

Metso

Modern slavery statement 2023



1. CEO's message

Sustainability is a key strategic priority for Metso. It is our industry's responsibility to move to a more sustainable way of operating, and Metso aims to be a leader in this field. Sustainability is embedded in Metso's strategy and Code of Conduct, and it includes our commitment to specific globally recognized guidelines and disclosure frameworks.

We enable the energy transition by supporting our customers in their climate and other sustainability targets and decreasing our own environmental footprint substantially, with an aim to reach net zero in our own operations by 2030. This also includes adherence to safe operational and fair employment practices in our supply chain, continuous supplier due diligence, risk identification, and tracking the climate change actions taken by our suppliers.

We do 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 our own operations, including in investment decisions related to mergers, acquisitions, and divestments, and we have zero tolerance for any such activity in our supply chain.

We are proud to present our *Modern Slavery Statement 2023*. Please do not hesitate to contact us with any queries or other feedback.

Espoo, Finland, February 15, 2024

Pekka Vauramo
President and CEO



2. Introduction

Metso's Modern Slavery Statement is published to reflect the requirements of the Australian Modern Slavery Act 2018, the United Kingdom's Modern Slavery Act 2015, the Norwegian Transparency Act 2021 as well as the Canadian Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("Canadian Modern Slavery Act") 2023. This statement covers the period from January 1, 2023, to December 31, 2023.

Metso Corporation is a publicly listed company with shares traded on the Nasdaq Helsinki. Metso operates in approximately 50 countries. This statement covers the Metso entities set out in section 4 of this statement.

Metso reports its economic, social and environmental performance annually in accordance with the Global Reporting Initiative (GRI) Standards and in a statement of non-financial information. This includes a description of Metso's business model, as well as risks and key performance indicators for environmental responsibility, social responsibility and employees, human rights, anti-corruption and bribery, as required by the Finnish Accounting Act. Metso's Annual Report 2023, including the GRI Supplement 2023, will be published in March 2024.

Further information on Metso's business, strategy, offerings and approach to sustainability is available at www.metso.com.

This statement has been approved by the Board of Directors of Metso Corporation and by the following responsible persons in their capacity as directors in the governing bodies Metso Corporation, Metso Australia Pty. Ltd, Metso Canada Inc., Metso UK Ltd. and Metso Norway AS, respectively, on February 15, 2024.

This statement has further been approved and signed as required by the Norwegian Transparency Act.

Pekka Vauramo
CEO
Metso Corporation

Stuart Sneyd
Director
Metso Australia
Limited

Eeva Sipilä
Director
Metso Canada Inc.

Mathias Noll
Director
Metso UK Ltd.
Metso Norway AS

Mikko Vainikka
Director
Metso Norway AS

Tomas Strøm
Director, Managing
Director
Metso Norway AS

Highlights of 2023

+17,000

employees

99.4%

employee Code of Conduct
training participation rate

94%

of direct suppliers by spend have signed
the Supplier Code of Conduct

25.6%

of direct suppliers by spend
committed to science based targets

172

supplier sustainability
audits

3. Summary

The table below summarizes how Metso approaches the requirements of the Australian Modern Slavery Act 2018, the United Kingdom’s Modern Slavery Act 2015, the Norwegian Transparency Act 2021 and the Canadian Modern Slavery Act 2023. Further details are provided in this statement as indicated below.

MODERN SLAVERY ACT 2018 AUSTRALIA	MODERN SLAVERY ACT 2015 UNITED KINGDOM	TRANSPARENCY ACT 2021, NORWAY	MODERN SLAVERY ACT 2023, CANADA	METSO 2023 STATEMENT
✓ Identify reporting entities			✓ Describe in respect of each entity subject to the report the following information:	✓ Refer to Section 4
✓ Describe structure, operations and supply chains	✓ Describe structure, business and supply chains	✓ Describe the structure of the enterprise and area of operations	✓ Describe the entities’ structure, activities and supply chains	<ul style="list-style-type: none"> ✓ Metso is organised into 5 business areas and 8 market areas ✓ Metso has a global base of direct and indirect suppliers ✓ Refer to Sections 4 and 5
✓ Describe risks of modern slavery in operations and supply chains	✓ Describe parts of business and supply chains with risk of slavery and human trafficking, and steps to assess and manage risks	✓ Describe information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence	<ul style="list-style-type: none"> ✓ Describe the entities’ parts of the business and supply chains that carry a risk of forced labor or child labor being used and the steps it has taken to assess and manage that risk ✓ Describe measures taken to remediate forced labor or child labor ✓ Describe measures taken to remediate the loss of income to the most vulnerable families that result from any measures taken to eliminate the use of forced labor or child labor in its activities and supply chains 	<ul style="list-style-type: none"> ✓ Metso acknowledges the risk of modern slavery in its industry and conducts regular risk assessments ✓ Metso requires suppliers to rectify any findings in supplier audits. ✓ Metso has not identified any modern slavery in its operations or its supply chain in 2023. Therefore, Metso has not taken remediation measures] ✓ Refer to Sections 6 and 8
✓ Describe actions taken to assess and address such risks, including due diligence and remediation processes	✓ Describe policies and due diligence processes	<ul style="list-style-type: none"> ✓ Describe guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions ✓ Describe information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts 	<ul style="list-style-type: none"> ✓ Describe the policies and due diligence processes in relation to forced labor and child labor ✓ Report on the steps the entity has taken to prevent and reduce the risk of forced labor or child labor at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity. 	<ul style="list-style-type: none"> ✓ Metso maintains specific policies and conducts specific due diligence measures. ✓ Refer to Sections 6, 7 and 8
	✓ Describe available training		✓ Describe the training provided to employees on forced labor and child labor	<ul style="list-style-type: none"> ✓ Metso provides training to its employees and suppliers ✓ Refer to Section 9
✓ Describe assessment of the effectiveness of actions	✓ Describe effectiveness against performance indicators considered appropriate	✓ Describe the results and expected results of these measures.	✓ Describe how the entity assesses its effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains.	<ul style="list-style-type: none"> ✓ Metso regularly reviews its modern slavery approach and transparently reports its goals and achievements ✓ Refer to Section 9
✓ Describe the consultation process				<ul style="list-style-type: none"> ✓ Various functions and executive management have been involved in the preparation of this statement ✓ Refer to Sections 1 and 10
✓ Include other information considered relevant				<ul style="list-style-type: none"> ✓ Stakeholder engagement ✓ Areas of development for 2024 ✓ Refer to Sections 10 and 11

4. Organization

Metso is a frontrunner in sustainable technologies, end-to-end solutions, and services for the aggregates, minerals processing, and metals refining industries globally. Metso employs more than 17,000 people, operating in close to 50 countries.

Metso, headquartered in Espoo, Finland, has two customer and financial reporting segments:

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

Within these segments Metso operates through business and market areas. Metso has a market- and customer-specific supply chain network, with manufacturing optimized between in-house operations and purchases from suppliers.

The Minerals and Metals business areas offer capital equipment for mining and metals refining as part of the Minerals segment. The Aggregates business area offers capital equipment to that segment. Metso has two aftermarket business areas serving both segments: Services, providing spare parts, refurbishments, repairs and professional services; and Consumables, providing a comprehensive offering of wear parts.

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

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

A significant share of sales in the Aggregates business is through 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 portfolio sold under the McCloskey, Lippman, Tesab, Jonsson, and Shaorui brands. For more information on the markets in which Metso operates, please see Metso's Annual Report 2023.

Metso Corporation's shares are listed on the Nasdaq Helsinki.

This statement covers the following Metso legal entities in Australia, Canada, Norway and the United Kingdom:

Norway

Metso Norway AS

Australia

Metso Australia Pty Ltd

Metso Outotec Metals Australia Pty Ltd

Outotec Pty Ltd

Canada

Metso Canada Inc.

McCloskey International Limited

Metso Outotec Metals Canada Inc.

United Kingdom

McCloskey International Ltd

Metso Captive Insurance Limited

Metso UK Ltd

Outotec (UK) Ltd

Outotec (USA) Inc. UK Branch

Tesab Engineering Ltd





About 10% of Metso's spend with direct suppliers in 2023 consisted of purchases from its 10 largest suppliers.

5. Supply chain

Suppliers are valuable partners for Metso. Metso works closely with its suppliers to ensure a socially, environmentally and economically responsible value chain.

Due to the cyclical nature of its customer industries, Metso outsources a significant proportion of its manufacturing. Metso purchases various materials, goods and services globally, and has a supply base of around 9,000 direct suppliers (purchases for goods and services offered by Metso) as well as around 11,000 indirect suppliers (purchases for the operation of Metso's business). In total, we have over 20,000 suppliers in around 100 countries.

Metso's total procurement spend in 2023 was approximately EUR 3.6 billion. The purchases include materials and services for Metso's own manufacturing operations as well as goods and services for Metso's project deliveries. Metso acknowledges that many suppliers themselves rely on their own supply chain.

About 10% of Metso's spend with direct suppliers in 2023 consisted of purchases from its 10 largest suppliers. Our most significant operations, based on spend volume, are in Finland, United States, Brazil, China, India, Chile, Germany, Australia,

Sweden and Netherlands (88%). We define 'local supplier' as sourced from the same country as the plant or location and 'significant locations of operation' as the biggest countries for Metso procurement.

Our spending on suppliers that are local to the purchasing operations in 2023 amounted to 71% of our total supply spend.

The main spend categories in 2023 were components, metal fabrications, casting and forgings, transportation, raw materials as well as equipment and systems.

Metso is committed to supporting local communities where it operates through local sourcing where economically and technically feasible, through training and recruitment of local people as well as by supporting local economic development.



6. Risk assessment

Risk management is an integral part of Metso's management system and internal control framework. Risk management aims to assess risks in a systematic way to facilitate planning and decision-making. Risk management covers all parts of the organization and captures strategic, financial and operational risks.

Potential risks related to modern slavery and human rights are assessed for Metso's own operations and project deliveries as well as for its supply chain. These risks are classified by country based on assessments by reputable organizations and by category, with more detailed due diligence required for high-risk categories, such as facility and construction site services, raw materials, electronics as well as labor hire and temporary contract employment.

In 2023, Metso started to further develop its risk-classification process, and the development will continue in 2024. Metso has not identified any modern slavery cases in its own operations and was not aware of any modern slavery cases in its supply chain during 2023. Accordingly, Metso has not taken remediation measures and does not currently have a compensation plan for vulnerable families suffering the consequences of forced labor or child labor. Metso keeps track of needs and developments in this area.

7. Policies

Metso's approach to modern slavery is guided by the Metso Code of Conduct, Human Rights Policy, and Supplier Code of Conduct, as well as by Metso's commitment to the Ten Principles of the United Nations Global Compact initiative and the United Nations Guiding Principles on Business and Human Rights.

Metso does not accept any form of compulsory, forced or child labor, slavery or human trafficking, unlawful employment terms, unsafe or unlawful working conditions or unlawful environmental impacts within its own operations, and has zero tolerance for any such activity in its supply chain.

The Metso Human Rights Policy sets out in more detail Metso's commitment and approach to human rights. The Policy was approved by the Board of Directors in 2022.

Our Supplier Code of Conduct sets the standards that we expect our suppliers to follow. The Supplier Code of Conduct is the starting point for any new or existing supplier relationship and includes a strict requirement to comply with Metso's approach to modern slavery as set out above. To be accepted as Metso's supplier, suppliers must agree to our Supplier Code of Conduct.

Metso has further assessed its policy framework related to human rights in 2023. Based on a high-level human rights impact assessment, Metso reviewed its Human Rights Policy in 2023. Metso plans to align its Supplier Code of Conduct with its Human Rights Policy in 2024 and to further strengthen its supplier onboarding process.

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8. Due diligence

Metso applies due diligence and risk identification, avoidance and mitigation measures related to modern slavery, in addition to managing and enforcing the policies set out in section 7, through a range of internal controls and Metso's whistleblower line.

Sustainability risk mapping

Sustainability risk mapping within the existing supplier base enables a focus on suppliers with the highest potential risks in their operations. The risk mapping is based on 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. Supplier sustainability audits are conducted in high-risk countries both by Metso procurement teams and a third-party auditor.

Supplier assessments

New supplier assessments form part of Metso's procurement function's ongoing processes, with a target to 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 defined. Human and labor rights, environmental and safety practices, compliance with laws and regulations, and anti-bribery are included in the scope of third-party supplier audits, supplier self-assessments, as well as Metso's internal supplier sustainability audits.

After a sustainability audit has been performed, the supplier is provided with the audit findings. The supplier must implement an action plan to rectify the findings and report on its progress to Metso, and the supplier is then subject to possible re-audits. In 2023, supplier audit findings mainly related to scope for improvements in the field of health and safety. Other human rights findings included: overtime hours exceeding local legislative norms, lack of a worker's committee as required by local legislation, employer not paying employee wages on time, monetary fines to employees for adverse employer audit findings. 59% of these findings were corrected on schedule by the audited supplier in 2023. Furthermore, in cases where the third-party audit result for a supplier is unsatisfactory, the supplier is re-audited the following year.

Compliance assessments and suspected misconduct

Metso also conducts compliance assessments of its suppliers and other business partners through third-party screening tools and portals that are linked to Metso's supplier data management systems. Following such screenings, any specific corrective action plans required are agreed on with the supplier and are followed up within the agreed time schedule; significant aspects that could not be rectified will lead to a potential supplier not being considered by Metso.

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

All Metso employees are encouraged to report suspected misconduct to their own supervisors, to other management or directly to the Compliance or Internal Audit functions. Additionally, Metso employees or any external party can report suspicions of misconduct confidentially via the anonymous Whistleblower channel, which is maintained by an independent third party. Reports can be submitted anonymously online, by phone or by email, in several languages. Suspected misconduct is investigated thoroughly and confidentially without undue delay. Metso's Compliance function determines how the matter will be investigated and reports the alleged misconduct to the Board's Audit and Risk Committee. To ensure effective and efficient investigation and remediation, the roles and responsibilities regarding evaluation, investigation and remediation are defined in Metso's internal procedure. Metso is committed to remediation and to implement relevant improvement actions to prevent re-occurrence. The Legal & Compliance and Human Resources functions implement any resulting measures.

Focus areas

Focus areas to enhance Metso's human rights due diligence across the value chain in 2024 will include process development for supplier onboarding and management of the supply chain, increasing internal awareness and capabilities and harmonizing external workforce management, as well as greater emphasis on human rights topics in the evaluation of customers sites.



In 2024, Metso's due diligence work will focus more on human rights in the high-risk parts of the supply chain.

9. Effectiveness assessment

Metso regularly reviews and constantly aims to improve the effectiveness of its modern slavery approach. Such reviews include the investigation, assessment and actioning of reports and information received through the Metso whistleblower line, the review and assessment of legislative developments in Australia, Canada, Norway, the United Kingdom, and other jurisdictions and the assessment and actioning of supplier sustainability audits and compliance reviews, depending on the assessment of the risk for specific suppliers and/or countries.

Metso is transparent in communicating its approach, goals and actions related to sustainability. Achievements, including performance against key performance indicators, are reported in Metso's annual reports and extracts are provided on the Metso website.

In 2023, 172 supplier sustainability audits that included human rights topics were conducted. To create awareness of the requirements of the Supplier Code of Conduct, Metso offers supplier training related to supplier sustainability expectations, including on human rights and modern slavery.

At the end of 2023, 94% of Metso's direct suppliers by spend have signed the Metso Supplier Code of Conduct.

Metso's mandatory Code of Conduct training, which includes aspects related to modern slavery and human rights, is carried out annually. By the end of 2023, 99.4% (2022: 97.8%) of employees

have completed the training globally. Code of Conduct training is also a mandatory part of onboarding for all new employees.

In 2023, Metso completed a high-level human rights impact assessment, assessing its existing human rights due diligence process and risks as well as identifying future human rights focus areas of health and safety, and prevention of discrimination and harassment throughout the value chain. In addition, secure employment, working time, adequate wages, freedom of association and collective bargaining, as well as prevention of forced labor were identified as priority areas.

In 2024, Metso's due diligence work will focus more on human rights in the high-risk parts of the supply chain. Metso acknowledges that its human rights impacts may change over time, and therefore embedding human rights due diligence across the business will be an ongoing process.



Metso has launched "Metso Volunteers", a program to activate and engage people to volunteer in their local communities.

10. 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, including human rights.

Metso has active discussions with many of its customers to support them in reaching their sustainability targets and works by proposing improvements to the customers' processes and products. Metso also carries out co-funded community projects in collaboration with its customers. Metso strives to develop a shared understanding with suppliers in the areas of innovation, cost efficiency, quality and sustainability to manage risks related to outsourcing.

Furthermore, Metso cooperates with a number of non-governmental organizations (NGOs). Metso's sponsorships and donations are focused on environmental protection and

conservation, safety programs, and natural disaster relief. For example, Metso has launched "Metso Volunteers", a program to activate and engage people to volunteer in their local communities. In addition, as a responsible corporate citizen Metso works closely with local communities around its operating sites. Metso creates social value for local communities by providing employment opportunities and supporting corporate social responsibility projects that bring measurable benefits to local communities. Community projects are based on local needs that have been defined through discussions with local communities.



11. Looking forward

Sustainability is and will remain a strategic priority for Metso. Our Planet Positive offering for our customers and minimizing harmful environmental impacts in our own operations, logistics, and supply chain demonstrates our purpose to enable sustainable modern life.

Through partnerships with customers, suppliers and communities, we are working towards a more sustainable future. This includes addressing challenges such as modern slavery.

Metso acknowledges that modern slavery is an ongoing challenge for our industry and is committed to reducing and ultimately eliminating such practices. Metso will continue to further develop and improve its approach to modern slavery in its own operations and in cooperation with our suppliers, as noted in this statement and as otherwise required or considered appropriate by Metso.

Metso also follows the development of human rights due diligence requirements in various jurisdictions and will regularly review its due diligence practices and human rights policy and procedures.

Consultation

This statement has been prepared by an internal work group with representatives from various functions, including Procurement Excellence, Legal, Sustainability, Compliance, Risk Management, Business Analytics, and Communications, and with management representatives from the Australian, Canadian, Norwegian, and United Kingdom operations, all under the guidance of Metso's General Counsel and Chief Financial Officer.

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

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