferences and seminars in which corporate executives actively participate. We also arrange Capital Markets Day events. In addition, we regularly gather and analyze market information and investor feedback for the top management and the Board of Directors.

During the 21-day period prior to publication of the annual, half-year or interim financial results, we are not in contact with capital market representatives. At other times, we are happy to answer inquiries from analysts and investors by phone, email or at arranged investor meetings. Contact details are available on the following page.

Market estimates and analyst reports

We actively monitor market expectations and will review, if requested by an analyst, their model against publicly available information. However, we do not comment on or take any responsibility for estimates or forecasts published by capital market representatives, and we do not comment on the company's valuation or share price development, give preference to one analyst, or distribute analyst reports to the investment community.

We regularly maintain a list of the analysts following Metso **on our website**.

Market outlook

Metso's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

Current market outlook, published on February 13, 2025

Metso expects the overall market activity to remain at the current level in both Minerals and Aggregates.

In its previously published outlook, Metso expected the overall market activity to remain at the current level in both Minerals and Aggregates.

Guidance on our financial communications

The principle of equality in our investor communications means giving all market participants simultaneous and timely access to the information they need to determine the value of the Metso share in an informed manner. We follow the rules and recommendations of:

- Finnish Corporate Governance Code 2020
- Finnish Companies Act
- Accounting Act
- Finnish Securities Markets Act
- Market Abuse Regulation ((EU) N:o 596/2014 ("MAR"))
- Rules, regulations and guidelines of Nasdaq Helsinki and the Finnish Financial Supervisory Authority

Our disclosure policy has been approved by the Board of Directors and describes the main principles and practices of our stock exchange communications as well as other important disclosure practices we follow. The policy's purpose is to promote reliable and consistent disclosure of information and to describe the decision-making procedures relevant to disclosing market-relevant information. More information and our Disclosure Policy are available **on our website**.

Our releases are divided into three categories: stock exchange releases, corporate press releases and trade press releases. A release category is based on MAR demands, the materiality and relevance of the information and internal guidelines.

Stock exchange releases are used for publishing inside information according to MAR and other matters required by the rules of the stock exchange. Corporate press releases are used for communicating about business events that do not include inside information but are estimated to be newsworthy or of general interest to stakeholders. Trade press releases are used for discussing our products and technology and other topics that are of interest to our customer industries and the trade media.

Our financial reviews and releases, as well as their email subscription, are available in Finnish and English **on our website**. We disclose information about our financial performance according to a schedule announced in advance. Financial information and key figures are disclosed on the Group and segment level.

Financial reporting schedule 2025

Annual report 2024	Week commencing March 24, 2025
Interim report for January–March 2025	April 24, 2025
Half-year financial report 2025	July 23, 2025
Interim report for January–September 2025	October 23, 2025

Shareholder's change of address

Shareholders are kindly asked to notify of changes in their address to the bank, brokerage firm or other account operator with which they have a book-entry account.

Annual General Meeting 2025

Metso's Annual General Meeting to be held on Thursday, April 24, 2025, at 2.00 p.m. (EEST) at Finlandia Hall at the address Mannerheimintie 13 e, 00100 Helsinki. The reception of attendees who have registered for the General Meeting and the distribution of voting tickets will commence at the meeting venue at 1.00 p.m. (EEST).

Notice of the meeting including all meeting proposals was published as a stock exchange release on February 13, 2025, and is also available **on our website**.

Important dates related to AGM 2025

Record date of AGM	April 10, 2025
Registration period ends	April 15, 2025, at 10:00 a.m. (EEST)
Annual General Meeting	April 24, 2025
Record date of dividend payment, 1st installment	April 28, 2025
Date of dividend payment, 1st installment	May 6, 2025
Minutes of the meeting available	May 8, 2025, at the latest
Dividend payment 2nd installment	October 2025 (Board of Directors to resolve on October 22, 2025)

Registration and proxies

A shareholder, who is registered in the Company's shareholders' register and who wants to participate in the General Meeting at the meeting venue, must register for the meeting no later than on April 15, 2025, at 10.00 a.m. (EEST) by giving a prior notice of participation. The notice must be received by the Company (or Innovatics Ltd) before the end of the above-mentioned registration period. Registration for the General Meeting and advance voting will commence on February 19, 2025, at 9.00 a.m. (EET). The registration can be done in the following ways:

a) **on Metso's website**, Electronic registration requires strong electronic identification of the shareholder or their legal representative or proxy representative with personal online banking codes or a mobile certificate. If shareholders that are legal persons use Suomi.fi-authorizations, registration requires the authorized person's strong electronic authentication with online banking codes or a mobile certificate.
b) by email to **agm@innovatics.fi**,
c) by telephone to +358 10 2818 909 from Monday to Friday between 9.00–12.00 a.m. and 13.00–16.00 p.m. (EET), or
When registering by telephone, a shareholder cannot vote in advance.
d) by regular mail to Innovatics Ltd, AGM/Metso Corporation, Ratamestarinkatu 13 A, 00520 Helsinki, Finland.

In connection with the registration, at least the following information is requested: the shareholder's name, personal identification number/date of birth/business ID, contact details, the name of any proxy representative or assistant as well as the date of birth of the proxy representative. The personal data given to Metso or to Innovatics Ltd by shareholders and proxy representatives is only used in connection with the General Meeting and with the processing of related necessary registrations. For further information on how Metso processes personal data, please review Metso's privacy notice regarding the General Meeting, which will be available **on our website**.

The shareholder, their legal representative or proxy representative must be able to prove their identity and/or right of representation at the meeting venue.

Further information on registration and advance voting is available by telephone during the registration period of the General Meeting by calling Innovatics Ltd at +358 10 2818 909 on weekdays from 9:00 a.m. to 12:00 p.m. and from 1:00 p.m. to 4:00 p.m.

Nominee registered shares

A holder of nominee-registered shares has the right to participate in the General Meeting by virtue of such shares, based on which the shareholder on the record date of the General Meeting, on April 10, 2025, would be entitled to be registered in the Company's shareholders' register held by Euroclear Finland Oy.

Further information will also be available **on the Company's website**.

Resolutions of the AGM

Resolutions of the AGM will be published as a stock exchange release without delay after the meeting has finished.

More information about the Annual General Meeting and the meeting proposals are available **on our website**.

IR contacts

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