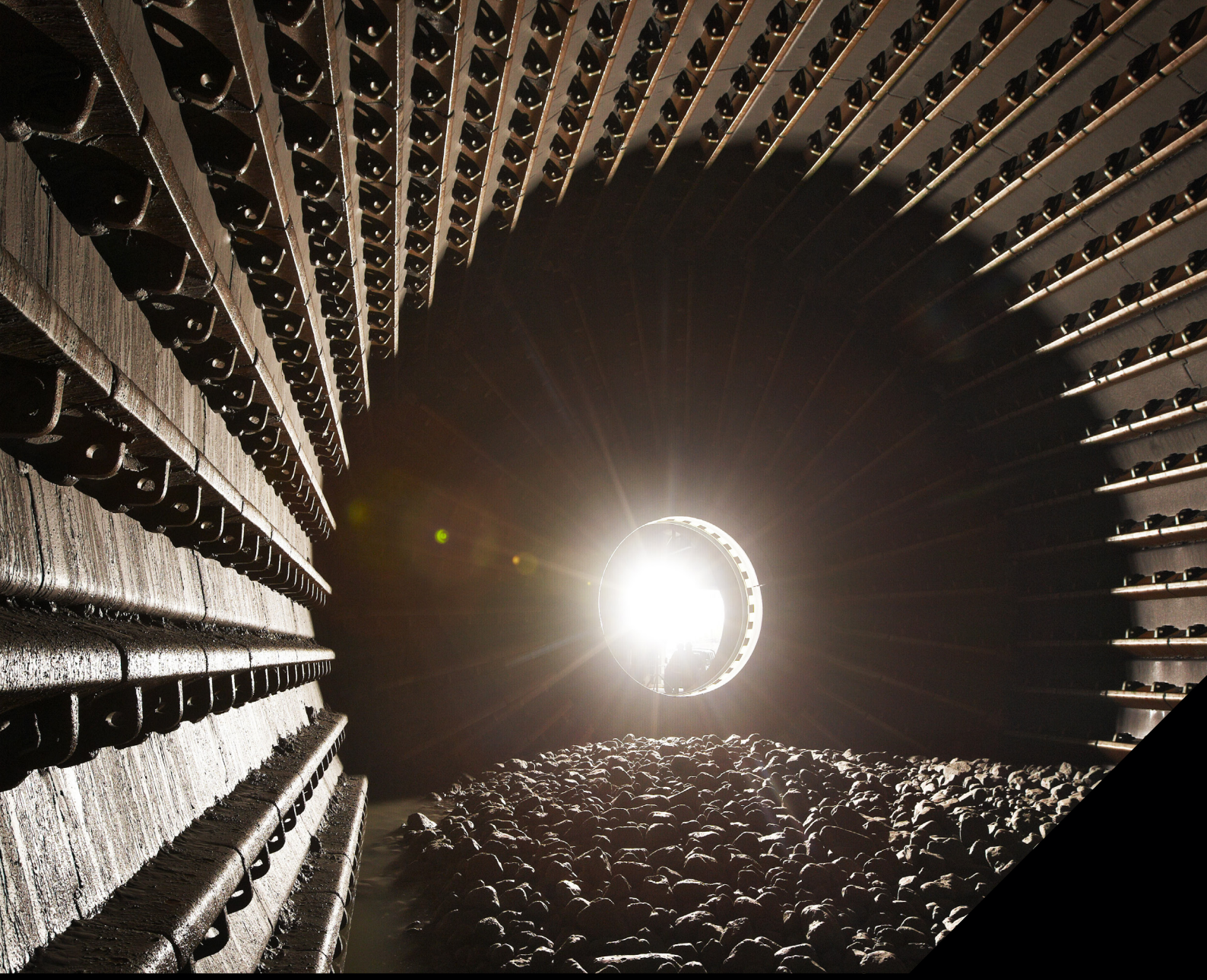

PAS 2060 Qualifying Explanatory Statement - Trelleborg

1st Application Period: January - December 2022

This is PAS2060 Qualifying Explanatory Statement to demonstrate that Metso Trelleborg has committed to carbon neutral in accordance with PAS2060:2014 reporting

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Content

1. Purpose and objective

This is PAS 2060 Qualifying Explanatory Statement to demonstrate that Metso Trelleborg site has achieved carbon neutrality and is committed to being carbon neutral in line with PAS 2060:2014 standard.

2. Scope and interfaces with other processes

This qualifying explanatory statement (QES) is applicable to Metso Trelleborg site and there is a direct connection with CNS Sustainability Strategy and CO2 roadmap.
1st application period: January – December 2022

3. Responsibilities

CNS Leadership Team	Support the Carbon Neutrality in all CNS locations; Approve the resources to implementing, achieving, and maintaining the Carbon Neutrality; Conduct annual Management Reviews.
CNS EHS	Region validation of Environmental reports; Prepare, sign, and maintain the Carbon neutrality declaration updated; Monitoring and support the implementation of CO2 roadmap in CNS's operational sites; Coordinate the Carbon Neutral verification process.
Plant Manager	Check and validate the environmental reports (site level); Conduct management reviews annually; Lead the implementation of CO2 roadmap and other environmental initiatives.
Local EHS	Report the environmental figures according to internal guidelines; Facilitate the implementation of local CO2 roadmap and other environmental initiatives.

4. Definitions and abbreviations

BA	Business Area
BSI	British Standard Institution
CNS	Consumables
EHS	Environment, Health & Safety
GHG	Greenhouse Gases
GO	Guarantee of Origin
LT	Leadership Team
QES	Qualifying Explanatory Statement
Scope 1	Greenhouse gas emissions from sources that are owned or controlled by the entity (described as direct emissions)
Scope 2	Greenhouse gas emissions from the generation of energy utilized in direct connection to the activities of a particular entity/subject but occurring at sources owned or controlled by another entity (described as indirect emissions)
Scope 3	Greenhouse gas emissions that are a consequence of the activities of an entity/subject but occur at sources owned or controlled by another entity and which are not classified as Scope 2 emissions (described as indirect emissions)

5. Declaration of achievement of carbon neutrality

Carbon Neutrality Declaration

"*Carbon neutrality of scope 1 and 2 achieved by of Metso Trelleborg site in accordance with PAS 2060:2014 for the period 1 Jan 2022 - 31 Dez 2022, with a commitment to maintain the carbon neutrality until 31 Dez 2024, BSI certified.*

Heikki Metsala

President, CNS BA

30 Oct 2023

Metso

The Qualifying Explanatory Statement (QES) contains all the required information on the carbon neutrality of the given subject. All information provided within this report has been reviewed by a third party and is believed to be correct.

If provided with any information affecting the validity of the following statements, this document will be updated accordingly to reflect Metso Trelleborg's current status towards carbon neutrality. This report will be made publicly available on Metso's webpage: Environmental operations - Metso.

This is Metso Trelleborg's first declaration of commitment to carbon neutrality for Scope 1 & 2 GHG emissions.

Metso Trelleborg's carbon neutrality declaration has been reviewed and verified by an independent third party, BSI Group the Netherlands B.V.. The Verification Opinion Statement can be found in Annex 7 of this report.

bsi PAS 2060 Carbon Neutrality VERIFIED

6. Description

6.1 Introduction

Metso is a frontrunner in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally.

We offer technologies and services that improve our customer's energy and raw material efficiency, water resources management and safety. Our extensive offering for the full plant, from equipment to a broad range of services, helps our customers improve their profitability and lower their operating costs and risks. We have strong R&D and innovation power, and we are continuously looking for new ways to introduce innovations for our customers' benefit.

Sustainability is our strategic priority. We are one of the enablers of modern life and society: Working toward decarbonization and a safer working environment together with our customers, communities, suppliers and other partners.

The global energy transition requires minerals, and our customer industries' energy-intensive processes have significant environmental footprints. Our customers must meet the growing minerals demand while managing decreasing ore grades and stricter sustainability requirements. That's why we invent more sustainable ways to help our customers.

We must also take care of our own emissions footprint. We target net zero emissions by 2030: An ambitious target for which we have a strategic commitment and roadmaps. We work together with our suppliers and logistics chain to build more sustainable value chains. We also have zero-harm ambition. Preventing injuries applies to people, products and services. Safety is our utmost priority.

We understand our customer's world and the daily challenges they face. Together, we can partner for positive change.

6.2 Metso Trelleborg site

Metso Trelleborg is the Group's global product center for the promotion and development of Screening Media Solutions and Conveying Solutions.

The site is also one of Metso's DC's, as well as representatives from other business units and functions such as Business Development, EMEA, Finance & Administration, Projects & Systems, etc. Crusher parts Trelleborg PL handle Spare & Wears for Metso Mining Crushers, Svedala Classic and our TPE Offering.

Trelleborg site has around 120 employees in total and of which 70 employees be part of CNS RuPo team (ref. Aug 2023).

Trelleborg site is hosted by CNS Rubber & Poly-Met Supply Chain (CNS RuPo SC) which organization chart is showed below (Fig. 1):

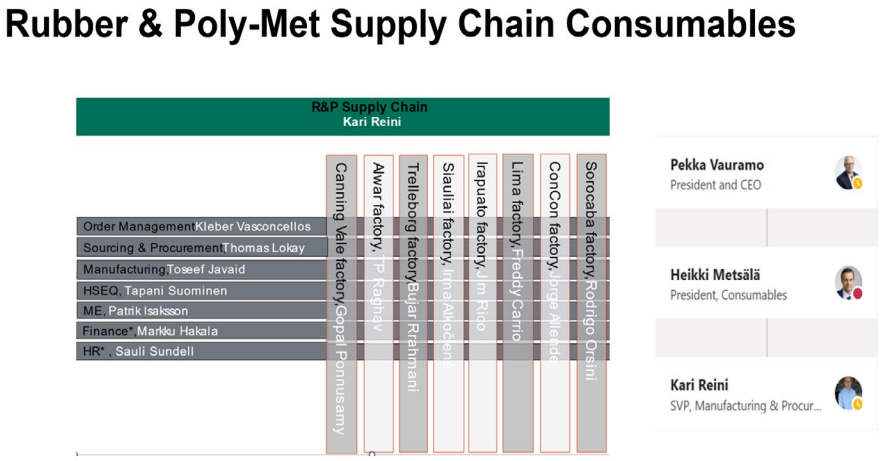


Figure 1 – CNS RuPo organization chart

Locally the CNS RuPo Trelleborg is organized as described in the below chart (Fig. 2):

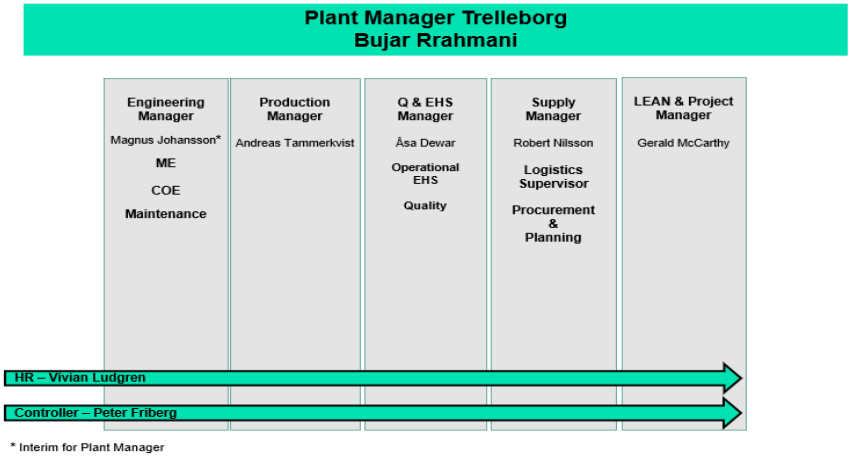


Figure 2 – CNS RuPo Trelleborg organization chart

The business is primarily focused on product support, manufacturing and distribution of products and systems for screening, grinding, wear protection, and transport of goods.

6.3 Energy consumption in Trelleborg

In Trelleborg site the main energy consumptions are Electricity and Biogas representing 49% and 51% respectively (ref. 2022) as showed in Figure 3.

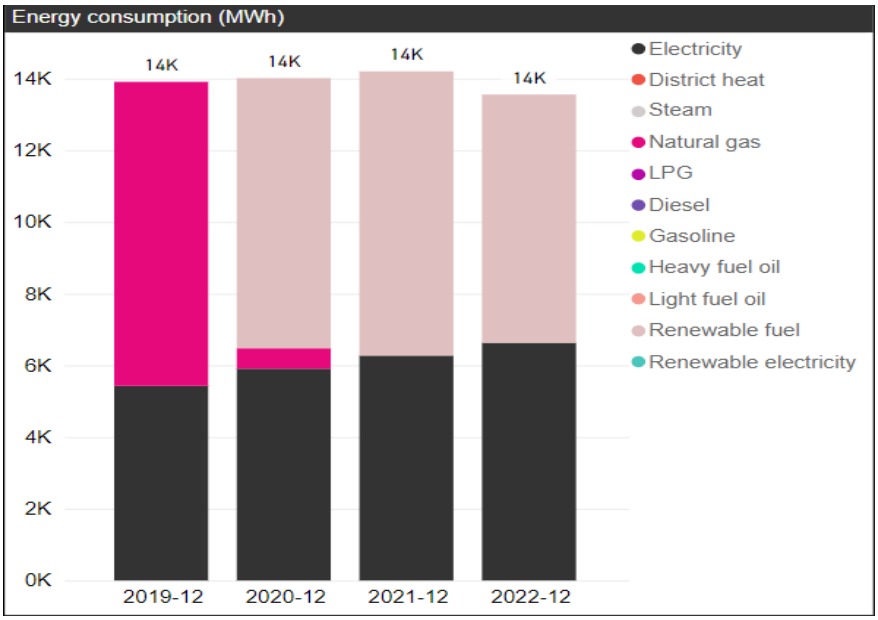


Figure 3 – Annual energy consumption in Trelleborg (MWh) - data from HSE Dashboard (D1 - Energy)

Basically, the Biogas is used in the buildings heating systems (Administrative and Production buildings) and steam boiler (Production).

Electricity is consumed in the whole site: Administrative areas (general use, lighting, computers, etc.) and Production processes (production machines and equipment, forklifts, lighting, air compressor).

Small volume of Diesel is used for internal transportation (forklifts and trucks) which represents less than 0.12% of total energy consumption (1601 L - ref. 2022Y - annex 1) and 0.28% of total CO2e emissions (location-based - 4.58 tCO2e). Trelleborg site also consumed 100 L of Diesel in 2022 but for cleaning/maintenance purpose, not included as scope 1 emissions as well.

Due to small share and aligned with corporate directive the Fuels used for internal transportation is not included in the Environmental reports (annex 2) and consequently in the Annual GRI Supplement.

Historic data and types of energy consumption are presented in the Table 1.

Table 1 - Energy consumption within the Trelleborg site, MWh

	2022	2021	2020	2019
Direct energy consumption by fuel				
Natural gas	0	0	568	8480
Coal	0	0	0	0
Heavy fuel oil (HFO)	0	0	0	0
Diesel	16	0	0	0
Liquefied petroleum gas (LPG)	0	0	0	0
Renewable fuel (Biogas)	6924	7926	7533	0
Indirect energy consumption				
Electricity	6630	6273	5909	5428
District heat	0	0	0	0
Steam	0	0	0	0
Total energy consumption	13570	14199	14010	13908

6.4 CO2 emissions – reports and calculations

In CNS BA the Energy figures are reported in HSE24 (Metso's software for EHS data management) by each location monthly and this is the key data source for CO2 emissions calculation.

CO2 emissions are calculated in accordance with the GHG protocol and GHG emissions reporting covers CO2e. These methods are widely recognized and recommended for the reporting of GHG emissions for PAS 2060.

The reported emissions are based on invoicing and converted from MWh to CO2e emissions.

The conversion factors are based on GHG Protocol – Table 2

Table 2 - Standard conversion factors based on GHG Protocol

Fuel	Unit	Factor
Diesel	MWh / liter diesel	0.0100333
LPG	MWh / kg LPG	0.0131389
Natural Gas	MWh / m3 natural gas	0.0093333

Metso uses emission factors based on GHG Protocol (IPCC), CBAM and local Suppliers as demonstrated in Table 3.

All these information are available in HSE Dashboard: D2_EnvironmentalReporting

Table 3 - Emission factors for Direct emissions

Fuel	Unit	Emission factor
Diesel	tCOe / MWh	0.2668
Gasoline	tCOe / MWh	0.2495
Heavy Fuel Oil	tCOe / MWh	0.2786
Light Fuel Oil	tCOe / MWh	0.2668
Liquified Petroleum Gas (LPG)	tCOe / MWh	0.2272
Natural Gas	tCOe / MWh	0.202

The source for location-based emission factor is the IEA "CO2 emissions from fuel combustion" 2020 edition (see on table 4).

Table 4 - IEA "CO2 emissions from fuel combustion" 2020 edition

Country	Emissions	Unit	Emission factor (location-based)
Sweden	CO2	tCO2e / MWh	0.0338

In the calculations for market-based emissions we used supplier-specific emission factors, and we consider the Guarantee of Origin (annex 3) for Electricity and Biogas certificate (annex 4) provided by local suppliers.

All energy data is collected from invoices provided by the Electricity and Biogas suppliers and the uncertainties are considered and presented in the table 5.

6.5 GHG emissions (scope 1 and 2)

The CO2 emissions are calculated by Corporate QEHS team of Metso taking into consideration the energy consumptions (in MWh) multiplied by the respective emission factor of each energy source (market and location-based).

Based on the methodology and information described above the consolidated CO2e emissions for Trelleborg site is presented in the Table 5.

Table 5 – Direct (Scope 1) and Indirect (Scope 2) GHG emissions, tCO2e

CO2 emissions - 2022	Market-based (tCO2e)	Location-based (tCO2e)	Uncertainty (estimated)	Remarks
Scope 1 - Direct				
Gas (Biogas/Natural)	0	1,398.64	1%	100% of Biogas
Scope 2 - Indirect				
Electricity	0	224.09	1%	Guarantee of Origin for 100% of electricity (market-based)
Total emissions	0	1,622.73	1%	

As demonstrated in the tables 5 and 6, Trelleborg site has “net zero” emissions of CO2e related to the scope 1 and 2 (market-based) thanks the implementation of initiatives since 2019 (baseline) regarding Energy efficiency and renewable sources. It means that the site reduced 100% of its CO2e emissions vs 2019 which represents 1,712.6 tCO2e.

In 2021 the site started to move his Fossil fuel matrix (Natural Gas) to Renewable Gas consumption (Biogas – grid-injected type) which allowed a significant reduction in the CO2 emissions as showed in the Figure 4.

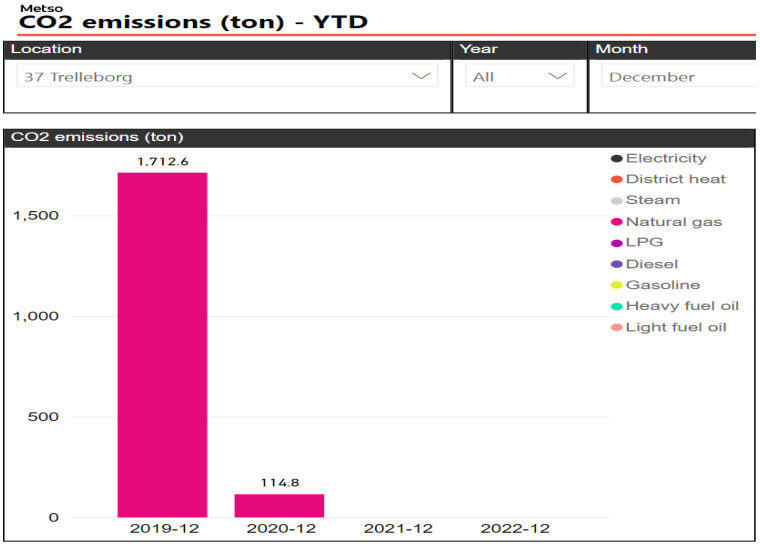


Figure 4 – Annual CO2 emissions in Trelleborg (tCO2e) – data from HSE Dashboard (D1 - CO2)

6.6 Scope 3 emissions and exclusions

Metso conducted an analysis of all Scope 3 emission categories. Based on that analysis, six 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. GHG emissions reporting covers only CO2. Metso does not have any biogenic CO2 emissions in its operations.

The annual figures for Scope 3 (company level) can be found in the GRI Supplement 2022 (annex 5 – page 13).

The Scope 3 calculation cover the whole organization and the information are not deployed by site level. It means that the Scope 3 for Trelleborg site is not available at this moment.

However, the company is working and developing some internal tools in order to allow the calculations of total CO2 emissions per product and site levels.

For this reason, the boundary of this report and PAS 2060 verification should take in consideration the Scope 1 and 2 only.

6.7 CO2 reduction targets and carbon neutrality commitment

Metso aims for net zero in its own operations by 2030. This target is aligned with its science-based targets. Metso's solutions to reduce CO2 emissions include the extended use of renewable energy, environmental improvement actions in our production processes and facilities, and investments in own energy generation i.e., solar power systems and ground heat.

During 2021, Metso implemented nearly 90 eco-efficiency projects to reduce CO2 emissions and waste and increase energy and water efficiency. Around 100 new initiatives are already planned for the coming years. We have almost doubled the number of solar panels at our sites compared to the beginning of 2021. Our long-term goal is to switch heating systems from fossil fuels to electricity. In our foundries, we are working to find alternatives to natural gas and LPG. We are also exploring alternatives to buying biogas directly from the grid and obtaining green gas certificates.

On that way CNS BA set ambitious targets towards Net Zero by 2030 in alignment with corporate objectives and directives as presented in the below chart (Fig. 5):

CNS targets for each corporate metric

	KPIs	2021A	2022A	Target 2023	Target 2024	Target 2025	Target 2026 / 30	Goals
Handprint	R&D spend on projects with sustainability target(s)	95%	98%	100%	100%	100%	100%	All R&D projects to contribute to energy, emissions, water, circularity or safety.
	New product innovation planet positive in terms of spend	-	72%	73%	74%	75%	80% by 2030	R&D contributes to Planet Positive sales growth
	Planet Positive sales growth (% PP sales)	10%	+27%	total sales growth + 8%	TBD (review in 2023)	TBD (review in 2024)	>50% by 2030 (review in 2025)	PP sales growing faster than total sales.
E Footprint	Suppliers' set CO2 targets (% of total spend)	10%	16%	26%	28%	30%	To be defined	30% of spend have a CO2 target by the end of 2025 and 90% by 2050
	Logistics CO2 emissions reduction (%)	-18%	-12%	-20%	-20%	-20%	-20% by 2030	Logistics -20% CO2 by 2025 vs 2019
	CO2 emissions in operations (% of reduction or max tons) vs. 2019	-56% 41.2K tCO2	-60% 38.7K tCO2	-68% 30.9K tCO2	-72% 27.1K tCO2	-76% 23.2K tCO2	-80% / -100%	Net Zero 2030 requires -100% CO2 (offsetting max 10%)
	Water index reduction* (m³/headcount) All locations / Water stressed	-	-8% -16%	- 3% - 5%	-4% -7%	- 5% - 8%	- 10% by 2030 -15% by 2030	Improve water efficiency in own operations
	Landfill waste % (landfill/total wastes; annual YoY)	7%	4%	5.4%	4.7%	3.9%	3.1% / 0%	Zero Landfill by 2030
Safety (w/ contractors)	LTIF (R12)		2.2	1	0.8	0.6	Year on year improvement	Zero Harm
	TRIF (R12)	6.5	4.1	5	4	2.5		

* Baseline: 2021

Figure 5 – CNS BA Sustainability targets

CNS BA is also committed to achieving and maintaining the carbon neutrality in all manufacturing sites by 2030 once it's directly connected to its Net Zero targets.

On that way Trelleborg was the 1st manufacturing site at Metso to achieve Carbon Neutrality for scope 1 and 2 and it has maintained this performance since 2021 (see on Fig. 4) and the site is committed to continuing with that performance level by 2030.

This is the main reason to select Trelleborg as the 1st site in CNS BA to be Carbon Neutral certified according to PAS 2060:2014.

Despite the great performance related to CO2 emissions Trelleborg site has being permanently studying and defining new initiatives to develop their Energy and CO2 aspects as demonstrated in the CO2 Roadmap (annex 6).

6.8 Performance monitoring

The CO2 performance of all CNS sites is periodically assessed to check if it's according to the plan and to identify corrective actions needs to achieve the targets.

Basically, the CO2 performance is monitored in all organization levels and the most important events are listed in the below table:

Organization level	Forum/event
Metso Corporation	QEHS Leaders Quarterly Meeting Quarterly reviews Annual report
CNS BA	CNS EHS monthly report CNS Leadership Team meeting CNS QEHS Management review
RuPo SC	Monthly Process Review - EHS
Trelleborg site	Local monthly meetings EHS quarterly reviews QEHS Management review CO2 roadmap follow-up sessions

CO2 emissions performance are also tracked monthly, and the results be part of CNS EHS Monthly reports and it's shared with all Plant Managers, Supply Chain Heads and CNS EHS organization by mail and by Viva Engage.

A third-part assessment should be performed annually in order to identify opportunities for improvement and the conformity of CO2 management plan according to "PAS 2060:2014 – Specification for demonstration of carbon neutrality" standard.

6.9 Offsetting of remaining CO2 emissions

Although the carbon credit or offsetting are accepted and valid instruments to reduce the carbon footprint, in CNS BA them are considered as the last alternative to achieve carbon neutrality.

When needed - for any specific reason or purpose - the carbon credits shall be "Verified Emissions Reductions" (VERs) or "Certified Emissions Reductions" (CERs) types such as: CCB, VCS, GS, ACR, CAR, CDM, others equivalent.

All kinds of carbon credits shall be approved by CNS BA EHS team.

7. Contact and feedback

Felipe M Antunes - Environment, Director – CNS - felipe.m.antunes@metso.com
Dimce Blazevski - EHS Operational - CNS Trelleborg - dimce.blazevski@metso.com

8. Annexes

Annex 1 - Diesel consumption in 2022 (report from SAP)

Material	Material Description			Plnt Name 1					
SLoc	MvT	S	Mat. Doc.	Item	Pstng Date	Quantity in UnE	EUn	Quantity BUn	PO	Order	Vendor	Sales
			Citydiesel					SE01 SE01 Trelleborg				
101			5012894949	1	29.08.2023	1,492	M3		4200272026		286802	
102			5012892315	1	28.08.2023	1.623,00-	L		4200272026		286802	
101			5012878420	1	23.08.2023	1.623,00	L		4200272026		286802	
101			5012138288	1	11.01.2023	1.623,00	L		4200246544		286802	
102			5012113806	1	03.01.2023	1.623,00-	L		4200246544		286802	
101			5012095999	1	27.12.2022	1.623,00	L		4200246544		286802	
101			5011009656	1	24.02.2022	1.601,00	L		4200202771		286802	
			citydiesel / FULL TANK					SE01 SE01 Trelleborg				
101			5011548271	1	25.07.2022	100,00	L		4200228869		286802	

Annex 2 - Corporate QEHS guideline for Environmental reports

10_How to report environmental indic

Annex 3 - Guarantee of Origin – Metso Sweden (ref. 2022)

Sweden_TransferInformation.en-US (17)

Annex 4 - Biogas certificate (ref. 2022)

Metso Outotec Sweden AB - Biogas

Metso -Trelleborg kommun kontor Bio

Catena kontor - Biogas - 220429-221

Annex 5 - Annual report: GRI Supplement 2022

metsooutotec_gri_supplement_2022 (3).

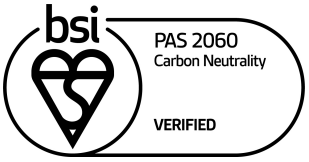
Annex 6 - CNS RuPo - CO2 Roadmap towards Net Zero (2020-2030)
CNS RuPo - CO2 roadmap_2023-2030.xlsx (internal access)

Annex 7 – Verification Opinion Statement from BSI Group the Netherlands B.V.

VOS PAS 2060 Metso Trelleborg 08

Annex 9 - PAS 2060 checklist

1	Define standard and methodology used to determine its GHG emissions reductions.	Section 6.4
2	Confirm that the methodology used was applied in accordance with its provisions, and principles set out in PAS 2060 were met.	Section 6.4
3	Provide justification for the selection of the methodologies chosen to quantify the reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty.	Section 6.4
4	Describe the means by which reductions have been achieved and any applicable assumptions or justifications.	Sections 6.3, 6.4 and 6.5
5	Ensure that there has been no change to the definition of the subject.	Section 2
6	Describe the actual reductions achieved in absolute terms.	Section 6.5
7	State the baseline/qualification date.	Section 2
8	Record the percentage economic growth rate for the given application period used as a threshold for recognizing reductions in intensity terms.	N/A
9	Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.	N/A
10	Select and document the standard and methodology used to achieve carbon offset.	Section 6.9
11	Confirm that: – Offsets purchased or allowance credits surrendered represent genuine, additional GHG – Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting. – Carbon offsets are verified by an independent third-party verifier – Credits from carbon offset projects are only issued after emission reduction has taken place – Credits from carbon offset projects are retired within 12 months from the date of the declaration of achievement – Credits from carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures – Credits from carbon offset projects are stored and retired in an independent registry	Section 6.9
12	Document the quantity of GHG emissions offset and the type and nature of offsets actually purchased including the number and type of credits used and the time period over which credits were generated including: – Which GHG emissions have been offset – The actual amount of carbon offset – The type of offset and projects involved – The number and type of carbon offset credits used and the time period over which the credits have been generated – Information regarding the retirement/cancellation of carbon offset credits to prevent their use by others including a link to the registry where the offset has been retired	Section 6.9
13	Specify the type of conformity assessment.	Other party validation
14	Include statements of validation where declarations of achievement of carbon neutrality are validated by a third-party certifier or second-party organizations.	Section 5
15	Date the QES and have it signed by the senior representative of the entity concerned.	Section 5
16	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).	Website published



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