

Sustainability
Report
2015



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About this report

We publish our Sustainability Report annually. Quantitative data included in this 2015 Sustainability Report covers the 2015 calendar year January 1, 2015 to December 31, 2015. Our reporting is prepared in accordance with the core option of the Global Reporting Initiative's (GRI) G4 guidelines. Metso has been reporting its sustainability principles and goals since 2002.

The scope of our reporting is the Metso Group, unless otherwise stated. Our scope of reporting excludes associated companies, joint ventures or companies that are our suppliers. The sustainability data is commonly presented at the Group or business area level. Any other division of the data reported is noted separately.

The GRI Reporting Principles for Defining Report Content have been taken into account during our stakeholder survey and materiality analysis. Read more about the materiality analysis in Material topics and themes section. The final topic list with the eight most material topics for Metso was formed on the basis of the stakeholder analysis and internal views from executives.

Metso's annual reporting consists of the Sustainability Report, Financial Statements and Corporate Governance Statement. Metso's 2015 Sustainability Report is divided into four focus areas based on our sustainability strategy: building customer success, performing together, contributing to the environment and sustainable supply

chain. The material aspects and related indicators are reported under the relevant focus areas. The aspect boundaries for each aspect are defined in the GRI Content Index. The GRI and sustainability data are described in separate sections: the GRI Content Index and the Key Performance Indicators index.

An independent third party, PricewaterhouseCoopers Oy, has provided assurance on the sustainability information (excluding G4-EN17) disclosed in Metso's 2015 Sustainability Report. The scope of the assured information is indicated in the independent practitioners' assurance report.

From the CEO, on sustainability

There were big changes in Metso's operating environment in 2015. Our customer industries faced challenges of adverse market conditions and low commodity prices. Our broad service offering and our personnel working closely with customers have been important success factors for us in this market situation.

The changing operating environment is redefining the conventional value-creation model. Global megatrends related to declining resources, growing expectations and thorough transparency are making sustainability even more integral to ensuring access to markets and enabling long-term business success.

Metso has systematically developed its business on the basis of sustainability principles for a long time. Today our technologies provide efficiency for our customers' processes, we seek to lower the environmental impact of our operations, we participate in local community development, and we try to ensure the safety of our partners' employees and our own. I believe that we must continue – and even strengthen – our efforts to meet the growing expectations of our stakeholders.

Progress in sustainability

We promoted sustainability in many areas in 2015. The health and safety of the people working in our value chain is always a priority, and in 2015 we sharpened our focus on further developing the safety mindset of our employees throughout our operations. The results were significant: the number of lost-time incidents per million hours worked decreased by more than 30 percent.

Sustainable development of the supply chain is a critical issue for a global company like Metso. In 2015 we continued assessing our suppliers against different sustainability aspects by launching a more comprehensive auditing process. The supply chain audits are performed by an external party to ensure greater transparency.

We continue to invest in the further development of managers across Metso. We know that effective leadership enables us to better adapt to the continuously evolving operating environment, and we believe that the right kind of leadership drives performance. In 2015 we launched two global leadership development programs and introduced a new leadership development portfolio with learning solutions both for new managers and for those with more experience.

Our future focus

Our goal is to be a thought leader in sustainability within our industry. I believe that being proactive and leading the way will enable our success also in the future. We strive to make the sustainable difference by combining our unique knowledge, solutions and skilled people in working with customers and other stakeholders to make their business and our own more profitable and sustainable.

Achieving growth and capturing new opportunities in today's world of growing demands requires a sustainability mindset. By encouraging a culture of sustainability throughout Metso, we aspire to work together and interact seamlessly with our stakeholders.

Matti Kähkönen

President and CEO



LTIF* **2.6**
(2014: 3.9)

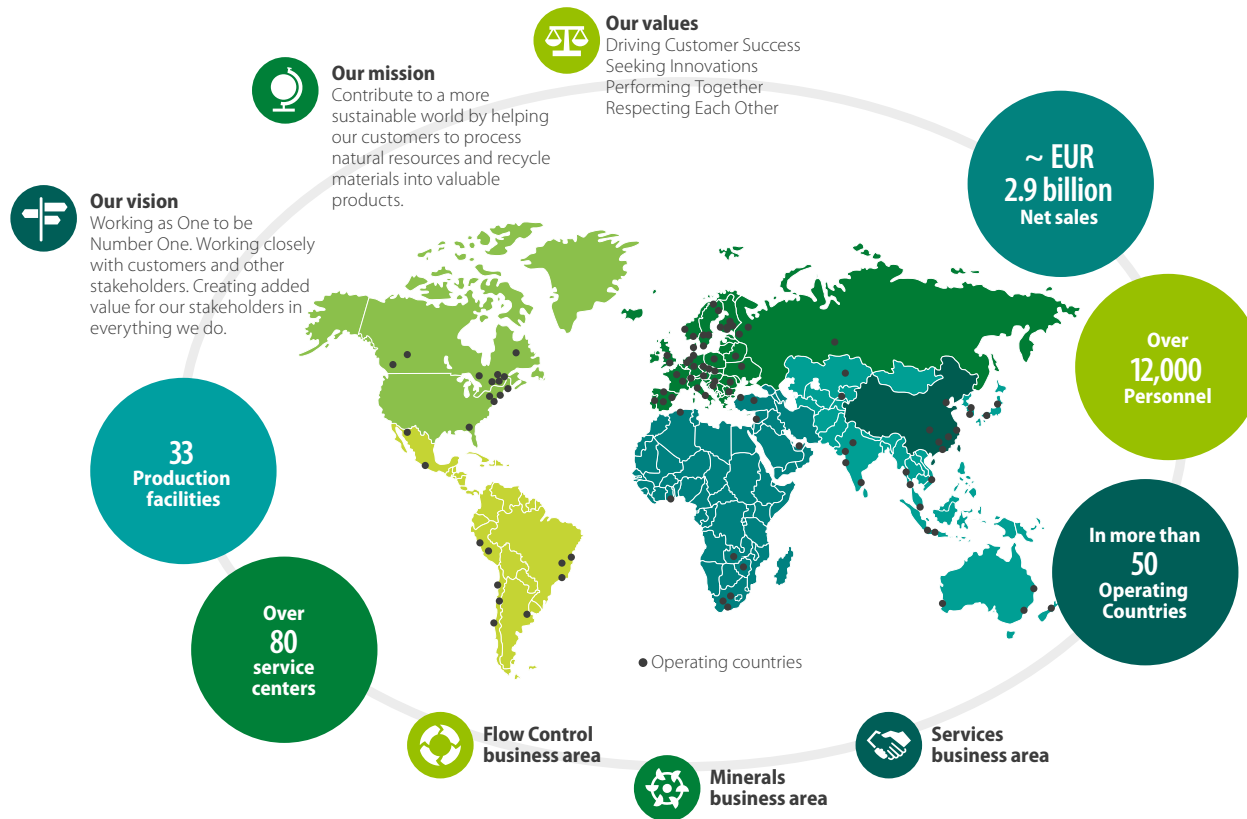
We managed to reduce LTIF
by over 30% in 2015.

1,267

Managers participated in
the leadership development
portfolio solutions.

*LTIF reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

Our business



This is Metso

Metso is a world leading industrial company serving the mining, aggregates, recycling, oil, gas, pulp, paper and process industries.

We help our customers improve their operational efficiency, reduce risks and increase profitability by using our unique knowledge, experienced people and innovative solutions to build new, sustainable ways of growing together.

Our products range from mining and aggregates processing equipment and systems to industrial valves and controls. Our customers are supported by a broad scope of services and a global network of over 80 service centers and about 6,400 services professionals. Metso has an uncompromising attitude towards safety.

Metso is listed on the NASDAQ OMX Helsinki, Finland, and had net sales of about EUR 2.9 billion in 2015. Metso employs over 12,000 persons in more than 50 countries.

Our strategy

Sustainability is at the core of our business. Metso's sustainability strategy strongly supports our business model and strategic targets. Metso's business strategy targets to further strengthen our position as the leading technology and services provider for end-to-end minerals processing and to become a leader in flow control within the oil and gas and mining industries.

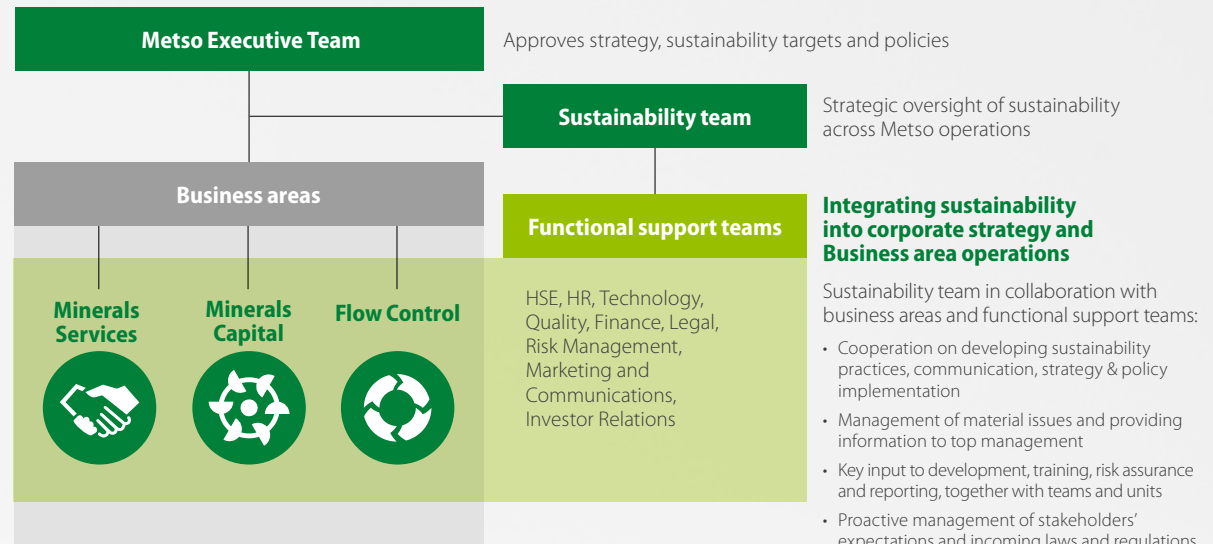
Our new services- and product-focused business model with project and systems capabilities supports our target for higher profitability and lower volatility. It enables us to execute our plans more effectively to support profitable growth. In the higher margin business model that we are pursuing, services account for more than 60% of net sales, products account for a sizable proportion of net sales, and systems deliveries concentrate on proprietary technology.

Our sustainability strategy is divided into four main focus areas to support the business strategy: building customer success, performing together, contributing to the environment and responsible supply chain.



Sustainability governance

Sustainability is managed at the group level by the Sustainability team, which works towards an integrated sustainability model with the top management, the functional support teams and the business units to support Metso's long-term success. The main role of the Sustainability team is to provide support and knowledge to transform the strategic business targets into sustainable business actions.



Value chain



Technology centers

20

Metso's research and technology network encompasses approximately 20 units around the world.

Annual spend

51%

Share of net sales

Services

63%

Share of net sales

Number of countries

51

Metso has a wide distribution network to serve customers efficiently and on time.

LTIF

2.6

We managed to lower our lost time incident frequency (LTIF) by over 30% in 2015 compared to 2014.



TECHNOLOGY

Technology is at the core of Metso's operations. We continuously focus on research and development to provide customers with advanced technologies to improve the performance of their processes. Close partnership with customers and the ability to solve their challenges is the cornerstone of our sustainable business. We are determined to be the leading technology provider in our chosen growth industries.

THE VALUE FOR OUR STAKEHOLDERS INCLUDES

- Customer cooperation and value through tailored solutions to provide customers with the best performance
- R&D to develop sustainable solutions to benefit customers with more cost- and eco-efficient processes
- Ensuring and managing the safety of all people in each stage of the product life cycle
- Ensuring business viability and shareholder return on investment

KEY INDICATORS

R&D EXPENDITURE	EUR 40 million
METSO EMPLOYEES IN TECHNOLOGY ORGANIZATION	457
INVENTION DISCLOSURES IN 2015	93
INVENTIONS PROTECTED BY PATENT	293



➤ metso.com/news/2015/12/metso-develops-new-maintenance-platform-to-increase-safety-when-changing-jaw-crusher-wear-parts



PROCUREMENT

Procurement plays a key role in achieving one of our strategic must-wins, operational excellence. Our suppliers deliver the parts, materials, services and contracted employees to support our business. We need our suppliers to commit to the same high standards that we set for ourselves. We promote this by assessing our suppliers, auditing them and cooperating with them to create mutual benefits.

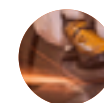
- Ensuring cost efficiency, availability, quality and delivery reliability through supply chain optimization
- Promoting sustainable business in local communities by partnering with and supporting local suppliers
- Ensuring transparency and value creation by auditing and helping to develop suppliers' business
- Building long-term relations with our suppliers to benefit both parties

THIRD PARTY SUSTAINABILITY

AUDITS PILOTED	for 8 suppliers
DIRECT SUPPLIERS	over 7,000

Metso procurement – the most significant countries

- | | | |
|------------|--------------|------------|
| 1. Finland | 5. France | 9. Germany |
| 2. Usa | 6. Sweden | 10. Spain |
| 3. China | 7. India | |
| 4. Brazil | 8. Australia | |



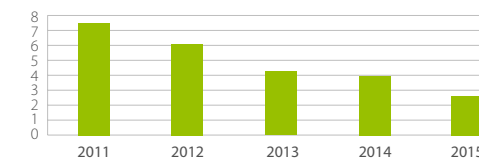
PRODUCTION

For Metso it is essential to maintain high standards of excellence in our production. By improving the efficiency of our production we save resources and maximize our competitiveness. We have ambitious goals to decrease breakdowns, work related injuries, waste, water and energy use. Although we always strive for more efficient production, we do not compromise the health and safety of our people.

- Providing a healthy and safe working environment for our employees and people working on behalf of Metso is our number one target
- Continuous estimation of risks and prevention of accidents and injuries
- Action plans to decrease energy and water usage, and waste generation
- Ensuring fair and responsible labor practices
- Responsible production and cooperation with local partners in our units globally

PRODUCTION FACILITIES IN 2015	33
TRAINING HOURS IN SAFETY PER EMPLOYEE	13.7
METSO ENERGY EFFICIENCY PROGRAM (MEEP) SAVINGS SINCE THE BEGINNING OF THE PROGRAM	12.5%

LTIF at Metso



● Lost-time incident frequency reflects the number of incidents resulting in an absence of at least one workday per million hours worked.



DISTRIBUTION

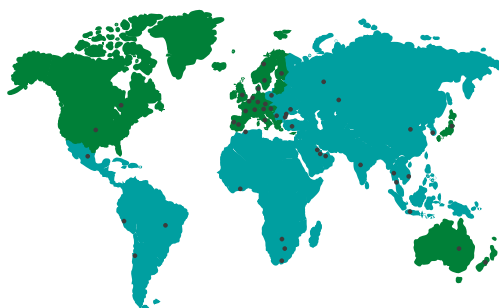
We strongly focus on being close to customers and having an offering to meet their changing needs fast in order to maintain and improve their process performance. Our target is to achieve effective and sustainable logistics to support our operational targets while at the same time reducing environmental impacts and safeguarding health and safety.

THE VALUE FOR OUR STAKEHOLDERS INCLUDES

- Service hub and distribution centers close to the customer to ensure efficiency and timely service
- Creating mutually beneficial partnerships with distribution partners
- Distribution management to reduce fuel consumption, air pollution and other environmental impacts
- Partnering with suppliers to make the distribution process more efficient and sustainable

KEY INDICATORS

NUMBER OF LOCATIONS 192
 NUMBER OF COUNTRIES 51



- Operating locations
- Developed markets
- Emerging markets



SOLUTIONS & SERVICES

We provide customers with solutions to even their toughest challenges. With our solutions they can operate with higher productivity and achieve savings through lower operating costs. The biggest environmental impacts in Metso's value chain occur during the use phase of our products. Therefore our main intention is to provide eco-efficient solutions to help our customers reduce their resource intensity and operate with higher profitability. Our service portfolio is an important part of our offering covering services from wear and spare parts to life cycle services.

- Increasing our customers' performance through increased efficiency and productivity with our solutions
- Increasing customers' process usability through extended life cycle of equipment and prolonged maintenance cycle
- Maintaining and improving product safety and a safe working environment for our customers
- Mitigating environmental load through lower emissions, waste and energy intensity

SHARE OF SERVICES FROM NET SALES % 63
 SERVICE CENTERS > 80



> [metso.com/showroom/mining/kgms-emissions-reduction-project-is-a-major-win-for-both-the-environment-and-community](https://www.metso.com/showroom/mining/kgms-emissions-reduction-project-is-a-major-win-for-both-the-environment-and-community)

Metso's stakeholders

Engaging with our stakeholders is a key aspect in Metso's approach to sustainability. Achieving sustainable growth requires meeting the expectations of our stakeholders. Metso's stakeholders are entities or individuals that have a moderate impact on our business or that are affected by our activities, products and services, and are presenting us with both risks and opportunities.



Existing and potential customers

Our customer relationships are built on a continuous exchange of experiences, extensive know-how and long-term commitment.

➤ [Read more about our relationship with our customers in the Customer Partnership and Sustainable Technology sections.](#)

Existing and potential employees

We consider our people and their knowledge as one of our competitive advantages, and we have acknowledged Metso people as a high priority in our strategy.

➤ [Performing Together section](#)

Suppliers and subcontractors

We have a vast supply chain. The cooperation with our suppliers and subcontractors is based on long-term collaboration, operational profitability and future development opportunities resulting from the cooperation.

[Read more about our suppliers in our Sustainable Supply Chain Management section.](#)

Shareholders and investors

Metso is committed to long-term value creation for its shareholders. The continuous dialogue with shareholders helps Metso to develop its sustainable practices and reporting.

Media

We actively provide timely and accurate information about Metso for the media.

Non-governmental organizations and authorities

We actively cooperate with non-governmental organizations (NGOs). We act as a responsible corporate citizen and tax payer.

Local communities

Close interaction with local communities and people around our operations is a high priority for us. We support corporate social responsibility initiatives in communities near to us.

➤ [Performing Together section](#)

Research institutes, universities and vocational schools

Due to the nature of our business, we foster continuous cooperation with selected research institutes and universities. Additionally, we create employment opportunities, jobs and trainee positions, and provide lectures and student visits.

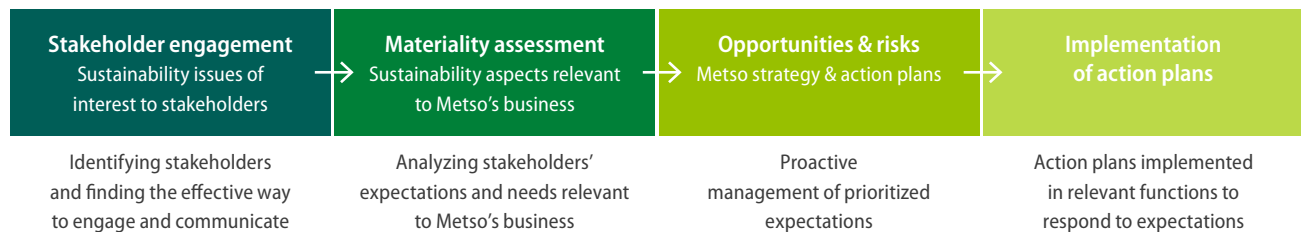
Material topics and themes

Sustainable growth and value creation requires meeting the expectations of our stakeholders. For Metso, the materiality analysis is an important tool for engaging with our people globally and with different external stakeholders to identify and weigh the different economic, environmental and social aspects related to our business strategy. Stakeholders' expectations are reviewed in parallel with our business strategy, and action plans are created to tackle the prioritized aspects. Our sustainability strategy reflects the material aspects, and our Sustainability Report is prepared based on those aspects.

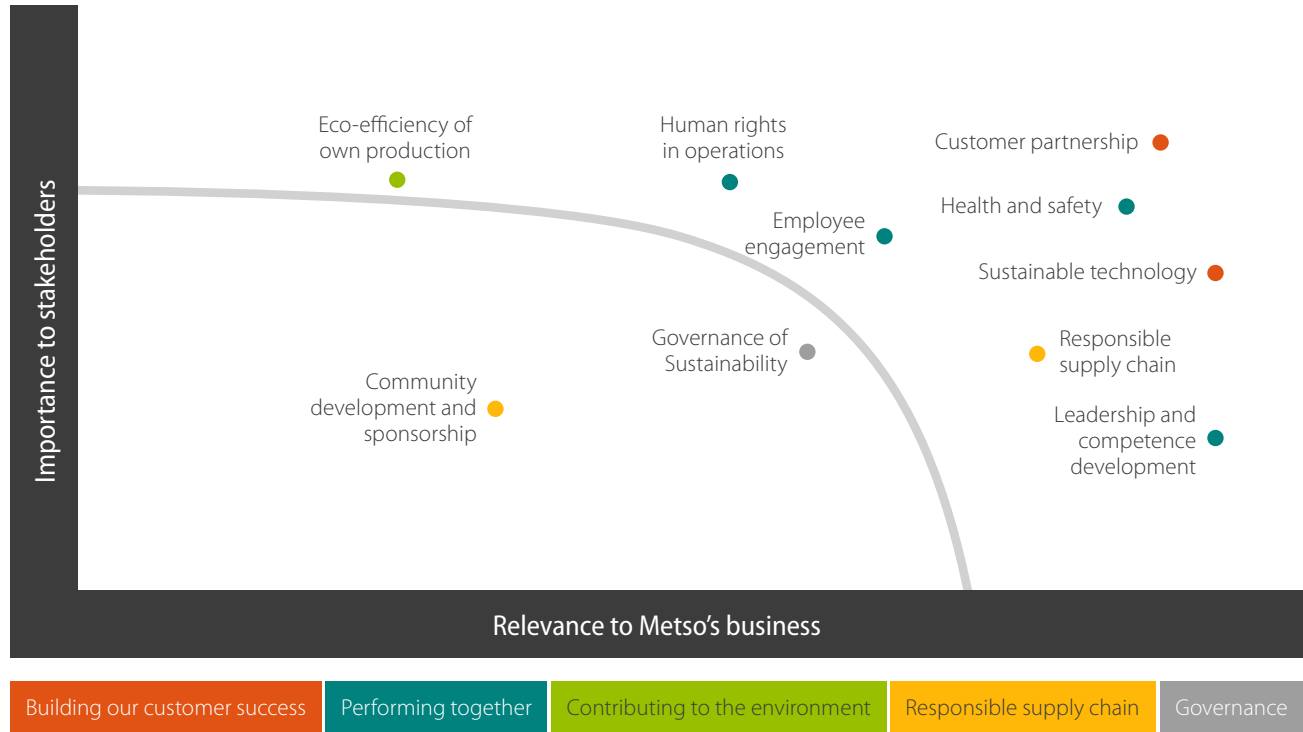
Stakeholder engagement

A stakeholder survey was conducted in late 2014 to define our stakeholders' needs and expectations. We used a web-based crowdsourcing method to engage with our different stakeholder groups globally. Through virtual brainstorming, we were able to engage respondents to think about, innovate and co-create ideas to improve our business sustainability.

The main topics highlighted were sustainability of our solutions, health and safety, eco-efficiency of our own production, and respect for human rights in our operations. In 2016 we will be developing a channel to engage more profoundly with targeted stakeholder groups and to respond their expectations and needs proactively.



Materiality matrix



The results of our latest materiality analysis are compiled in the materiality matrix. The matrix describes Metso's most material sustainability topics from the point of view of our stakeholders and business. The horizontal axis represents the topic's relevance to Metso's business as evaluated by the Metso Executive Team. The vertical axis illustrates the topic's importance to stakeholders. Topics that are located on the right side of the curve are the most material topics chosen for this reporting period. The topics in the matrix have been color-coded to correspond with the fields in our Sustainability Strategy.



Top Metso topics 2015

- Customer partnership
- Health and safety
- Human rights in operations
- Sustainable technology
- Responsible supply chain
- Eco-efficiency of own production
- Employee engagement
- Leadership and competence development

GRI G4 material aspects

- Product and service labeling
- Occupational health and safety
- Non-discrimination, Anti-corruption
- Customer health and safety
- Economic performance
- Energy, waste, emissions, effluents and waste
- Employment, Labor/management relations, diversity and equal opportunity
- Training and education



Building customer success

We offer safe and sustainable solutions to achieve success with our customers. Our Focus is on customer's value creation through close partnership.

Customer partnership

Close cooperation with customers helps them achieve their business goals sustainably.



Our mission is to work in close partnership with our customers in order to offer them solutions to their challenges. We want to make the big difference to our customers by focusing on driving sustainable business solutions with them. We are close to our customers, we listen to their needs, and we always put their interests at the center of our work.


Global coverage for local service

Our solutions are delivered and supported by decades of process knowledge and a broad scope of services backed by a global footprint of over 80 service centers, thousands of service employees, and an extensive logistics network. This global coverage helps us seize the growth opportunities throughout the world. In order to bring added value and to serve our customers in the best way possible, we are continuously expanding our sales and service network. In 2015 we opened new service centers in Sweden, USA, Mexico, Qatar and Abu Dhabi.

In addition to global coverage we have developed our capabilities to serve customers efficiently with our global resources. We have developed our operational model and have implemented and adopted customer relationship management tools and procedures to serve our customers globally.

Building a group-wide customer feedback process

Our goal is to build a long-lasting dialogue with our customers and strengthen the joint partnership for mutual success. Customer needs and priorities form an incremental part of every decision we make. To make sure customer feedback is systematically utilized, we will harmonize our customer feedback procedures in 2016 and adopt a systematic process to make sure right people have the right information at the right time. We want to make sure that we are able to use customer insights to develop our offering and processes with the ultimate goal: to offer a superior customer experience.

 We improve our customers' performance by providing safe, economically and environmentally feasible and efficient products, solutions and services – Our business is to deliver results to our customers.

Case

CUSTOMER PARTNERSHIP

Cooperation providing environmental and social benefits

Kalgoorlie Consolidated Gold Mines (KCGM) is one of Australia's largest gold producers. As part of its AUD 98 million Emissions Reduction Project, KCGM recently commissioned a new Metso carbon regeneration kiln to assist in the elimination of atmospheric emissions.

Roasting is the most efficient and cost-effective way to maximize the recovery of gold from ore, as it vaporizes sulfide minerals and other impurities, like mercury. The downside of roasting is the presence of sulfur dioxide (SO₂) and mercury in the off-gas emissions. Up until early 2015, KCGM used roasting at its Gidji Processing Plant.

KCGM's Air Quality Management Plan included provisions to stop roasting whenever prevailing winds were blowing towards the town and residential areas. This resulted in unplanned stoppages and the sacrifice of up to one third of available production time. KCGM is committed to being a good neighbor and has been exploring alternative concentrate treatment options since the 1990s.

After extensive trials at the Fimiston and Gidji Processing Plants, Ultra-Fine Grinding (UFG) proved to be a viable alternative to roasting. The Emissions Reduction Project included completely replacing roasting with a new 30tph UFG Mill at Gidji. Ultra-Fine Grinding uses 2.5mm ceramic balls to grind the gold concentrate into smaller particles. These particles are then put through a cyanidation process followed by adsorption onto activated carbon. The carbon is recovered and transferred to the elution circuit to strip the gold off the carbon, then rinsed in water and sent for regeneration, where the carbon can be "reactivated" for reuse by treating it in the carbon regeneration kiln.

Replacing the roasting process with UFG resulted in the elimination of atmospheric emissions from the Gidji Processing Plant. The implementation of UFG also had a significant impact on KCGM's downstream processes, creating the need for unique engineering solutions. Metso's long-standing partnership with KCGM in developing and implementing solutions and ongoing maintenance



encouraged KCGM to continue the relationship in this project, with Metso supplying the new carbon regeneration kiln.

By eliminating atmospheric emissions, the Emissions Reduction Project demonstrates KCGM's long-term focus on continuous improvement and commitment to the environment and community. Collaboration and knowledge sharing between the Metso and KCGM teams contributed to delivering a positive result.



> metso.com/showroom/mining/kgms-emissions-reduction-project-is-a-major-win-for-both-the-environment-and-community

Sustainable technology and services

Our customers are expecting sustainable technology with added value. We see that advanced technology and the ability to improve the performance of our customers' processes are the key drivers for our future success.

We continuously focus on research and development to provide customers with the best and most suitable technologies. We work closely with our customers to solve their challenges, and we bring sustainable solutions to help them improve their performance. Our capability to provide our customers with leading technologies is the bedrock for sustainable growth.

Services

Services is at the core of our business, and 63% of our net sales in 2015 came from services. We bring added value by solving our customers' challenges with our people, knowledge and solutions.

We drive our customers' growth through improved plant availability, reliability and safety, while reducing costs by increasing resource efficiency and minimizing environmental impacts. As an example, Metso's Life-Cycle Services solution can include streamlined start-up, wear parts optimization, efficient shutdown management and effective day-to-day maintenance.

Research and development

Based on conducted Life Cycle Analysis (LCA), the total environmental impacts of our products are generated when the products are in use. Because most of our products have a very long life cycle, we concentrate on developing sustainable solutions that reduce customers' resource needs and mitigate their environmental impacts.

Improved reliability, safety and minimizing emissions are the key focus areas in flow control

R&D. In Minerals, R&D is working to improve efficiency through reduced energy consumption, improved utilization of raw materials and enhanced water conservation. Reducing dust, noise, waste and emissions are also important priorities.

Metso has an innovation process to manage our research and development activities. In 2016, we will continue to develop this innovation process by introducing measurements for monitoring the extent of the environmental improvements of our solutions.

OUR APPROACH

- Continue to develop research and development processes to maintain our market leader position with sustainable and reliable products
- Invest in product traceability and management to improve customer safety and efficiency throughout the product life cycle
- Maintain long partnerships with customers through improved customer relationship management
- Better management of environmental targets through R&D



CUSTOMER-CENTRICITY AS A DRIVER FOR SUSTAINABLE GROWTH

At Metso we understand that achieving the top-line sustainable growth requires our daily focus to be on our customers and on how we can help them to succeed. This means keenly listening to their needs and proactively offering them our knowledge, people and solutions. One of our strengths is our wide network of service experts close to our customers; this gives us the ability to see and hear their needs daily and to proactively offer them our solutions.

Perttu Louhiluoto, President, Services, Metso



Case

SUSTAINABLE TECHNOLOGY



Fuel costs down by 40% with the new Lokotrack LT220D

The revolutionary two-in-one Lokotrack LT220D crushing and screening plant has enjoyed worldwide sales success since its launch in 2014.

The Norwegian contractor Finsveen Maskin AS was among the very first companies worldwide to start operating the new plant. Now after crushing and screening some quarter of a million tons of aggregates, Finsveen Maskin is able to verify that the LT220D really does boost production and significantly lower fuel consumption.

Metso also successfully reduced the weight of the new unit by about 10 tons compared to the old model. The fact that the lightweight model can easily be transported as one piece gives it a big advantage in crushing contracting.

> metso.com/showroom



The figures verified by us are very convincing. The LT220D cone crushing plant increases output by 25% while reducing fuel consumption by 40% compared to its predecessor, the LT110™ cone plant.

Runar Finsveen, Manager of Finsveen Maskin AS, Norway

Case

VALVE TECHNOLOGIES



Jussi Hellman
Manager, Materials
Engineering, Metso

Finding comprehensive solutions for even the most challenging applications

Solving customer challenges is the cornerstone of Metso's business and a competitive edge for us. Our valve solutions create many benefits for our customers. Extending the safe operating life and uptime with our valve solutions gives our customers processes that are more cost-effective and eco-efficient. Production process parameters can be maintained at an optimal level with valve materials and coatings that last longer in erosive circumstances. As a result production efficiency increases, safety is ensured, product quality is improved, and enhanced sustainable profitability is achieved.

Process malfunctions can lead to the release of excess emissions or to defective products. Our valve technology can be environmentally and financially beneficial for customers by preventing process disruptions, added costs and unnecessary environmental loads. The prolonged operating life of valves and their parts decreases

unnecessary raw material cycles and environmental load associated with the processing of excess raw materials.

We have developed outstandingly durable valves for demanding installations, such as oil refineries. One of their challenges is solid particles drifting among gas or liquid flows. These solid particles erode materials remarkably fast. Very often the erosion or corrosion is most severe in the part of the process where the flow is controlled by valves.

We have worked with customers to analyze the valve deterioration in these challenging areas of the processes. Based on the results, we have determined the best possible protection to improve the durability of the valves and to prolong the maintenance cycle. Moreover, in partnership with research institutes, we have developed a unique material that blocks the erosion and enables operating times that are multiple times longer than with the commonly used cladding material solutions.

The operating life of the valves is no longer factor determining the maintenance cycle. The longer operating lifetimes of the valves and the improved process availability directly increases the customer potential to utilize the processes longer than before and achieve sustainable growth.

Product safety

The safety of Metso products is one of the key drivers in our technology. Metso's product safety principles consider all aspects relevant to the safe installation, operation, service and maintenance of the products. In 2016 we will focus more closely on tracking the development of product safety at the Group-level.

The whole life cycle of a product must be considered in product safety. It is fundamental for our product design that our products are safe to operate and maintain. Another important aspect is to train our customers on the safe use of our products. Hazardous materials in products and operations are covered in our internal HSE audits.



Case

PRODUCT SAFETY

Uncompromised safety with a new maintenance platform for jaw crushers

Metso has designed a new maintenance platform for Nordberg C Series jaw crushers, enhancing reliability, safety and ergonomics during wear part changes.



Metso's new maintenance platform provides significant enhancement to safety with a small investment. It ensures easy and safe access into the crusher cavity and holds the jaw dies in place even if the jaw die mounting hardware is loose or removed. The lightness and easy adjustability to achieve a perfect fit are remarkable benefits.

Ilkka Somero, Global Product Manager, C Jaw, Metso



Read more

- > [youtube.com/watch?v=9td_Lm_32y4](https://www.youtube.com/watch?v=9td_Lm_32y4)
- > metso.com/products/jaw-crushers/nordberg-c-series-jaw-crushers

Case

OPTIMIZED SAFETY AND PERFORMANCE



Reaching the best performance with wireless systems, Metso ICr and Fleet Management

Lokotrack crushing and screening plants are moving frequently between different sites. Whether sites are urban or remote, service needs to be fast and accurate. ICr and Fleet Management help to optimize machine performance, save time, and maximize profits. ICr is a remote control unit for the crushing process and is located inside an excavator or wheel loader to bring added visibility and control to the process. It makes the operator's daily work easier and safer by providing remote access to the Lokotrack control system.

Fleet Management gives a daily overview of the Lokotrack fleet by showing hour counters, parameter changes, alarms, fuel consumption and location in a Metso Fleet Management portal. Data is sent via satellite and can be accessed anywhere with a computer. Fleet Management keeps track of how Lokotrack plants are operating and speeds up service and safe maintenance duties.



Read more

- > [youtube.com/watch?v=1QFLCUP9cdQ](https://www.youtube.com/watch?v=1QFLCUP9cdQ)
- > metso.com/solutions/intelligence-for-increased-performance



Performing together

We aim to provide safe and healthy working environment in a culture that supports performance and competencies. We work together with the local communities to create social value.

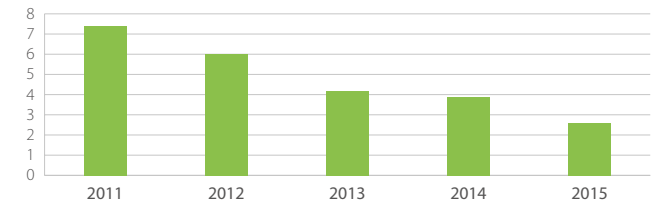


Health & safety

Prioritizing the health, safety and wellbeing of our employees, customers and partners in all our operations is fundamental to everyone at Metso. We believe that world-class safety comes from a combination of having the right attitude, making the right decisions and taking the right actions. Our goal is to guarantee a safe working environment for our employees and we are committed to taking responsibility for our own safety and for the safety of others.

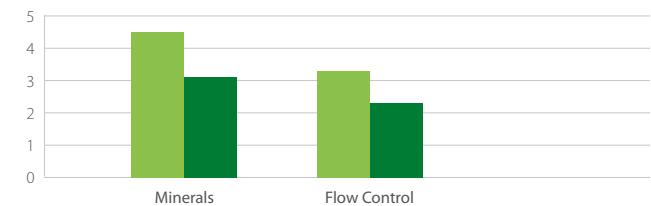
Our proactive approach to safety is integrated in our everyday management. We raise awareness about health, safety and environmental issues as part of our daily routines. Safety is not to be compromised under any circumstances, and we strive to have safety a part of every decision. We expect everybody at Metso to carefully plan their work and to act according to the rules and procedures set both globally and locally.

LTIF at Metso



● Lost-time incident frequency reflects the number of incidents resulting in an absence of at least one workday per million hours worked.

LTIF by segments



● 2014
● 2015

Metso continued to improve its safety performance. During 2015 we were able to cut the number of recordable incidents by 39% compared to 2014. Additionally, it was the second year in a row with zero (0) work-related fatalities. In 2015 our LTIF was 2.6 (3.9). Our occupational safety target is to achieve an LTIF of less than one. The LTIF of Non-Metso employees in 2015 was 6.0. The Non-Metso employees are contractors who are working on behalf of us in our own sites and in our customers sites.

Proactive approach to safety

We put a special proactive emphasis on a few specific areas of safety in 2015. One of those was Metso HIRA, the hazard identification and risk assessment approach to identify, assess and control hazards. We mapped and ensured controls for common risks shared by employees working at our sites. In addition to this, we further developed our task-based HIRA to accommodate Metso-specific needs. HIRA will also be one of the focus points in 2016.

Metso strongly encourages active risk observation reporting, which also supports the Metso HIRA. Risk observations allow us to make corrective actions before any incidents occur. The reporting of risk observations has increased annually due to effective safety-related campaigns. In 2015 the number of risk observations reported was 14,587. The near-miss and risk observation reporting were separated at the beginning of 2015; this enables us to focus on precautionary safety work more effectively.

Regardless of their position, we encourage all our employees and any others who act on behalf of Metso to openly discuss safety at all levels of the organization. Our yearly safety campaign, Metso Safety Pledge 2015, concentrated on safety conversations. A safety

conversation is a general discussion between two or more people about safety. The ultimate goal of the safety conversation is to reinforce positive safety behavior and to raise safety awareness at our locations. Safety conversations help us understand the variety of work tasks and to identify safe and unsafe work practices. A brief discussion can educate us on different ways of working safely and can lead to new development ideas. We aim to make safety conversations a daily routine for all managers in 2016 by including it into their personal targets.

We recognize that management has a vital role in the development of Metso's safety culture. We have increased the safety awareness of our management through safety training. We conducted a leadership program in Australia in 2015 and plan to run the same program in a few other Metso countries during 2016.

Our internal HSE audit function supports our proactive approach in HSE. We use a global audit program to ensure that our locations follow the health, safety and environment rules and instructions set by Metso and local laws. We concentrate on finding hidden hazards in our local work practices and we track good practices. Corrective actions are to be made within a certain timeline, depending on the severity of the finding. In 2015 our internal HSE audit was carried out at 22 locations, and hundreds of HSE-related actions were identified to quickly improve the safety at our locations. All major locations are audited every other year.

We will continue with our determined HSE work in 2016. One of the major themes will be contractor and supplier coordination. We will have a stronger focus on HSE issues when selecting contractors and suppliers. We will conduct performance evaluations and audits with added attention to ensuring that our contractors and suppliers reach our HSE standards.



Safety leadership training at Metso

Safety culture is about integrating safety into our daily processes. Over the last few years Metso Australia has made significant improvements to its safety systems. This has led to a cultural change that is reflected in the reduced number of injuries. The latest addition to improving the safety culture is the launch of the Safety Leadership program targeting the senior management level.

The Safety Leadership program aims to ensure that local managers have the confidence, ability and commitment to contribute positively to Metso's safety culture. By the end of 2015 some 150 managers and supervisors had completed the training.

“ Leading for safety is all about personal reflection. Many of us believe that we are good safety leaders and care for our people, but this program really makes you re-consider your own contribution and how you can improve.

Ross Wotherspoon, Senior Vice President, Australasia



Human rights in our operations

Respecting human rights in our operations not only contributes to positive human rights impacts, it also allows us to operate and improve our operational risk management through improved working conditions. Additionally, we build and maintain transparent stakeholder relations and a culture of sustainability.

Ongoing performance

Our policies and commitment create the foundation for our approach in respecting the rights of the people that are employed in our value chain and in the communities around our businesses. We have already integrated human rights in Metso values, assessments, processes and procedures. Metso's Code of Conduct defines our company values and practices. Our values and the Code of Conduct are the basis in training our employees to ensure ethical practices throughout our operations.

Our Code of Conduct also sets the foundation for our risk assessment process. To identify and manage human rights effectively, the Code of Conduct is an integral part of our risk assessment. Based on a risk management evaluation we conduct risk audits and execute an enforcement process to improve our practices. Our anonymous whistleblower channel is primarily intended for financial misconduct cases but in practice it is also available for other types of misconduct. Metso's Internal Audit visits all Metso locations regularly and is responsible for reporting any human rights offences it finds.

We want to promote equal opportunities and diversity among our employees. Our policy on equal opportunities and diversity describes our commitment to this, and Metso has an ongoing process to integrate these values in our employee relations and business practices.

Prioritizing safety is fundamental in our sustainable business development. A healthy and safe working environment is guaranteed to all of our employees, customers and partners.

Metso has zero-tolerance of any breach of rules. We have a global anti-corruption policy to describe our commitment to fight against corruption and bribery. Additionally, we have an anti-corruption training program for employees to increase awareness and transparency to prevent cases of malpractice.

Supply chain human rights are a globally recognized challenge and something that Metso takes very seriously. Metso has a global network of more than 7,000 suppliers, and we have to make sure that they commit to the same high standards that we have set for ourselves.



Deepening our knowledge on human rights

Metso is working to avoid causing or contributing to adverse human rights impacts that are directly or indirectly associated with our operations. Our ambition to respect human rights in our operations sharpens our focus on creating enhanced Metso-wide operating principles and a sustainability culture.

In 2016 we will assess our global performance against the United Nations' Guiding Principles for Business and Human Rights. Our aim is to deepen our knowledge about potential human rights impacts and

to achieve a strong commitment to human rights across our value chain and thereby achieve sustainable growth.

Community engagement

We want to support the sustainable development of the communities we operate in by contributing to the community through sponsorships and donations. Our focus in sponsorships and donations are local projects involving science, research and education, environmental protection, health and social, culture and sports, and youth activities.

Our main Group-level partners in sponsorships in recent years have been The World Wide Fund for Nature (WWF) (since 2002) and Plan International (since 2009). We have implemented various projects related to environmental protection with the WWF, including a new environmental efficiency project launched at the end of 2015. We will report on the results of this project in 2016. To find out more about our cooperation with Plan International, read the accompanying case on this page: "Metso and Plan continue their collaboration to promote

education for girls in India". Metso also participates in many other local projects, some examples are presented in the sponsorships and donations map.

Besides sponsorship projects, Metso provides donations and support for disaster relief. In 2015 we sponsored earthquake victims in Nepal with a EUR 15,000 donations through UNICEF. We also made a Christmas donation of EUR 15,000 to the Finnish Red Cross (FRC) Disaster Relief Fund.

Examples of sponsorship and donation initiatives in 2015

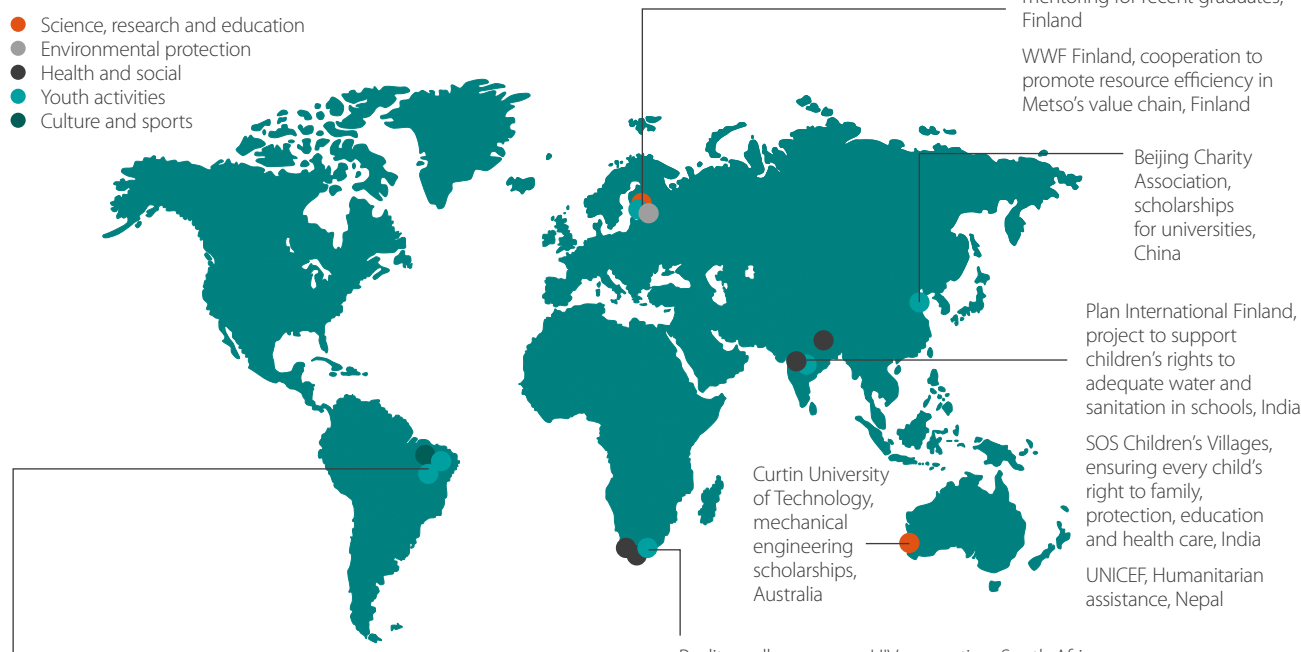
Number of projects

136 pcs

Total amount of sponsoring

EUR 0.87 million

- Science, research and education
- Environmental protection
- Health and social
- Youth activities
- Culture and sports



Metso cultural project – promoting culture for the community: sponsoring theater, classical music and Brazilian popular music, Brazil

Fishing project, complementing the academic education of children, Brazil

Funcad, child and adolescent support program, Brazil



Case

COMMUNITY ENGAGEMENT

Metso and Plan continue their collaboration to promote education for girls in India

Metso supports local activities that aim to improve the welfare of local communities. Metso and the child rights organization Plan International Finland have collaborated to help children in developing countries. The collaboration was started in 2012, and a new contract was signed in 2015.

Since 2012 we have collaborated with Plan on a project supporting children's rights to adequate water and sanitation infrastructure, including dedicated bathroom facilities, in schools. The project has covered 15 schools and 8 000 students, in Alwar, India.

The new four-year school project in Alwar continues on providing high-quality education for all children, and will especially benefit the girls. Over a four-year period, the project will reach about 8,000 girls and boys in 25 schools.

The schools participating in the project will receive proper teaching facilities, and the quality of education will be ensured through teacher training. The aim is to improve learning outcomes with science and math classes. Modern information technology will be utilized in teaching and the schools will also have libraries.

Metso and Plan joint project also aims to improve water and sanitation services in the rest of the 10 schools and raise student awareness of good hygiene practices.



IN THIS SECTION
Leadership and competence development
 > Cases
Employee Engagement
 > Cases

Network of Metso professionals – performing together

We can reach our goals only with engaged and competent employees

Metso is a global company with highly competent and committed industry professionals in more than 50 countries. Our over 12,000 employees form a network of dedicated colleagues. Metso's customer promise, "Expect results," means that we are focused on performing and delivering.

Metso's success is strongly founded on the knowledge, expertise and skills of our employees. In the Metso strategy our people have a central role, and People and leadership is one of our five must-wins, with a focus on developing Leadership, Right people, and Organizational efficiency. Metso's vision, mission and values form the foundation for the People and leadership must-win, and its overall target is to enhance business growth by enabling engagement and performance.

Personnel by area



- Europe 34% (38%)
- North America 16% (16%)
- South and Central America 20% (19%)
- Asia-Pacific 12% (11%)
- China 10% (9%)
- Africa and Middle East 8% (7%)



Read more

- > metso.com/careers
- > annualreportmetso.com > Metso 2015 PDF > Metso as an employer
- > annualreportmetso.com > Metso 2015 PDF > Metso People
- > metso.com > strategy
- > metso.com/geographicalfigures
- > People figures in the GRI-section

Leadership and competence development

To enhance the leadership and competence development of our employees, we have implemented global development portfolios, in which the learning solutions are strongly focused on our 70-20-10 approach (see graphic). Through this learning approach, we emphasize the importance of learning on the job: new or challenging situations related to everyday work are the best way to develop new competencies, especially when support is available from the manager and colleagues.

Our Leadership development portfolio is based on our strategy, leadership principles and the summarized findings of Metso 360 feedback. In addition to developing individual managers,

continuous work is ongoing to help managers in leading their teams' performance. See workshop cases on coaching and strategy communication.

Our Professional competence development portfolios have been developed in collaboration with the businesses to support our key strategic competence needs. In 2015, the supply chain has been one of our strategic competence development areas. See case about mentoring program.

Metso takes also social responsibility to the local level by supporting the employment and development of newly graduated young people. See case example of trainee program in Finland.

Metso learning approach 70-20-10



Case

LEADERSHIP AND COMPETENCE DEVELOPMENT

"Coach for success" workshop

One of the key aspects in leadership is to develop and motivate team members to find solutions on their own. Engaging people in decision making also translates to higher commitment. In India, the workshop "Coach for success" tackled these questions with a local twist.

The purpose of the "Coach for success" workshop is to support managers in using a coaching leadership style in development and other discussions with their team members. **Himanshu Srivastava**, business owner of the workshop in India, notes that the coaching aspect was built into the workshop:

"One of the exercises gave a real-life example of how to conduct a discussion with team members and colleagues and come up with

joint options around an issue at hand. I found this quite useful, as it differed from our traditional approach."

Each participant had gone through a 360-degree evaluation before the workshop to identify personal development needs. Srivastava has ten years of experience in leadership positions, and he currently works as part of the management team of Metso Business IT services with global responsibility for IT user support.

"Networking and interpersonal skills are crucial in the service function. The workshop gave good tips on how to improve these areas and encouraged communication with various stakeholders. We already put one idea into practice: in order to exchange ideas and ensure collaboration, my team members have started a monthly open house meeting in which they share current actions and challenges with their colleagues," Srivastava says.

Collective creativity into action

Even though the Leadership development portfolio has a global core, there is some room for local modifications in the workshops. In India, the "Coach for success" workshop also included locally identified needs, such as presentation skills. A coaching style can be used while giving a presentation as well as in a one-on-one discussion.

Srivastava participated in the workshop in October 2015. It inspired him to further develop his coaching approach:

"I have been learning to use 'collective creativity' to coach my team members. Instead of just giving a solution, I try to provide pathways for everyone to come to a solution together," Srivastava explains.

"I am now experimenting with this approach in my action planning for 2016. I used to provide my team leads with high-level targets, but this year I have left things more open and have asked them what they think we should be doing as an organization. The initial results have been quite promising – I'm seeing more ideas, more ownership from the team and more confidence to take risks in being innovative."



Himanshu Srivastava

Director, User Support Services,
Information Technology in Metso
Business IT Services, from India

Case

LEADERSHIP AND COMPETENCE DEVELOPMENT

People make the strategy come alive

In order for Metso's strategy to be successful, it is important that all employees understand their role in the big picture. Connecting the strategy to the everyday work is a challenging job for managers. At a workshop held in China, a group of Metso managers exchanged their views on strategy communications.

The workshop "Make the strategy come alive in your team" is part of Metso's Leadership development portfolio. It helps managers to host a strategy workshop for their team by providing tools to facilitate strategy discussions. The workshop is also a chance to network with managers from other departments and to hear how the other businesses approach the strategy.

"The workshop was a good opportunity for us participants to express our ideas on the strategy and to discuss the link between our own work and Metso's long-term targets," says **Ziqiang Li**, General Manager in Construction Sales, who participated in the workshop in September 2015.

He notes that it was very beneficial to include people from different departments, as their perspectives might differ:

"Open discussions about different points of view help to form a common understanding of the strategy and ultimately support our future cooperation. I think it is important that each person processes the strategy in order to believe in it. In fact, we should be able to communicate strategy in three directions: from top to bottom, from bottom to top, and also between departments. In the end, leadership not only relates to direct team members, it is also about driving your team along with other departments towards the target."

New ways to discuss strategy

Ziqiang Li has been a manager for six years, and currently his team consists of five people. Regarding the workshop, he stresses the importance of open communication as a key to putting the strategy into practice.

"The way I see it, a manager should lead the team members to understand and focus on the business opportunities the strategy brings. Also, a manager should always maintain a positive attitude and create an open atmosphere where everyone can speak their mind. If any difficulties emerge in implementing the strategy, the manager should help the team in finding the reason for the problem and then solving it."

To openly exchange thoughts on the strategy, Ziqiang Li established a mobile chat group for his team. The chat group helps the team to keep in touch whenever questions are raised.

"In the future, I'm also planning to invite other departments to attend our strategy sessions; that will help my team to approach the strategy from different angles."



Ziqiang Li
General Manager,
Construction Sales China,
based in China



Case

LEADERSHIP AND COMPETENCE DEVELOPMENT

Mentoring provides new perspectives

In 2015, supply chain was one of our strategic competence development areas. In order to enhance knowledge sharing and global networking across Metso, and as part of our Professional development portfolio, we introduced a cross-organizational mentoring program for people working in supply chain-related roles. The first program was kicked off in January 2015 with 12 participants in six mentoring pairs. The pairs were matched so that each pair had a mentor and a mentee from a different business and from a different country.

After the kick off, each of the mentoring pairs had 5–6 meetings before the joint wrap-up session for the whole group in June. The program was held almost entirely using online communication tools. Based on the feedback, both the mentors and mentees appreciated the opportunity to learn more about the practices in other Metso units. **Ricky Zhou**, one of the participants, notes: "It was a good learning opportunity, especially as the mentee and the mentor came from different businesses. That helped in looking at issues from new perspectives and in coming up with out-of-the-box ideas."

For mentees, the program provided a unique opportunity to gain a deeper understanding of the Metso supply chain organization, but also to reflect on their daily challenges and own ways of working with someone more senior and able to provide a wider perspective. "The mentoring helped and supported me not only in supply chain issues, but also in other topics. Mentoring gave me perspective, and I learned to approach and solve problems in a calm and systematic way," says program participant **Abduelkadir Cevik**.

As a result of the positive experiences, a similar program will be organized in 2016.

The mentoring helped and supported me not only in supply chain issues, but also in other topics. Mentoring gave me perspective, and I learned to approach and solve problems in a calm and systematic way.



Abduelkadir Cevik

Order Processing Manager
in Flow Control
Global Operations,
based in Germany

It was a good learning opportunity, especially as the mentee and the mentor came from different businesses. That helped in looking at issues from different perspectives and in coming up with out-of-the-box ideas.



Ricky Zhou

Manager, Customer Order
Engineering in Flow Control
Global Operations,
based in United States

Case

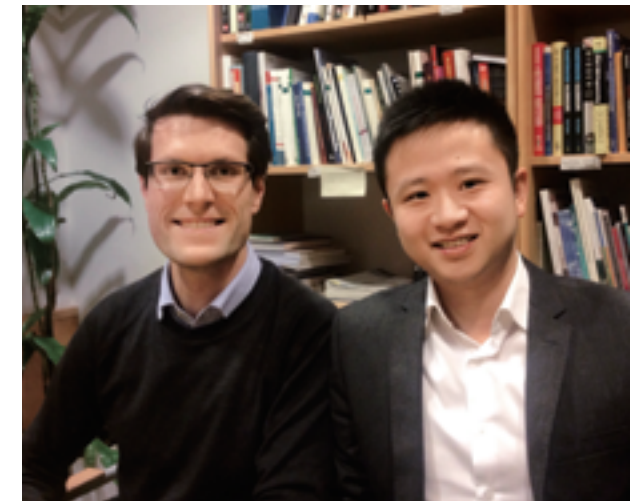
LEADERSHIP AND COMPETENCE DEVELOPMENT

Traineeship gives a foothold in the job market

Metso takes social responsibility to a local level in a number of ways, including by supporting the employment and development of newly graduated young people. For example, in Finland we participated in a trainee program aiming to support young graduates moving into the job market. The idea behind the program initiated by the Mentors of Finland Association is that getting some work experience makes it easier to apply for the next position. As part of the program, Metso offered eight trainee positions for recent graduates.

"I have seen how this global company and its international teams operate, and I got full exposure to the Metso culture. In addition, I have learned many useful analytical skills that will be valuable going forward," says **Mika Bäckman**, who worked as a trainee in the business intelligence team in the Group Strategy department.

➤ Read more about the trainee program: metso.com/careers



Mika Bäckman (on the left) and Yu Chen from Metso's Strategy department.

Employee engagement

We can reach our goals only with engaged and competent employees. The overall target of the People and leadership must-win is to enhance business growth by enabling engagement and performance.

An important building block of engagement is the match between the employee, the job and the organizational culture. Metso's unique employer brand is at the core of attracting the right kind of people to work with us and in ensuring the continued engagement of our employees. In 2015 we implemented our new employer brand and renewed our recruitment process globally. See case about employer brand implementation.

To support managers effectively in leading their people, in 2015 our focus was on implementing renewed people processes along with a new cloud-based tool, PeoplePoint. This comprehensive approach supports strategy implementation and increases visibility and transparency across all processes. For example, we now ensure that recruitment is done in a systematic and structured way around the world, and our renewed Performance Review process provides an even better opportunity to tie the team's and the employees' targets to the Metso strategy. See case about tool implementation.



The new employer brand is in active use for example in job fairs.

Case

EMPLOYEE ENGAGEMENT



Join the network – attracting the right people is crucial for success

Every recruitment is an investment in Metso's future, so it is important to have people who can contribute and grow in line with the company business targets. To attract the right talent, Metso renewed its employer brand in 2015.

The idea behind the renewed employer brand is that Metso needs to attract the right kind of people in order to achieve its business targets. In practice, this means that our resourcing has a strategic focus: we need to find people with the right competencies, mindset and values for our organization, and who appreciate what we offer our employees as an organization. We also want to support our employees in professional development by, for example, offering opportunities for internal mobility.

The renewal of the employer brand started in 2014 by identifying the three core themes: 1) Metso combines challenging tasks with a respectful and friendly working environment, 2) we work with world leading solutions, and 3) we have a global yet tight-knit network of colleagues. During 2015, we implemented these themes in different channels, such as on the Careers pages on Metso's website and in social media. We also revised all global recruitment materials, such as ads for open positions, presentations and the recruitment fair concept. The employer brand also defines how applicants are treated during the recruitment process, e.g. by emphasizing an open dialogue at each step. In addition to the global actions, there are regional implementation plans to address more specific local needs.

Metso's unique employer brand is at the core of attracting and retaining the right kind of people to work with us, and it is reflected throughout our renewed recruitment process and tool globally.

metso.com/careers

Case

EMPLOYEE ENGAGEMENT



Right tools to support performance

Metso's success is a result of the expertise and competence of our employees. That's why it is crucial that we support managers and employees in a timely manner and provide the right processes and tools to enable them to perform at their best. In 2015 we implemented a new people data tool that enhances the transparency and quality of people management.

Metso's new people data tool, PeoplePoint, is a key vehicle for driving the digitalization of our people processes. By the end of the year, the cloud-based tool was implemented for recruitment, onboarding, succession planning, performance management, bonuses, development discussions and salary planning.

According to **Simon Pelletier**, Global Sales and Marketing SVP in Services, PeoplePoint strengthens the opportunity to link personal targets to Metso's strategy and improves the transparency of communication between a manager and employee:

"PeoplePoint helps to align the team's performance to Metso's strategy. For example, in the Performance Review discussions the tool enables more personalized targets to be created and connected with the business objectives. That is essential, since Performance Reviews should be all about understanding your own role in the company strategy."

More opportunities for career planning

In practice, the enhanced transparency means that PeoplePoint gathers together all the career-related data: employment information, personal targets and development plan. It is also interactive, so employees can manage their own employment data.

"By encouraging people to review their personal targets and development plans together with their manager when, for example, changing roles or responsibilities, we are actually helping them to take ownership of their professional development. This, in turn, improves our employees' engagement and opportunities for career planning," Pelletier adds.

The recruitment process is another example of enhanced career planning. Metso's recruitment process was renewed as part of the new employer brand, and with PeoplePoint it is more structured and systematic across the world. For managers, the tool offers improved follow-up and visibility of all the recruitment processes under way in their organization. For employees, PeoplePoint gives access to Metso's internal job market; for example, employees can use the tool to create a candidate profile and set up job alerts.



Simon Pelletier

Global Sales and
Marketing SVP in
Services, from Canada

Contributing to the environment

The responsible use of resources underpins the long-term success of our business.



Environmental efficiency of our own production

Sustainable use of resources underpins the long-term success of our business. A global operating environment brings opportunities and risks that we must recognize throughout our value chain. By increasing the eco-efficiency of our production, we are able to reduce our overall environmental footprint and achieve cost savings.

Recent development actions

Various development projects were launched at our locations globally in 2015. A global environmental training program was rolled out to improve our employees' environmental awareness. The training supports our global network of HSE personnel in their proactive efforts related to environmental risk observations.

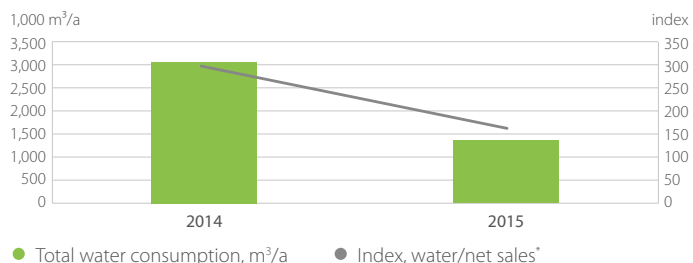
To help our sites improve their environmental efficiency, we focused on defining their environmental status by mapping potential risks and opportunities at each site. Additionally, we launched waste and water audit tools to support efforts to reduce water consumption and waste generation and thus achieve savings. The audit tools include best practices for water and waste management.

Our audits track the development of health, safety and environment-related issues at Metso. The focus of the internal HSE audit function in 2015 was on environmental issues in which improvements were needed. Based on the findings of the audits, the corrective actions are launched and will be followed.



Since the beginning of our energy efficiency program, a total of 46,400 MWh of energy has been saved through a wide range of actions around the world.

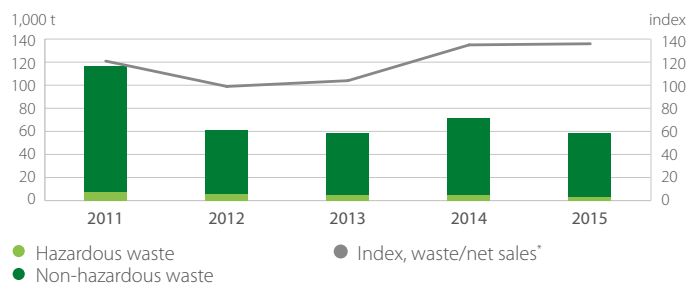
Water consumption / net sales



* The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value.
 ** We only report comparable years in this graph. Years 2010–2013 were reported without surface water.

Decrease in our water consumption was partly caused by site closures and partly because in 2014 consumption included a leakage at one plant.

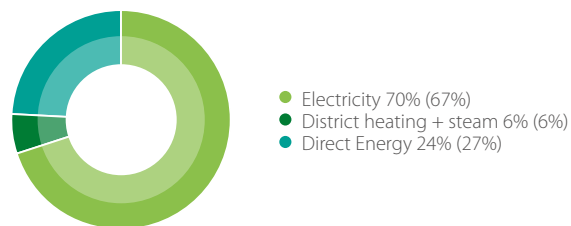
Annual waste / net sales



* The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value.
 ** The figures from 2012 onwards describe Metso's current structure.

Annual waste reduced partly due to site closures and partly to waste reduction actions taken at our plants.

Metso's operative carbon footprint



The operative carbon footprint's distribution did not change significantly relative to 2014.



Future focus areas

Developing our environmental efficiency is a continuous process. In 2016 we will continue to map risks and opportunities and launch action plans to improve our responsible use of resources.

Understanding how we manage, use and dispose of water, waste and wastewater globally is a basic default. We have Metso-

wide targets to reduce water usage by 15% and waste by 15% by 2020. A comprehensive water and waste audit will be done in 2016 by each location to raise awareness on eco-efficiency and to identify new efficiency opportunities. After the audits we focus on creating site-specific action plans to support the achievement of our ultimate 2020 targets.

Creating a sustainability culture at our production sites is important, but we also need to observe sustainable actions in our offices. In early 2016 we will launch a global HSE program to improve environmental awareness and safety at offices.

Metso's emissions reductions and energy efficiency

We measure our energy usage and direct (scope 1) and indirect (scope 2) emissions for each of our business units and at the Group level. Metso strives for continuous reductions in energy use to minimize our environmental footprint. We set Group-wide targets in 2009 to reduce the energy consumption and the carbon dioxide emissions of our own production by 15% by 2015 and by 20% by 2020 compared to our business volume. In 2010 we launched a Group-wide energy efficiency program to find new opportunities to decrease energy consumption at our locations.

In 2015, Metso achieved a total of 3,100 MWh (900 tCO₂) energy savings from its own production. Since the beginning of the program, 12.5%, i.e. a total of 46,400 MWh of energy has been saved through a wide range of actions around the world. These actions have reduced CO₂ emissions by 12.5% (15,600 tCO₂). Despite our efforts to lower our emissions, our actions were not enough and we fell short of our energy consumption and CO₂ emissions reduction target. We reached our target to reduce energy consumption by 15% in the production units that have been part of our operations for the full period of the energy efficiency program. The reduction was smaller in units that have joined Metso after 2010.

Environmental impacts of our value chain

Metso's aim is to minimize environmental impacts throughout the value chain, which is also supported by calculation of indirect emissions from our value chain (scope 3). It is essential that we increase our understanding of our total environmental impact and to work with our suppliers to mitigate the impacts. We assess our scope 3 emissions annually.

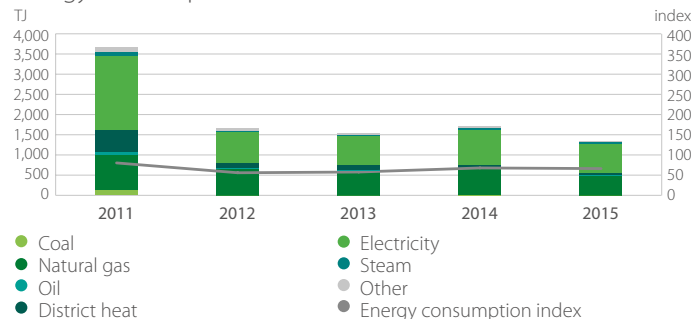
Our understanding of scope 3 calculations is based on an analysis started in 2013. Since then, we have increased our ability to better manage the environmental impacts of our value chain. In the future, we will also focus on the environmental impacts of our supply chain and on improving our reporting of our scope 3 emissions in an effort to minimize our environmental footprint.

Business travel

One of the activities included in scope 3 emissions is business travel. Metso strives to reduce its need for internal travel by providing and investing in alternative methods to organize meetings remotely, for instance by providing video conferencing equipment, web and telephone conferences.

We aim to support environmentally friendly options in our travel decisions whenever it is also economically feasible. Metso's travel policy is the foundation for our approach to mitigate our CO₂ emissions from business travel. Metso currently monitors and reports CO₂ emissions stemming from business travel in Finland, Sweden, North America and China, which totaled approximately 10,200 tCO₂ in 2015 and accounted for 45% of Metso's workforce. In other countries in which Metso operates, business travel data is monitored, although not systematically.

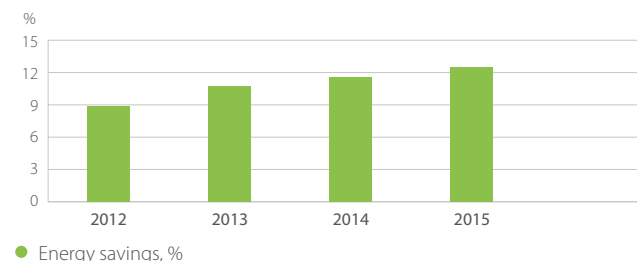
Energy consumption



* The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value.
** The figures from 2012 onwards describe Metso's current structure.

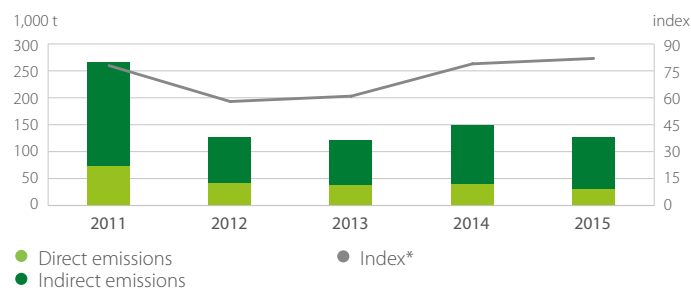
Our energy consumption decreased both due to site closures and energy efficiency actions at production sites in operation in 2015.

Summary of energy saving actions



Despite our energy saving actions increased, they were not enough and we fell short of our energy consumption and CO₂ reduction target. We aim to continuously improve our saving actions also in newly acquired operations.

CO₂ emissions



* The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value.
** The figures from 2012 onwards describe Metso's current structure.

Our CO₂ emissions decreased mainly due to reduction in energy consumption.

A photograph of industrial machinery, likely a large mill or conveyor system, with blue and yellow structural elements. The machinery is complex, with various levels, railings, and pipes. In the background, there are large, curved structures, possibly storage silos or parts of a factory roof, and a hazy landscape with hills under a clear sky. The foreground is slightly blurred, showing a white, curved surface.

Responsible supply chain

We want to ensure our sustainable business operations through responsible supply chain management.



Supply chain management

Metso has a network of more than 7,000 suppliers globally. Our suppliers deliver the parts, materials, services and contracted employees we need to support our business.

Our intention is to drive sustainable profitability for our stakeholders through cooperation with our suppliers and, at the same time, strive to mitigate our negative social and environmental impacts and deliver benefits for the communities we work in. We need to make sure that our suppliers commit to the same high standards that we set for ourselves. To ensure the quality and sustainability in our supply chain, we have extensive processes covering the whole network of suppliers.

Sustainable supply chain management

Besides assuring the reliability in our supply chain, we are aware of other increasing sustainability concerns related to our growing supplier network. Sustainable supply chain management necessitates that we follow our company values. Metso's Code of Conduct and sustainable development criteria for suppliers set the standards that we expect our suppliers to follow, and they are the starting point to any new or existing business relationships.

We have integrated sustainability aspects into our procurement processes. We consider sustainability aspects effectively in supplier evaluations to minimize the risks and develop the opportunities related to quality, social aspects, such as human rights, and environmental aspects.

Risk mapping of the existing suppliers

Building a more transparent supply chain started in 2014 when we carried out a risk mapping of sustainability-related risks within our existing



suppliers. By defining the risk levels we were able to focus on suppliers with the highest potential risks in their operations. These potential high-risk suppliers conduct a self-assessment related to their sustainability practices. In the future, we are going to require all new and existing suppliers to conduct the self-assessment.

Supplier audits

Based on risk screening and self-assessments, we decide if there is a need for third-party audits. Metso's third party audits are conducted very thoroughly and cover many sustainability aspects, including HSE, product safety, labor and other human rights, and risk management.

In 2015 we started conducting comprehensive third-party audits concentrating completely on sustainability issues with Metso's potential high-risk suppliers. In 2015 we conducted eight audits of our Chinese suppliers. Our aim is to audit at least 15 suppliers annually, excluding possible re-audits. In 2016 we will continue auditing our high-risk suppliers in China, India and Brazil.

Audit outcomes are analyzed by sustainability experts, and, if necessary, suppliers are required to implement corrective action in a given timeline. Suppliers are required to provide Metso with evidence of the implemented corrective actions and are subjected to a re-audit if needed. The focus is to increase the sustainability knowledge of our Procurement department so that they have the ability to control the potential corrective actions comprehensively.

Screening new suppliers

Screening new suppliers is included in Procurement's ongoing processes, and we evaluate the majority of our new suppliers against HSE aspects. In our Flow Control business area, Procurement conducts audits of all potential suppliers. In October 2015 Flow Control had taken a more formal approach to the HSE evaluation in the audits of new suppliers, including a more comprehensive HSE check list and documentation. The majority of the new suppliers in our Minerals business area are being audited against basic HSE questions. We have recognized the need to deepen our new supplier HSE screening in the Mining business area, which uses a self-assessment tool for new suppliers; the target in 2016 is to get all the new suppliers to fulfill the assessment.

Based on the sustainability risk assessment of the new supplier, Procurement decides on the need for an in-depth audit and further actions. If the supplier is not able to fulfill our sustainability criteria and the cooperation in developing the supplier's shortcomings is impossible, the supplier will be declined.

Future development

We have developed many processes to tackle the possible challenges in our supply chain, but we still have room for improvement. It is important that we continue the liaison between our sustainability resources and Procurement function to provide them an in-depth sustainability grasp and know-how to be integrated into Procurement's processes. The main targets are to develop integral processes at the Group-level and to widen our internal knowledge of sustainable supply chain in order to perform advanced internal audits. We will also continue to conduct third party audits.

Another important action point is to concentrate on the co-operation with our suppliers. Training suppliers helps them to adopt sustainability practices more precisely. In 2016 we will begin developing better communication practices in order to better manage supplier relationships and support our suppliers in the effort to improve their processes.

These actions will enable us to create shared value through our sustainable supply chain. Through constructive partnering with our suppliers, we are able to share our sustainable practices and uphold our suppliers' sustainable business – creating mutual business

opportunities and benefits for other related stakeholders, such as local communities.

Contractors

Contractors work on behalf of Metso but are not our direct employees. We utilize contractors in all our operations. We want to make sure that our contractors have the same non-compromising attitude towards our standards as our own employees. We are working to improve the pre-auditing process and training requirements of our contractors.



Through constructive partnering with our suppliers, we are able to share our sustainable practices and uphold our suppliers' sustainable business.

General operating principles

Our general operating principles serve our mission to contribute to a more sustainable world by helping our customers to process natural resources and recycle materials into valuable products more efficiently. In our efforts to fulfill this mission, we uphold our commitment to our Code of Conduct and to selected, globally acknowledged guidelines and principles.

Code of Conduct

Metso's Code of Conduct creates a uniform foundation for all business transactions and work assignments. The Code of Conduct encompasses issues, responsibilities and practices supporting Metso's sustainability and success, and provides us and our stakeholders with commonly accepted guidelines and perspectives for future decisions. The Code of Conduct also describes our company culture, commonly accepted practices, and our commitment to compliance with laws and regulations. Metso's Code of Conduct is available on our website and is translated into 11 languages.

In addition to the Code of Conduct, Metso also has other policies and guidelines to support our sustainable business practices. These include, for example, Metso's Anti-corruption Policy to describe our zero-tolerance approach to bribery and corruption. Our Health, Safety and Environment (HSE) Policy defines our commitment to responsible management of HSE in



our own operations and in stakeholder collaboration. We want to provide equal opportunities and diversity at the workplace, as described in our Equal Opportunity and Diversity Policy.

Responsible people management policies at Metso ensure compliance

The Metso HR management team drafts policies, principles and guidelines related to people management and is responsible for monitoring them in accordance with the governance model. The HR organizations are responsible for implementing the policies, principles and guidelines, and for supporting country-specific compliance.

International principles and guidelines

Metso joined supporters of the UN Global Compact in 2006. As a supporter, we are committed to annually communicating on the UN Global Compact website how we have advanced in the development of our activities in the defined areas. Metso also supports and operates according to the principles described in the OECD Guidelines for Multinational Enterprises and the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work.

Certificates

In our sustainability management we comply with several international standards, such as quality management standard ISO 9001, environmental management standard ISO 14001 and health and safety management standard OHSAS 18001, and many of our business units have gained certification to these standards. 26% of all our operations are covered by ISO 14001 certification, 22% by OHSAS 18001 certification and 66% by ISO 9001 certification. The coverage is calculated by the number of employees working in certified facilities.



EXAMPLES OF METSO'S GLOBAL PEOPLE MANAGEMENT POLICIES AND GUIDELINES:

- Health, Safety and Environment Policy
- Anti-drug Guidelines
- Metso Leadership Principles
- Metso Recruitment Policy
- International Assignment Guidelines
- Personnel Background Checking Guidelines
- Job Description Guidelines
- Equal Opportunity and Diversity Policy
- Global Bonus Plan Guidelines
- Localization Guidelines for Expatriates
- Guidelines for Company Support and Funded Studies
- Performance and Rewards Principles

Key Performance Indicators

Value for stakeholders & sustainable supply chain

ECONOMIC PERFORMANCE		
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (G4-EC1), EUR MILLION		
	2014	2015
Customers		
Sales	3,658	3,229
Suppliers		
Operating costs	2,042	1,559
Employees		
Wages and benefits	799	685
Public sector		
Taxes	93	73
Shareholders		
Payments to providers of capital	150	217
Creditors		
Interest	69	39
Communities		
Sponsorship and donations	0.72	0.87
Economic value retained	504	655

2014 figures have been revised to meet GRI G4 guidelines. Indicator reported for the first time in 2015.

Income taxes paid, largest countries	2014	2015
USA	58	32
Brazil	6	16
Chile	10	11
China	11	7
Peru	5	5
India	4	3
Australia	3	3
Singapore	2	2
METSO INDICATOR: SUPPLIER AUDITS		
	2014	2015
Number of third party audits in supply chain	-	8

Indicator reported for the first time in 2015.

Contributing to the environment

ENVIRONMENT		
ENERGY CONSUMPTION WITHIN THE ORGANIZATION (G4-EN3), TJ		
	2014	2015
Direct energy consumption by fuel		
Natural gas	620	492
Coal	11	0
Heavy fuel oil (HFO)	4	4
Diesel	18	18
Liquefied petroleum gas (LPG)	31	27
Indirect energy consumption		
Electricity	859	697
District heat	119	70
Steam	47	52
Total energy consumption	1,710	1,359

Cooling consumed and sold is included in the electricity. The consumption figures are calculated based on invoicing. Standard conversion factors are used (SI). No fuel consumption from renewable sources in 2015.

REDUCTION OF ENERGY CONSUMPTION (G4-EN6), TJ		
	2014	2015
Reduction in energy consumption as a direct result of conservation and efficiency initiatives	156	167

Reductions in energy consumption include electricity, heating, cooling, steam and fuel since baseline year 2010.

TOTAL WATER WITHDRAWAL BY SOURCE (G4-EN8), 1,000 M ³		
	2014	2015
Surface water	2,410	969
Groundwater	42	56
Rainwater	0.4	0.1
Municipal water or other utilities	610	332
Total	3,063	1,357

Municipal water and other water utilities are reported by each unit based on invoicing.

Groundwater and rainwater are calculated by unit records and methodologies; some assumptions are also used.

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) (G4-EN15), TCO ₂		
	2014	2015
Scope 1 emissions	39,469	30,896

All the emissions are reported in tCO₂. EN15-EN19 GHG emissions reporting covers only CO₂. Metso does not have any biogenic CO₂ emissions in its operations.

ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) (G4-EN16), TCO ₂		
	2014	2015
Scope 2 emissions	109,136	96,366

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3) (G4-EN17), TCO₂

	2014	2015
Purchased goods and services	507,163	418,256
Fuel and energy related emissions	18,268	18,423
Upstream transportation	68,803	129,069
Business travel	17,000	10,165
Downstream transportation	33,128	62,144

Metso has assessed its indirect scope 3 emissions based on the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard. The analysis is based on the monetary value of purchased goods and services by supplier type, and environmentally extended input-output matrices from EXIOBASE.

Metso's supplier data is broken down into 72 individually studied categories and 44 countries or geographical areas. DEFRA's emission factors have been used to calculate conversion factors.

Fuel and energy related scope 3 emissions include emissions that are not included in scope 1 or 2.

Metso currently monitors and reports scope 3 emissions stemming from business travel in Finland, Sweden, North America and China, which accounts for 48% of Metso's workforce.

Upstream transportation emissions are based on the analysis of the monetary value of transportation services by transportation mode and country, and environmentally extended input-output matrices from EXIOBASE. The data used covers 99% of Metso's transportation spend. The data used in 2014 calculations did not include the whole spend. In 2015 the data is more accurate.

Scope 3 emissions have not been assured by an independent third party.

REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS (G4-EN19), TCO₂

	2014	2015
Reduction of emissions	14,783	15,542

The emissions reduction achieved is calculated on the basis of the reduction in energy consumption since baseline year 2010, based on invoicing and conversion to CO₂ emissions.

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD (G4-EN23), T

	2015
Hazardous	
Recycling	680
Recovery	108
Incineration	330
Landfill	1,686
On-site storage	3
Total	2,807
Non-hazardous	
Recycling	11,976
Composting	84
Recovery	1,474
Incineration	987
Landfill	41,194
Total	55,715

The waste disposal method has been determined based on information provided by the waste disposal contractor. Reuse is not significant in Metso's operations. The hazardous landfill waste includes sand from the foundries. It is handled appropriately at the landfill sites.

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS (G4-EN24)

	2014	2015
Spills	0	0

Performing together

ORGANIZATIONAL PROFILE		
20 LARGEST COUNTRIES BY PERSONNEL (G4-6)		
	2014	2015
Finland	2,699	1,735
USA	2,030	1,673
Brazil	1,680	1,330
China	1,424	1,189
South Africa	967	833
Chile	791	771
India	871	761
Sweden	798	751
Australia	574	518
France	592	497
Germany	450	400
Canada	487	288
Mexico	299	279
Czech Republic	249	244
Peru	254	240
Russia	309	166
Spain	134	131
United Kingdom	131	101
Denmark	90	88
South Korea	87	84

When comparing the figures, it should be noted that 2014 figures include only active employees and 2015 figures include both active and inactive employees.

EMPLOYMENT TYPES (G4-10)						
	2014			2015		
	female	male	total	female	male	total
By employment contract type						
Permanent	2,380	11,262	13,642	2,017	8,954	10,971
Temporary	390	1,612	2,002	298	1,350	1,648
By employment type						
Full-time	2,240	11,192	13,432	1,903	8,899	10,802
Part-time	140	70	210	114	55	169
By region						
Europe	1,188	4,689	5,877	946	3,384	4,330
South and Central America	383	2,644	3,027	321	2,302	2,623
North America	486	2,031	2,517	422	1,539	1,961
Asia Pacific	203	1,504	1,707	184	1,309	1,493
China	336	1,088	1,424	280	909	1,189
Africa and Middle East	174	918	1,092	162	861	1,023
Total	2,770	12,874	15,644	2,315	10,304	12,619

When comparing the figures, it should be noted that 2014 figures include only active employees and 2015 figures include both active and inactive employees. Metso does not collect this information about supervised workers in global HR reporting.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (G4-11)

Metso supports the freedom of association for all our employees and the right to collective bargaining. 51% of Metso employees are covered by bargaining agreements in 2015. The percentage varies widely between regions; it is highest in Europe (89%) and lowest in North America (7%) and China (7%).

EMPLOYMENT

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION (G4-LA1)

NEW HIRES	Number of new hires	% of total new hires
By age group		
< 30	612	45%
30–50	643	47%
> 50	104	8%
By gender		
Female	215	16%
Male	1,144	84%
By region		
Europe	342	25%
South and Central America	559	41%
North America	126	9%
Asia Pacific	133	10%
China	105	8%
Africa and Middle East	94	7%
Total new hires	1,359	100%

TURNOVER	Number of leavers	% of total leavers
By age group		
< 30	571	23%
30–50	1,326	54%
> 50	578	23%
By gender		
Female	383	15%
Male	2,092	85%
By region		
Europe	522	21%
South and Central America	821	33%
North America	525	21%
Asia Pacific	224	9%
China	227	9%
Africa and Middle East	156	6%
Total turnover	2,475	100%

LABOR/MANAGEMENT RELATIONS**MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS (G4-LA4)**

Notice periods and the time period for the consultation process related to operational changes varies by country and region. Minimum notice periods are based on the local labor legislation of each country we operate in.

OCCUPATIONAL HEALTH AND SAFETY**TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND GENDER (G4-LA6)****OWN EMPLOYEES**

Types of Injury	2015
Superficial injuries and open wounds	55%
Dislocations, sprains and strains	8%
Burns, corrosions, scalds and frostbites	7%
Fractures	5%
Concussion and internal injuries	3%
Traumatic amputations	1%
Acute poisonings and infections	1%
Other specified types of injury	3%
Unspecified	18%
Total	100%

According to ILO classification, % of total injuries.

Injury rate	2014	2015
By region		
Europe	15.0	17.4
South and Central America	18.8	9.7
North America	43.8	25.9
Asia Pacific	14.1	14.6
China	14.9	8.0
Africa and Middle East	28.4	13.6
Total	21.3	15.6

Includes lost time, restricted work, medical treatment and first aid incidents.

Total recordable incident frequency	2014	2015
By region		
Europe	8.5	7.5
South and Central America	8.7	5.9
North America	15.6	10.9
Asia Pacific	7.3	3.8
China	10.5	6.0
Africa and Middle East	5.9	3.9
Total	9.5	6.8

Includes lost time, restricted work, and medical treatment incidents.

Lost time incident frequency	2014	2015
By region		
Europe	5.8	3.7
South and Central America	2.3	2.3
North America	3.1	2.1
Asia Pacific	1.4	0.0
China	6.7	4.0
Africa and Middle East	0.9	1.9
Total	3.9	2.6

Lost time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked. LTIF is based on fatalities, lost time incidents resulting in absence of one to three calendar days, and lost time incidents resulting in absence of four or more calendar days absence. Not reported by gender because it is seen as not significant.

Risk observation frequency	2015
By region	
Europe	402
South and Central America	1,145
North America	197
Asia Pacific	469
China	500
Africa and Middle East	452
Total	545
Includes risk observations	

Lost day rate	2014	2015
By region		
Europe	0.19%	0.11%
South and Central America	0.37%	0.01%
North America	0.08%	0.17%
Asia Pacific	0.04%	0.01%
China	0.20%	0.50%
Africa and Middle East	0.01%	0.05%
Total	0.18%	0.12%

Days lost due to injuries as a percentage of total days scheduled to be worked by the workforce. The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Absentee rate	2014	2015
By region		
Europe	3.3%	3.9%
South and Central America	4.1%	1.2%
North America	1.2%	1.6%
Asia Pacific	1.2%	1.0%
China	1.2%	1.5%
Africa and Middle East	1.7%	2.2%
Total	2.6%	2.3%

Absentee days lost as a percentage of total days scheduled to be worked by the workforce. An employee absent from work because of incapacity of any kind, not just as the result of a work-related injury or disease. Permitted leave absences, such as holidays, study, maternity or paternity leave, and compassionate leave, are excluded. Refers to a measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Fatalities	2014	2015
	0	0

NON-METSO EMPLOYEES – CONTRACTORS AND SUPERVISED WORKERS	
Types of Injury	
Indicator	2015
By type	
Superficial injuries and open wounds	46%
Burns, corrosions, scalds and frostbites	10%
Fractures	8%
Dislocations, sprains and strains	4%
Concussion and internal injuries	1%
Traumatic amputations	1%
Acute poisonings and infections	0%
Other specified types of injury	8%
Unspecified	23%
Total	100%
According to ILO classification % of total injuries	
Lost time incident frequency	2015
By region	
Europe	29.3
South and Central America	4.1
North America	0.0
Asia Pacific	2.5
China	0.0
Africa and Middle East	7.5
Total	6.0
Lost time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.	
Fatalities	0

ODR, LDR and AR are not collected in global HR reporting for supervised workers and contractors. Not reported by gender because it is seen as not significant.

Metso's safety data is collected from all worldwide locations and it covers all Metso operations. New acquired operations are integrated into Metso's reporting within a year of the date acquired. Injury rate, TRIF, LTIF and ROF for Metso employees have been calculated based on estimated hours worked. LTIF for non-Metso employees has been calculated based on monitored hours worked. These frequencies have been calculated per million hours worked.

TRAINING AND EDUCATION**PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY (G4-LA11)**

	2015
Participation rate	
Performance Review	61%
Development Discussion	63%

In 2015 all Metso employees were supported in having either an individual or group level development discussion. The completion rate for the performance review was 80% and for the development discussion 65%. This percentage is calculated based on employees who are participating the individual process (white collars).

DIVERSITY AND EQUAL OPPORTUNITY**COMPOSITIONS OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY (G4-LA12)**

Board of Directors	2014	2015
By age group		
< 30	0%	0%
30–50	14%	14%
> 50	86%	86%
By gender		
Female	29%	29%
Male	71%	71%
Executive Team	2014	2015
By age group		
< 30	0%	0%
30–50	29%	14%
> 50	71%	86%
By gender		
Female	14%	14%
Male	86%	86%

Employee category	2014		2015	
By gender	White Collars	Blue Collars	White Collars	Blue Collars
Female	16%	1%	17%	2%
Male	50%	33%	46%	35%
By age group				
< 30	10%	7%	9%	6%
30–50	40%	19%	39%	22%
> 50	16%	8%	15%	9%
Total	66%	34%	63%	37%

NON-DISCRIMINATION**TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN (G4-HR3)**

	2014	2015
	0	0

ANTI-CORRUPTION**TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED (G4-SO3)**

Fraud, misconduct and crime are relevant threats to Metso due to its global presence, various counterparties and high number of transactions.

Risk management audits conducted in 2015 cover six units, covering about 20% of the 25 units included in the program. This covers more than 80% of Metso's net sales during the 5 year period.

COMMUNITY ENGAGEMENT, EUR

	2014	2015
Support for non-profit organizations (EUR)	720,000	870,000
Youth activities	17%	18%
Culture and sports	27%	36%
Science, research, education	16%	5%
Environmental protection	5%	2%
Health and social	27%	37%
Other	8%	2%

SUSTAINABLE TECHNOLOGY, EUR MILLION

	2014	2015
RTD expenditure	59	40

MEMBERSHIPS IN ASSOCIATIONS

Metso is involved with various industry, trade and expert organizations in our area of business. On the national level in Finland, Metso is a member of the Federation of Finnish Technology Industries and the Confederation of Finnish Industries, and participates in issue-specific working groups related to energy, competitiveness, training and logistics.

Metso participates in the work of the International Chamber of Commerce (ICC) and is represented in its bodies and working groups focused on environment and energy. Metso's memberships in industrial organizations, associations and lobby organizations include:

- Federation of Finnish Technology Industries
- European Powder Metallurgy Association
- Finnish Business & Society Association
- Global Compact Network Nordic Council
- Finpro
- PE International Product Sustainability Roundtable
- East Office of Finnish Industries
- International Chamber of Commerce
- Automobile and Touring Club of Finland
- Executives' Global Network Finland
- NHO ServicePartner-Fakturering, Norway
- The Conference Board Europe
- European Management Assistants
- ARTEMISIA Association AG EINDHOVEN
- DTCC Derivatives Repository LTD
- Mind Tools Ltd LONDON
- Association of Finnish Safety Managers
- Worldatwork – Human Resources Association, US
- Finsk-Svenska handelskammarens, Sweden
- HRM Club

GRI Content Index

Abbreviations

UNGC	United Nations Global Compact
GRI G4	Global Reporting Initiative G4 guidelines
KPI	Key Performance Indicators Index

General Standard Disclosures

STRATEGY AND ANALYSIS					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-1	CEO Statement	CEO on sustainability, p. 4			
ORGANIZATIONAL PROFILE					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-3	Name of the organization	Metso Corporation			
G4-4	Primary brands, products, and services	Our business, p. 5			
G4-5	Location of the organization's headquarters	Helsinki, Finland			
G4-6	Countries in which operations are located	Our business, p. 5; Key performance indicators, p. 39			
G4-7	Nature of ownership and legal form	Metso Corporation is a public company and its shares are listed on the NASDAQ OMX Helsinki Ltd.			
G4-8	Markets served	Our business, p. 5			
G4-9	Scale of organization	Our business, p. 5			
G4-10	Workforce information	Key performance indicators section, p. 42		Metso does not collect this information about supervised workers in global HR reporting. Metso did not have any significant seasonal variations in employment numbers during the reporting period.	Principle 6
G4-11	Percentage of total employees covered by collective bargaining agreements	Key performance indicators section, p. 42			Principle 3
G4-12	Organization's supply chain	Value chain, p. 8; Supply chain, p. 36			

G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	No significant changes.			
G4-14	Addressing the precautionary approach or principle	Risk management > metso.com/company/investors/corporate-governance/risk-management			
G4-15	Externally developed economic, environmental and social charters, principles or initiatives endorsed	General Operating Principles, p. 38			
G4-16	Membership in associations and national or international advocacy organizations	Memberships in organizations, p. 47			

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

General Standard Disclosures	Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-17	Entities included in the organization's consolidated financial statements	Financial statements > annualreportmetso.com	All Group companies are included in the reporting.	
G4-18	Process for defining the report content and the Aspect Boundaries. Implementation of the Reporting Principles for Defining Report Content	About this report, p. 3		
G4-19	Material Aspects identified in the process for defining report content	Materiality analysis, p. 12		
G4-20	Aspect Boundary within the organization	Value Chain, p. 8; GRI Index – Aspect and Aspect Boundaries, p. 53		
G4-21	Aspect Boundary outside of the organization	Value Chain, p. 8; GRI Index – Aspect and Aspect Boundaries, p. 53		
G4-22	Restatements of information provided in previous reports	No restatements.		
G4-23	Significant changes from previous reporting periods in the scope and Aspect Boundaries	None.		

STAKEHOLDER ENGAGEMENT

General Standard Disclosures	Cross-Reference or Answer	Additional Information	Omissions	UNGC Cross-Reference
G4-24	List of stakeholder groups engaged by the organization	Metso's stakeholders, p. 11		
G4-25	Basis for identification and selection of stakeholders with whom to engage	Metso's stakeholders, p. 11		
G4-26	Organization's approach to stakeholder engagement	Metso's stakeholders p. 11; Material Topics, p. 12		
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Material Topics, p. 12		

REPORT PROFILE					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-28	Reporting period for information provided	January 1, 2015–December 31, 2015			
G4-29	Date of most recent previous report	Metso's Sustainability Report 2014 was published in March 2014.			
G4-30	Reporting cycle	Annual			
G4-31	Provide the contact point for questions regarding the report or its contents	kaisa.jungman@metso.com			
G4-32	GRI Content Index	About this report, p. 3; GRI Content Index, p. 48	This report meets the GRI G4 Core 'in accordance' requirements.		
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	About this report, p. 3; Assurance Statement, p. 54			
GOVERNANCE					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-34	Governance structure of the organization, including committee of the highest governance body	Governance Statement > annualreportmetso.com			
ETHICS AND INTEGRITY					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	General Operating Principles, p. 38			Principle 10
DISCLOSURES ON MANAGEMENT APPROACH					
General Standard Disclosures		Page number	Additional Information	Omissions	UNGC Cross-Reference
G4-DMA		GRI Content Index, p. 48			

Specific Standard Disclosures: Indicators

ECONOMIC					
GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Economic Performance	G4-EC1	Direct economic value generated and distributed	Key performance indicators, p. 39		
	Metso indicator: Supplier audits	Number of third-party sustainability audits in supply chain	Responsible supply chain, p. 37; Key performance indicators, p. 39		
ENVIRONMENTAL					
GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Energy	G4-EN3	Energy consumption within the organization	Environmental efficiency, p. 34; Key performance indicators, p. 40	Metso does not collect cooling data separately. Cooling has been included in the electricity figure.	Principle 7
	G4-EN6	Reduction of energy consumption	Environmental efficiency, p. 34; Key performance indicators, p. 40		Principles 7, 9
	G4-EN7	Reductions in energy requirements of products and services	Sustainable Technology, p. 18	Metso only reports estimated change in fuel consumption (%) for one product compared to previous model.	Principles 7, 9
Water	G4-EN8	Total water withdrawal by source	Environmental efficiency, p. 33–34; Key performance indicators, p. 40		Principles 7, 9
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Environmental efficiency, p. 34; Key performance indicators, p. 40		Principle 7
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Environmental efficiency, p. 34; Key performance indicators, p. 40		Principle 7
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Environmental efficiency, p. 34; Key performance indicators, p. 41		Principle 7
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environmental efficiency, p. 34; Key performance indicators, p. 41		Principles 7, 9
Effluents and Waste	G4-EN23	Total weight of waste by type and disposal method	Environmental efficiency, p. 33; Key performance indicators, p. 41		Principle 7
	G4-EN24	Total number and volume of significant spills	No significant spills during the reporting period 2015.		Principle 7

SOCIAL**Labor practices and decent work**

GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Key performance indicators, p. 43		Principle 6
Labor/ Management Relations	G4-LA4	Minimum notice periods regarding operational changes	Key performance indicators, p. 44	Metso does not report the number of weeks.	Principles 3, 6
Occupational Health & Safety	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Key performance indicators, p. 44–45	ODR, LDR and AR are not collected in global HR reporting for supervised workers and contractors. Not reported by gender because it is seen as not significant. ODR not reported for Metso employees.	Principle 6
Training and Education	G4-LA11	Percentage of employees receiving regular performance and career development reviews	Key performance indicators, p. 46	Not reported by gender and by employee category.	Principle 6
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category	Key performance indicators, p. 46	Metso's HR principles are based on equal treatment of all employees, we don't track breakdown of employees by minority group memberships.	Principle 6

Human Rights

GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	Key performance indicators, p. 46		Principles 1, 2, 6

Society

GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Key performance indicators, p. 47		Principle 10

Product Responsibility

GRI G4 Material Aspect	Indicator	Indicator Description	Indicator Cross-Reference	Omissions	UNGC Cross-Reference
Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Sustainable Technology, p. 19	The aspect is considered material, but data for the percentage of assessed product and service categories has not been collected. We will develop a company-wide metric in 2016.	
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction	Customer Partnership, p. 15	We have surveyed customer satisfaction only regionally and by business areas. In 2016 we will harmonize our customer feedback procedure globally.	

Specific Standard Disclosures: Aspects

Management approach (DMA)

ECONOMIC	
	Description/Reference
GRI G4 Material Aspects	Economic performance
Targets	Supply chain management, p. 37
Policies, management model	› Metso Code of Conduct, Sustainability criteria for the suppliers
Specific actions and results	Supply chain management, p. 36–37
Indicators	G4-EC1, Metso indicator: supplier audits
Aspect boundary	External impacts within our value chain, Metso indicator. Internal and external impacts within our value chain, EC1 Relevant entities: communities, authorities, suppliers and NGO's.
ENVIRONMENTAL	
	Description/Reference
GRI G4 Material Aspects	Energy, Water, Emissions, Effluents and Waste
Targets	Environmental efficiency of our own production, p.34
Policies, management model	› HSE Management, › HSE Policy, Environmental efficiency of own production p. 32–34
Specific actions and results	Environmental efficiency of our own production, p.32–34 and Sustainable technology, p.18
Indicators	G4-EN3, G4-EN6, G4-EN7, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN19, G4-EN23, G4-EN24
Aspect boundary	Internal impacts in our own operations. G4-EN7, external impacts within our value chain. Relevant entities customers, communities, authorities, suppliers and NGO's.
LABOR PRACTICES AND DECENT WORK	
	Description/Reference
GRI G4 Material Aspects	Employment, Labor/Management Relations, Occupational Health & Safety, Training and Education, Diversity and Equal Opportunity
Targets	Health & safety, p. 22, Leadership and competence development, p. 25–26
Policies, management model	General operating principles, p. 38, › Metso Code of Conduct, › HSE Policy, › HSE Management
Specific actions and results	Leadership and competence development, p. 25–26 and Key Performance Indicators, p.39
Indicators	G4-LA1, G4-LA4, G4-LA6, G4-LA11, G4-LA12

Aspect boundary	Internal impacts Relevant external entities: suppliers, contractors, communities, government, NGOs and customers.
HUMAN RIGHTS	
	Description/Reference
GRI G4 Material Aspects	Non-discrimination
Targets	Human rights in our operations, p. 23
Policies, management model	› Metso Code of Conduct, General operating principles, p. 38
Specific actions and results	Key Performance Indicators, p. 46 (G4-HR3)
Indicators	G4-HR3
Aspect boundary	Internal impacts within our operations Relevant external entities: suppliers, contractors, communities, government and NGOs.
SOCIETY	
	Description/Reference
GRI G4 Material Aspects	Anti-corruption
Targets	Human rights, p. 23, Sustainability principles, General operating principles, p. 38
Policies, management model	General operating principles, p. 38, Anti-corruption policy, › Metso Code of Conduct
Specific actions and results	Key performance indicators, p. 47 (G4-SO3)
Indicators	G4-SO3
Aspect boundary	Internal impacts within our operations Relevant external entities: communities, employees and government.
PRODUCT RESPONSIBILITY	
	Description/Reference
GRI G4 Material Aspects	Customer Health and Safety, Product and Service Labeling
Targets	Sustainable technology, p. 19, Customer partnership, p. 15
Policies, management model	General operating principles, p. 38, › Metso Code of Conduct, › HSE Policy, › HSE Management
Specific actions and results	We are developing the group wide targets in 2016. Now these have been integrated in different business areas. We will report about actions and results in 2016 report.

Independent Practitioner's Assurance Report

To the Management of Metso Corporation

We have been engaged by the Management of Metso Corporation (hereinafter also the Company) to perform a limited assurance engagement on selected sustainability disclosures for the reporting period 1 January to 31 December 2015, disclosed in Metso Corporation's Sustainability Report 2015 (hereinafter Sustainability Information). In terms of the Company's GRI G4 reporting and G4 Content Index, the scope of the assurance has covered economic, social and environmental sustainability disclosures listed within the Specific Standard Disclosures (excluding G4-EN17) as well as General Standard Disclosures G4-10 and G4-11.

Management's responsibility

The Management of Metso Corporation is responsible for preparing the Sustainability Information in accordance with the Reporting criteria as set out in the Company's reporting instructions and the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative. The Management of Metso Corporation is also responsible for such internal control as the management determines is necessary to enable the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Metso Corporation for our work, for this report, or for the conclusions that we have reached.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". That standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Sustainability Information. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Sustainability Information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as two sites in France and Germany.
- Conducting one video interview with one site in Australia.
- Interviewing employees responsible for collecting and reporting the Sustainability Information at the Group level and at the site level where our site visits and video interview were conducted.
- Assessing how Group employees apply the Company's reporting instructions and procedures.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

Limited assurance conclusion

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 Metso Corporation's Sustainability Information for the reporting period ended 31 December 2015 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Helsinki, 9 March 2016

PricewaterhouseCoopers Oy

Sirpa Juutinen

Partner

Sustainability & Climate Change