

Metso is a leading process performance provider, with customers in the mining, construction, and oil & gas industries. Our focus is on the continuous development of intelligent solutions that improve sustainability and profitability. Metso's shares are listed on the NASDAQ OMX Helsinki Ltd. Metso employs around 16,000 professionals in 50 countries. Expect results.

Sustainability 2013



Metso's Annual Report

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Sustainability

Metso's strategic approach to sustainability strongly suggests that a company that supports positive, global social and environmental development through its offering will be a forerunner compared to its competitors and well-positioned to stay competitive and profitable also in the longer run. Our goal is to embed sustainability into Metso's daily business operations.

JOÃO NEY COLAGROSSI

"We help our customers improve the sustainability of their operations by using our technology and solutions."



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Sustainability at Metso

Metso continues to focus on embedding sustainability into its daily operations, guided by the Metso sustainability statement published in 2012. The work is divided among four focus areas, that are presented below.

OUR FOCUS AREAS IN SUSTAINABILITY

Metso People	Metso Environment	Society	Marketplace
			

Metso's sustainability focus areas

Metso People

We prioritize the wellbeing, health and safety of the individuals in all our operations. We actively promote equal opportunities and diversity, and we train our leaders to promote sustainability thinking and to link individual objectives to sustainability.

Metso Environment

We constantly strive for improvements in our energy and materials efficiency and in reducing water consumption, emissions to water, soil and air, and the amount of waste in our operations. We have also identified environmental risks related to our operations and practice precautionary procedures to avoid any environmental accidents.

Society

We strive to act as a responsible corporate citizen and to support sustainable development in the communities we operate in by forming partnerships with customers and other stakeholders. By sponsoring and donating to local projects in science, research and education, environmental protection and nature conservation, and youth activities, we contribute towards a more sustainable world.

Marketplace

We help our customers to improve the sustainability of their operations by using our technology and solutions, and we develop transparent and responsible supply chain management to support our own sustainability efforts.

[Read more about how sustainability is seen at Metso >](#)

Sustainability targets and achievements

Our target is to reach a thought leader position in sustainability by 2020. During 2013 Metso made good progress in its objective to integrate sustainability into its daily business operations. To reach our target we have outlined a practical approach including

comprehensive action plans with short-term targets for 2015 and long-term targets for 2020.

In 2009 we published our global targets for workplace safety and energy consumption, and in 2012 we set targets also for water consumption and waste. In 2013 we continued our work in reaching these targets.

Global health and safety targets

Metso's Health, Safety and Environment (HSE) policy supports the development of a safe, healthy and well-managed work environment. Our long-term and short-term targets offer us the framework for continuous improvements.

We believe that every accident can be prevented. In accordance, our long-term target is zero work-related incidents. Our short-term occupational safety target has, until now, been to achieve a lost-time incident frequency (LTIF) of less than 5 in 2015. (LTIF reflects the number of accidents resulting in an absence of at least one workday per million hours worked.) In 2013, our LTIF was 4.2, and 78% of Metso's units reached the group LTIF target level of less than 5. The results of our efforts have thus been positive, and we are now raising the target to achieve an LTIF of less than 1.

Metso minimum safety standards create a strong foundation for our locations' safety programs. In 2012, the Metso minimum safety standard campaign was launched and covered eight minimum safety standards. During 2013 these standards were implemented, and the work will be an ongoing effort over the next few years. In 2014 Minimum safety standards will be complemented with additional standards. We will continue HSE training for our management and internal HSE audits targeting our own facilities.

Environmental targets for our own production

In 2009, we set global, Group-wide energy-saving and carbon dioxide emissions targets for our own production. The majority of our reported CO₂ emissions stem from the use of energy; therefore decreasing energy consumption will also reduce emissions – while also bringing financial benefits.

In 2010, Metso started mapping the opportunities to save energy and decrease carbon dioxide emissions in its biggest and most energy-intensive production units. During 2013 the mapping was completed in the energy-intensive production units.

The biggest energy-savings opportunities are related to the use of fuel and heat. Potential savings outside our production processes were also found, e.g. in cooling and compressed air systems. We have defined energy-efficiency indices for our production units, and the units report their energy consumption in accordance with the indices on a quarterly basis.

In 2012, we set our first targets to reduce water usage and the amount of waste generated in our own operations by 15% by 2020. During 2013, we increased the reporting frequency by including water-related indicators in our quarterly reporting. By increasing the reporting frequency, we obtain critical information about Metso's water usage. In 2014, we will focus on water-saving efforts, especially in the water-scarce areas where Metso operates.

During 2014, we will also focus on reducing the amount of waste generated. The emphasis is on reducing waste that is land-filled and increasing recycling. To be effective, a working group has been created and is concentrating on reducing waste in locations that generate the most waste.

Targets for product stewardship

Product stewardship assures that our products provide environmental, social and economic benefits over their entire life cycle, from the extraction of raw materials to decommissioning and even recycling. Our goal is to manufacture products that are safe to operate, economically feasible and efficient, and help our customers gain maximum environmental benefits. During 2014, based on the successful development work of recent years, we will continue training our network and building competence internally about Life Cycle Assessments (LCA). We will also step up communication on product stewardship to raise awareness and to support sales and key account management. We will also strive to evaluate LCA information in different processes and in different product lines.

Targets for our social responsibility projects

During 2014 we plan to further emphasize our growth markets as locations for our social responsibility projects. According to our principles, we support social projects and programs in three areas: science, research and education, environmental protection and nature conservation as well as youth activities. We intend to continue supporting projects in these fields, but we aim for a balanced approach that takes into account both the geographical priorities and the substance of the projects. To support the evaluation and comparability of the success of individual projects, the introduction of KPIs is being discussed with partner organizations.

Sustainability risks and opportunities

Sustainability risk management at Metso

Managing sustainability risks and opportunities is integrated into a multi-disciplinary, company-wide risk management processes at Metso. We have a systematic method for regularly assessing the probability and impact of sustainability risks throughout our company. The assessed risks are based on a risk map document that includes all our acknowledged risks.

The potential risks and opportunities related to sustainability arise from our ability to develop and maintain our brand and reputation, the availability of sufficient competence resources, competitiveness and capabilities related to global sourcing, the health and safety of our personnel, our capability to develop our product and technology portfolio according to the changing needs of customers, and the adequacy and pricing of financing both for us and for our customers.

Metso's risk process promotes opportunities. Furthermore, it aspires to minimize the adverse impacts of strategic, financial and operational risks and to remove or mitigate hazard risks. The line management of Metso's businesses is operatively accountable for managing risks as part of its daily activities. Sustainability risks are assessed once a year at the Group level by Metso's Risk Manage-

ment, based upon individual reporting segments' risk assessment reports, consolidated at the Group level. The results are annually reported to the Metso Group Risk Management Team, the Metso Executive Team, as well as to the Metso Board of Directors and its Audit Committee. Read more about sustainability risks and opportunities on our website www.metso.com >

Stakeholder dialogue

Metso actively engages its stakeholders in sustainability-related topics, among them the development and implementation of energy and climate policy, legislation and regulation, and RTD activities in environmental technology. In 2013, we concentrated on strengthening our stakeholder dialogue processes. As part of that activity, we focused on the dialogue with our suppliers and on defining our supply chain. To help us improve, we conducted a review to better understand our stakeholders and their views and expectations towards Metso.

METSO STAKEHOLDERS



Existing and potential customers

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

Existing and potential employees

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

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 the future development opportunities resulting from the cooperation.

Shareholders and investors

The continuous dialogue with investors and other relevant groups strengthens and develops Metso's internal and external reporting processes.

Media

Our dialogue with the media consists of continuous collaboration with journalists around the world. An extraordinary communications topic in 2013 was the 80th anniversary of the beginning of Metso's business in China. This exceptionally long business relationship was highlighted in various media events and meetings in China and Finland.

Non-governmental organizations, authorities and local communities

Close interaction with non-governmental organizations (NGOs), local communities and people around our operations is a high priority for us. Our target is to act as a responsible corporate citizen and tax payer.

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.

Memberships in organizations

We actively engage with customers and with various trade, non-profit and expert organizations in our line of business.

Read more about our stakeholders and our memberships in organization >

CASE: OUR EFFORTS TO IMPROVE STAKEHOLDER DIALOGUE

Developing our stakeholder dialogue has been one of our main targets in sustainability during recent years. An active dialogue is essential in understanding our stakeholders and their views and expectations towards Metso. The work to improve the dialogue was started in 2011 with a survey targeted to our external stakeholders, such as customers, shareholders, suppliers, media representatives and analysts. In 2013 the work continued by conducting a second survey, this one targeted to the Metso employees who

regularly interact with our external stakeholders. The objective of the study was to identify typical Metso stakeholders and their expectations towards Metso. Simultaneously, it concentrated on the issues discussed by our stakeholders and on the issues that are relevant for future partnerships with them.

"We are very grateful for the input from the respondents. That input and the results of the survey will help us to invest in our processes and operations and to develop our stakeholder dialogue," comments Jukka Seppälä, Vice President, Stakeholder Relations and Trade Policy.

The conclusion of the survey conducted in 2013 was to learn more by creating a more systematic dialogue, not only with existing and potential customers, but also with industry organizations and research and educational institutes. The survey results will have a significant role in developing Metso's future business development processes and will create a framework for improving our operations.

CASE: WWF GREEN OFFICE ENVIRONMENTAL MANAGEMENT SYSTEM FOR OFFICES

The WWF Green Office environmental program was introduced at Metso's head office in Helsinki, Finland, in 2009. The WWF Green Office environmental program will be extended to several offices within Metso during 2014. The program is currently being applied at Mining and Construction's office in Tampere, Finland.

The Green Office program uses practical methods to reduce the ecological footprint of offices and introduces eco-efficient measures in the office environment. At the same time, these measures bring the company cost savings and help abate climate change.

"We are proud to be the first global company to bring Green Office to the international level of our operations. The program's environmental perspective is important to us in many ways. We want to take care of the environment where we live and for that reason make our offices more eco-efficient. Following good energy-savings and recycling principles at the workplace is also reflected in our mindset of developing our products and services, which also has a broader significance," says Jukka Seppälä, Vice President, Stakeholder Relations and Trade Policy.

Sustainability highlights 2013

Improving our supply chain

In order to focus on our core competencies, Metso outsources many work phases to its suppliers. We have issued guidelines and criteria for our suppliers, encouraging them to integrate sustainability throughout their production chain. We support our business partners to develop, manage and maintain a network of suppliers who are willing to actively promote sustainable principles and procedures. In 2013 we developed our supply chain based on the sustainability road map created in 2012. We investigated the environmental impacts of our supply chain, and we aim to further develop methods for calculating and understanding these impacts.

Minimizing environmental impacts by scope 3 calculations

Metso's aim is to minimize environmental impacts throughout its value chain, which is also supported by the scope 3 emissions calculations. Scope 3 is one of three reporting categories measuring greenhouse gas emissions. The first emissions category measures direct emissions and purchased fuels, and the second category measures indirect emissions, such as purchased power and heat. The third category concentrates on other indirect emissions, such as employee business travel, contractor owned vehicles and outsourced activities.

In order to improve our knowledge of scope 3 emissions in our value chain, a comprehensive analysis was conducted during 2013. Efforts will now target the development of methods for calculating and understanding the environmental impacts of our supply chain. We will have the ability to better manage the environmental impacts of our value chain and also improve future reporting of our scope 3 emissions.

Metso sustainability handbook as part of our strategic approach to sustainability

Metso expects its suppliers to conduct their operations in a socially, environmentally and financially responsible manner. To support this expectation, the Metso sustainability handbook was published in 2013. The handbook introduces Metso's stakeholders and partners to our main policies and actions concerning sustainability. Simultaneously, it also outlines Metso's expectations on its suppliers. We encourage our suppliers to familiarize themselves with the handbook and the supplier criteria and to apply the standards in their own operations. Metso also expects its suppliers to identify their own material sustainability issues and to have policies and processes in place that address these issues. Read more in the Metso sustainability handbook >

Metso was selected for the Dow Jones Sustainability Index

Metso was selected for the Dow Jones Sustainability Index (DJSI) in 2013. Metso was among the five Finnish companies that were included in the Dow Jones Sustainability World and Europe Indices. Companies are selected for inclusion on the basis of their economic, environmental and social performance. The indices serve

as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to develop their sustainable practices. Read more about our case: Dow Jones Sustainability Index >

Metso received the highest possible score in CDP's Climate Disclosure Leadership Index

Metso was again included in CDP's Climate Disclosure Leadership Index and received the highest possible transparency score of 100/100 and a performance band of A- in 2013. Metso's success reflects the importance its management places on maintaining a high level of transparency in its reporting. The Climate Disclosure Leadership Index ranks companies listed on the Nordic stock exchanges whose reporting takes a professional approach to disclosing actions and achievements to help mitigate climate change. Read more about Metso's top marks in Climate Disclosure Leadership Index >

Sustainability management system for handling environmental and occupational data

During 2013 a new Metso-wide sustainability management system was implemented for environmental reporting and sustainability auditing. The new management system enables Metso to pursue uniform environmental reporting throughout the Group. The sustainability management system will be expanded in 2014 to cover also occupational health and safety reporting as well as the management of environmental legislation and chemicals data. Read more about the sustainability management system >

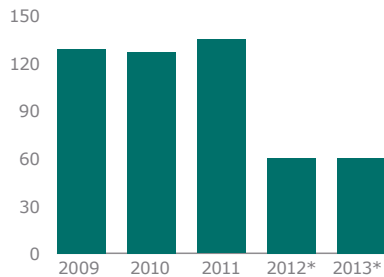
Social data

- Number of employees 16,425 (16,612)
- Female employees 18% (18%)
- Females in management 13% (14%)

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

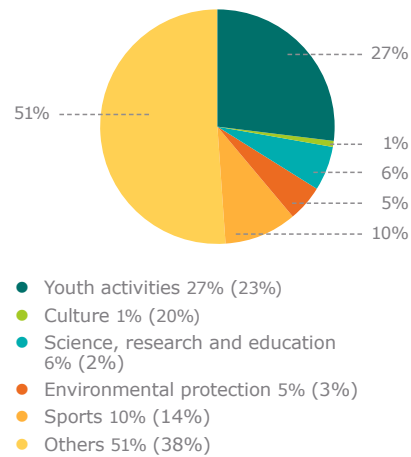
RTD expenditure

EUR million



* Excluding IPR expenses

Support for non-profit organizations



Certificates / Certified operations*	ISO 9001	ISO 14001	OHSAS 18001
2012	66%	29%	13%
2013	80%	34%	17%
Increase %	20%	20%	27%

* % of headcount

RTD	2013	Change from 2012
RTD Expenditures (1,000 eur)	60,470	1.6%
RTD Personnel amount	347	-6.7%

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

Environmental balance sheet

	2009	2010	2011	2012*	2013*
Materials					
Ferrous metals, 1000t	139.57	232.86	258.98	139.45	123.98
Non-ferrous metals, 1000t	3.96	4.26	7.35	4.16	3.73
Paints, 1000t	0.74	0.98	1.06	0.78	0.64
Solvents, 1000t	0.44	0.43	0.60	0.43	0.41
Cardboard, 1000t	0.11	0.63	0.70	0.06	0.14
Wood, 1000t	4.67	5.67	8.50	5.52	6.43
Paper, 1000t	0.02	0.03	0.04	0.01	0.04
Plastics, 1000t	0.05	0.25	0.27	0.03	0.08
Recycled materials, 1000t	55.13	101.99	94.45	56.18	51.02
Energy					
Electricity, TJ	1,471.04	1,776.43	1,820.88	760.29	701.17
District heat, TJ	531.51	760.51	568.28	141.02	127.85
Steam, TJ	82.92	115.00	100.82	36.69	39.37
Natural gas, TJ	730.55	915.12	871.74	653.67	618.13
Coal, TJ	300.71	198.83	120.33	0.00	0.00
Heavy fuel oil (HFO), TJ	161.81	15.39	13.60	4.85	5.82
Light fuel oil (LFO), TJ	56.66	64.47	50.51	0.00	0.00
Diesel, TJ	29.87	38.97	47.19	23.94	20.75
Gasoline, TJ	6.07	5.99	2.93	0.71	0.16
Liquified petroleum gas (LPG), TJ	48.20	65.75	73.99	32.13	27.53
Total energy, TJ	3,419.33	3,956.46	3,670.26	1,653.28	1,540.76
Water					
Water consumption, 1,000 m ^{3**}	1,414.64	2,061.61	1,589.20	590.46	579.82
Air emissions					
CO ₂ , 1000t	257.86	282.61	266.51	127.16	120.22
Voc, 1000t	0.33	0.40	0.42	0.35	0.30
Waste					
Hazardous, 1000t	3.78	6.79	7.72	5.39	4.95
Non-hazardous, 1000t	68.96	95.60	108.94	56.06	53.15

* 2012 and 2013 figures describe Metso's continuing operations

** Excluding surface water and water from recycled source

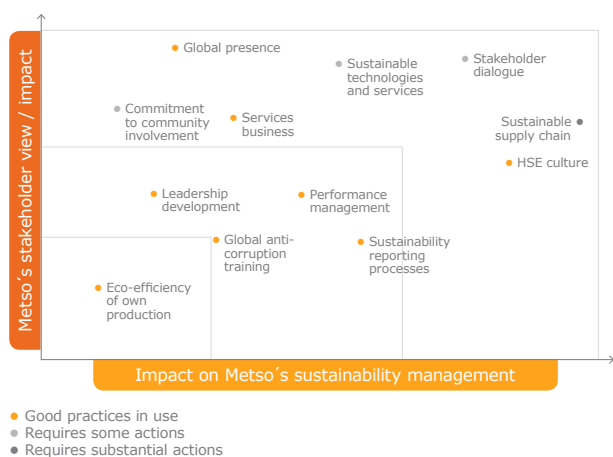
Sustainability management

Sustainability is an integral part of Metso's business strategy. Accordingly, we continue to embed sustainability in all of our business operations. We recognize that sustainable operations give a competitive advantage in the global markets. We strive to consider all aspects of the financial, social and environmental implications of our operations, to tap into opportunities created by sustainability and to manage risks.

The Corporate Governance principles approved by the Board of Directors form the basis for the management and governance of our company. We commit to good corporate governance principles by complying with national and international laws and regulations. Additionally, we apply best practices, such as the Finnish Corporate Governance Code for listed companies, in our management and governance. Corporate Governance principles form the foundation for the management of the company. Local management ensures compliance with guidelines and local legislation affecting employees. Our values and Code of Conduct ensure that our operations are consistent and uniform, regardless of the country and reporting segment.

Our mission, vision, values and our Code of Conduct guide all our operations and interactions with stakeholders. Our mission is to contribute to a more sustainable world by helping our customers to process natural resources and recycle materials into valuable products. Sustainable technologies and services are the cornerstone of our operations, and we highly value the development of sustainable products and solutions that are safe and impact the environment as little as possible.

MATERIALITY MATRIX 2013



Sustainability auditing and assurance

Metso controls and monitors sustainability issues through various internal and external processes aimed at ensuring the validity and reliability of our sustainability management practices and reporting. By regularly controlling and monitoring we receive valuable information about the results of our efforts, and it is therefore an important element in our continuous efforts to develop our reporting while also supporting our operations.

We monitor our internal operations through internal audit, internal control, reviewing of non-financial issues, certificates and assurance. Metso's certificates and assurance are significant in relation to our sustainability activities and to the sustainability report. More information about internal audit and reviewing of non-financial issues is available at our web site www.metso.com/sustainability.

Certificates

In our sustainability management we comply with several international standards, such as ISO 9001, ISO 14001 and OHSAS 18001, and many of our business units have gained certification to these standards. 34% of our relevant operations are covered by ISO 14001 certification, 17% by OHSAS 18001 certification and 80% by ISO 9001 certification. The coverage is calculated by the number of employees working in certified facilities, excluding discontinued operations.

Assurance

The consolidated quantitative sustainability performance data in our Annual Report 2013 has been externally assured by PricewaterhouseCoopers Oy. Metso's sustainability report follows GRI guidelines application level B+. Metso's sustainability data has been assured since 2010. Read more about the assurance process in our reporting principles and in the assurance report. The report content is not updated after assurance, and any amendments to the content will be reported in the following year.

Sustainable supply chain

In our operations we focus on our core competencies and outsource many work phases to our suppliers. The work that is outsourced to our suppliers can consist of high hazard and risk activities. It is therefore important that Metso has ethical and sustainable principles and that Metso expects its suppliers to follow these principles. Outsourcing decreases the environmental load of Metso's operations, but emphasizes our responsibility for the environmental efficiency of our subcontractors and suppliers. We have issued guidelines and criteria for our suppliers to support them in e.g. environmental efficiency and to encourage them to integrate sustainability throughout their production chain.

Metso's sustainability criteria for its suppliers are Metso's basic requirements which aim to support our suppliers in developing their operations more sustainable. The criteria are an important part of the selection process when choosing new suppliers for Metso. The criteria include environmental, quality and work safety

aspects and are the foundation for our sustainable operating principles. To improve the sustainability of our value chain, we have created the Metso sustainability handbook, which describes our approach to sustainability and outlines the expectations that we place on our suppliers regarding ethical principles and sustainable practices.

Environmental impacts of supply chain

Outsourcing selected parts of the manufacturing process that are outside Metso's core competencies emphasizes our responsibility for the environmental efficiency of our subcontractors and suppliers. In 2013 an extensive assessment of our scope 3 carbon dioxide emissions was carried out to better understand the environmental impacts of our supply chain. In this assessment five relevant scope 3 emission categories were identified, which made it possible to calculate the emissions for four of these categories. Based on our assessment these four categories representing our direct and indirect purchases accounted for significantly higher CO₂ emissions than scope 1 and scope 2 emission sources combined.

Our target is to further develop methods for calculating and understanding the environmental impacts of our supply chain. Based on this, we will be able to better manage the environmental impacts of our supply chain and also publicly report our scope 3 CO₂ emissions.

Sustainable supply chain management targets

During 2014 we will continue in improving our sustainable supply chain management that was started in 2013. We will concentrate on strengthening the collaboration with our key suppliers throughout the value chain and on encouraging our suppliers to improve their sustainability performance. We aim to develop transparent and responsible supply chain management to support our own sustainability efforts in accordance with our sustainability strategy. For this, we will develop a Metso-wide supplier sustainability policy to set the standards for cooperation with our suppliers. We will further develop methods for supplier self-assessment and supplier risk assessment.

Sustainability indices

Sustainability supports us in creating long-term shareholder value and enables us to embrace opportunities and manage risks deriving from economic, environmental and social trends and challenges. We believe that adapting to global challenges through innovation, quality and productivity enhances our ability to generate long-term shareholder value.

Global sustainability indices track the performance of companies and rate how companies face and manage sustainability trends, such as resource scarcity, climate change or an aging population within a company's competitive environment. Global frameworks also provide companies the possibility to develop through transparent and enduring indicators.

Metso performed well in the global sustainability indices in 2013. Metso was selected for the Dow Jones Sustainability Index, the world's leading sustainability index. Metso was again included in the Climate Disclosure Leadership Index and had the highest possible transparency score of 100/100 and a performance band of A-. The Climate Disclosure Leadership Index ranks companies listed on the Nordic stock exchanges whose reporting takes a professional approach to disclosing actions and achievements to help mitigate climate change. The ranking was announced in the CDP Nordic 260 Climate Change Report 2013. Metso's success reflects the importance its management places on maintaining a high level of transparency in its reporting.

In 2013 Metso was included in the Dow Jones World and Europe Indices, FTSE4GOOD index, Ethibel Sustainability Index, oekom Research AG index with Prime status, Storebrand Trippel Smart, OMX GES Ethical Finland Index, OMX GES Sustainability Finland Index, Kempen SNS SRI Universe Index and ECPI Ethical EMU Equity Index as well as in Vigeo rating.

Our target is to constantly improve our ratings in the significant sustainability indices.

CASE: DOW JONES SUSTAINABILITY INDEX

Metso was selected for the Dow Jones Sustainability Index, the world's leading sustainability index. The company was listed both in the Dow Jones Sustainability World and Europe indices. In addition to Metso, there were four other Finnish companies included in both the World and Europe indices. In 2013 the Dow Jones Sustainability World Index included 333 companies and the Europe index 177 companies.

"Thanks to our motivated people and their dedicated work, we have succeeded in reaching one of our goals on the way to becoming a thought leader in sustainability by 2020. To be included again in the Dow Jones Sustainability Index proves that we are on the right path," says Lennart Ohlsson, SVP, Sustainability and Technology Development.

The Dow Jones Sustainability Index is the first global index that assesses the corporate responsibility performance of leading companies investing in sustainability. The Dow Jones Sustainability World Index was launched in 1999, and today the index has expanded to measure company performance globally, locally and at the country level.

Metso people

Metso's success starts with our more than 16,000 employees around the world. The expertise and skills of our employees are critical for us and form a strong foundation to Metso's business success. This is reflected in our company strategy and in the central role our people have in it. People and leadership is one of our five Group-level must-wins. It enables the realization of the other must-wins – we can reach our goals only with engaged and competent employees.

The people and leadership must-win focuses on developing four areas: leadership, performance, capabilities and resourcing. With these areas we aim to develop a working environment that attracts the right people and helps them to develop and reach their full potential. Metso's vision, mission and values form the foundation for this development, and the overall target is to enable business success.

HR development focus areas

Goals related to our people and leadership must-win areas		
	2013 Achievements	2015 Targets
Leadership	<ul style="list-style-type: none"> The roll-out of the Leadership Essentials Workshops continued Metso global leadership development programs in place 	<ul style="list-style-type: none"> Strong leadership of a global organization Forward-looking succession planning Increased internal job rotation
Performance	<ul style="list-style-type: none"> Continued focus on performance management Performance review process well-established Increasing awareness of local rewarding practices 	<ul style="list-style-type: none"> Strong performance-driven culture Performance review process more consistently used across Metso globally Individual performance and targets closely linked to business goals
Capabilities	<ul style="list-style-type: none"> Development review process in place Wellbeing added as a new topic to development review 	<ul style="list-style-type: none"> Development review process more consistently implemented throughout Metso Clear link between required people capabilities and business strategy
Resourcing	<ul style="list-style-type: none"> Recruitment process further strengthened Enhanced onboarding process and tools in place 	<ul style="list-style-type: none"> Effective and efficient recruitment practices and channels Deep understanding of long-term business resource needs

Strong leadership is essential for our business success

To achieve business goals it is important that our managers are able to build a connection between the daily work and our strategy, customer needs and industry trends.

We have developed processes and tools that support line managers in their people management, help them to improve their leadership skills and enable more efficient performance management. In 2013 one of our focuses was to continue the implementation of Leadership Essentials Workshops globally. The main goal of the workshops is to clarify what is expected from Metso's managers and to deepen their insight to their role and to their own management style. During 2012–2013 around 2,500* of Metso's managers participated in Leadership Essentials Workshops all over the world with very positive feedback.

The Leadership Essentials Workshops are based on our consistent development of leadership over the past years. The approach is founded on our leadership principles, which form a common ground for developing leadership in a global and multicultural organization. The business needs are integrated into the leadership principles to further connect the significance of good leadership to successful business. We use a so-called business ambassador model in the Leadership Essentials Workshops. The ambassadors are experienced Metso leaders, who act as mentors to the participants.

Feedback to increase self-awareness

Another important way of supporting our managers is to enhance their self-awareness by systematic use of 360-degree feedback. The feedback model is integrated into all our global training programs – including the Leadership Essentials Workshops.

The extensive use of the 360-degree feedback model has given us valuable information on the overall development of leadership at Metso. The information is linked to the personal development of Metso's managers, for example in the Leadership Essentials Workshops.

* Including both continued and discontinued operations

CASE: LEADERSHIP IS REQUIRED MORE THAN EVER

The demand for and importance of leadership becomes stronger in challenging times, such as in today's quickly changing and unpredictable operating environment.

"Decision making and navigating in such an environment is challenging, so managers need to be able to adapt themselves to different situations and find the right perspective to respond to the matter or situation at hand," says Seth Quaye, Regional Manager, Western Africa, from Mining and Construction.

For him, the key thing to realize in leadership is the importance of giving direction and influencing teams to action. In challenging times like these, managers need support to do this, and that makes the Leadership Essentials Workshops perfectly timed.

"The workshops are based on Metso's leadership principles, which give managers a clear idea of what is expected from them

and practical guidance on how they can support business success with their own behavior," says Quaye, who acted as an ambassador in two Leadership Essentials Workshops in Johannesburg, South Africa.

It's all about sharing

Quaye himself has been in a management position at Metso for 15 years now. Even though he has long experience and a keen personal interest in leadership, Quaye says that he too learned a lot in the Leadership Essentials Workshops.

"The Leadership Essentials Workshops were a fantastic experience. Learning from peers is very efficient; someone with 25 years of leadership experience has certainly come across similar situations or issues you are working with. During my years at Metso, I have found that learning by sharing is one of the best ways to develop leadership skills. Therefore I also want to share my experience with others."

He also notes that the combination of sharing experiences and receiving personal 360-degree feedback works extremely well. The 360-degree feedback helps to gain a better understanding of how others perceive one's own actions, and it helps to identify one's strengths and the areas that need improvement.

Common foundation for a performance-driven culture

Our long-term focus has been on building a common foundation for a performance-driven culture. In practice, this means that we want to create a working environment where everyone can reach their highest potential.

Focus on compensation practices in a global environment

Our target in recent years has been to support business in a global organization. To effectively lead a team with members from different countries, managers need good tools to help with, for example, decision making in a global environment. The first steps towards this goal were the implementation of a global job-leveling system and the creation of performance and reward principles in 2012.

In 2013 the development of global compensation processes continued and we implemented pay range system globally, that will enable more systematic base pay definition and enhance the global analytical capabilities of Metso's global HR information system (SAP HR). We also continued the work on increasing our understanding and visibility of country-specific pay practices. In addition, we have developed a compensation basics training for Metso's managers to increase their awareness of Metso's pay practices. These will support justified decision making in compensation matters in a global business environment.

In accordance with the people and leadership must-win, also cultural differences are taken into account in recognition practices. Metso's country-specific special rewards programs are a good example of locally planned and implemented recognition programs. These programs have been actively developed, especially in the Asia-Pacific region, such as in Australia, India, China and Singapore.

The programs have been initiated as a result of, for example, strategic needs identified through our employee engagement survey.

Personal targets agreed in performance review

In the performance review, the manager and employee focus on setting and achieving personal targets in support of Metso's strategic goals. To ensure that certain important aspects are covered in the official annual discussion, a uniform structure and tool is used throughout Metso.

In 2013 we focused especially on supporting managers to develop the quality of the discussions. The process itself is well established, and coverage has increased annually. In 2013, 65%* (2012: 60%) of all our personnel participated in the performance review process. The number of performance reviews completed in 2013 was 13,997 (2012: 11,790). The target is that performance reviews cover all our white-collar employees.

However, the performance review is just one piece of performance management, which is an essential part of daily work and interaction within the teams. Performance management is also strongly integrated in the Leadership Essentials Workshops.

* Including both continued and discontinued operations

CASE: EVERYBODY NEEDS GOALS FOR PROFESSIONAL DEVELOPMENT

At the end of April 2013, Wayne Irving, Senior Customer Engineer at Automation, sat down for his performance review with his manager Phillip van Rensburg, Country Manager in Australia and New Zealand. The purpose of the meeting was to discuss his performance during the past year and to set performance targets for 2013.

"In my daily work, it is natural and easy for me to fully focus on the customers' challenges and contract targets and thus end up in a situation where I might neglect my performance goals and personal development. Having set performance targets and the reviews scheduled helps to avoid this scenario," says Wayne Irving.

Metso's strategy and business targets provide a natural framework for individual performance targets, but the point of the performance review is to have an open discussion resulting in mutually agreed targets. Both Wayne and Phillip agree that it is the manager's role to provide guidance and direction in the setting of targets, and it is the employee's role to bring the personal point of view to the table.

Clarifying the individual's role in the team

They also both agree that the targets should be achievable and measurable within an agreed timeframe. Phillip notes that the targets also need to clarify the individual's role in the team.

"From my perspective, everybody needs goals and targets for their professional development. Everyone has a role in the team, and individual performance will impact the overall team result for the year. Therefore I think setting and reaching achievable targets has a big, positive impact for the employee, Metso and our customers," Phillip van Rensburg says.

"A good target is something that has a win-win for all parties. When goals are realistic and achievable, they are utilized in day-to-day duties, so the performance review process contributes to high performance throughout the year," Wayne Irving adds.

The uniform tool and database used in the performance review across Metso also guarantees that it is easy to follow up on the agreed targets. It also provides continuity in job transfer situations: when Phillip's role changed shortly after the review process, Wayne could continue to work according to his personal targets with his new manager with no disruption.

Opportunities for continuous learning

We encourage our employees to pursue continuous learning opportunities and to support their professional development. We aim to find effective ways to complement their know-how with different learning solutions.

E-learning materials are flexible and suitable for different situations, since they are not restricted by time and place. Therefore they offer a good way to enable learning as part of the work day. In 2013 we for example launched a new finance essentials e-learning program, which increases our employees' understanding of Metso's financial reports and the role employees have in Metso's finances and results.

Another example is our portfolio of product-specific training e-learning courses which are available to ensure that employees working within various functions have the right level of technical knowledge of our equipment. During 2013 and into 2014 we are extending our crushing and screening equipment general product knowledge and support e-learning courses to our distributor employees globally.

Global training programs

The majority of learning happens on the job and by networking, receiving feedback and sharing experiences when working with others. Additionally, we offer formal learning opportunities utilizing a wide variety of learning methods.

Metso's global Talent Development programs support and develop our leadership and people management at different levels; for example, Metso Compass focuses on operational excellence, Metso Navigator on strategic alignment and Metso Catalyst on pursuing new business opportunities. Additionally, Project Management and Service Management programs complement the global training offering. The overall goal of these programs is to enable people from different businesses and areas to network and to gain new perspectives and solutions for the challenges of everyday work.

In 2013 a total of around 320* (2012: 327) Metso employees participated in our global training programs, which added up to a total of 2,870 (2012: 2,840) training days.

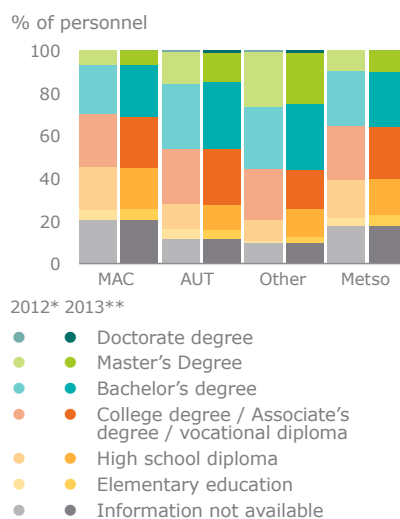
Our local training offering complements our international programs. In the local training programs, we continued to advance Metso-wide cooperation. Our training expenses in 2013, excluding the wages and salaries of the participants, totaled EUR 8.9 (2012: 9.7) million.

Development review focuses on personal development

During the development review, our employees and their managers discuss personal development needs and career plans. The development reviews have a uniform structure and tool used throughout Metso to ensure that they cover certain aspects. In 2013 we added wellbeing as a topic to the development review to make sure that it is discussed within the frame of daily work.

In 2013 64%* (2012: 64%) of all Metso personnel participated in the development review process. The number of completed development reviews was 11,500 (2012: 15,481). Due to the demerger of the company, the development review process was postponed to 2014 for significant part of the employees. The target is for all our white-collar employees to be part of the development review process.

Personnel by education level



*2012 data coverage 97% of Metso personnel

* Including both continued and discontinued operations

CASE: CUSTOMER VALUE TO THE CORE OF SERVICES

The Services business has a central role in Metso's strategy. To create a shared view on Metso's Services business, we launched a global Service Management Program in 2012. Milla Koski, Senior Manager, Services Competence Development, from Automation participated in the program in spring 2013.

"The program contributes to the realization of our strategy. The main themes discussed during the program were customer value and how to commercialize, productize and industrialize services," Koski says.

She notes that customer value, in particular, has a central role in services, and it requires a certain mindset.

"Customer value should be present in everything we do, and every opportunity to reinforce its significance is important. We need to be able to shift our thinking more from products to solutions. However, customer value is not always easily measurable. In many cases, assessing the value of our services also depends on

information we receive from the customer, which in turn requires good and close customer relationships.”

Exchanging experiences

Koski had been involved with the productization of services in Automation, so the concept was already somewhat familiar to her before the training. To her, the Service Management Program opened up an opportunity to share experiences with other participants outside her own organization.

“Metso is a big company with many good practices already existing across the world and the businesses. Meeting people from various backgrounds and from different businesses offered insight to what others are working with and the kinds of challenges they might have. Sharing experiences was expanded to also outside Metso, since we had very interesting presentations from visitors from other companies.”

The practical business point of view is integrated into the program from the start. In addition to discussions and team work during the classroom training, the participants did project work in between the two modules of the program.

“All in all, I believe anyone working with services will find the program and its methodology useful,” Koski says.

Creating wellbeing in the work environment

To enable a shared understanding and increased awareness of wellbeing, we have created a wellbeing concept. The foundation of the concept is built on our people and leadership must-win and on our Code of Conduct, which highlights the importance of a safe, healthy and well-managed working environment. The focus is on professionalism, work community and supporting a work-life balance. Pilot training was held for managers in 2013, and the implementation will continue during 2014.

We can all contribute to wellbeing at work. However, good leadership and managerial work have an important role in creating a healthy work environment. Therefore in 2013 we included wellbeing as part of the development review discussion.

A further example of implementing wellbeing at work is the early intervention model in Finland. The model aims to support employees whose working capacity has reduced for some reason, and the

target is to identify and influence on any work-related factors in such situations. So far, over 700* managers have participated in the early intervention training, and the use of the model is increasing.

In addition to our own employees, we also want to support wellbeing in the communities we work in. In 2013, for example, our employees in Brazil and Chile participated in local community projects promoting environmental preservation and health, among others. Some of these projects focused on social aspects, and they directly reached about 450 people and their families in the vicinity of Metso units. Additionally, in 2013 Brazil started an open house program for our employees’ families. By offering family members a chance to visit our facilities, we aim to promote a healthy balance between work and personal life for our employees.

* Including both continued and discontinued operations

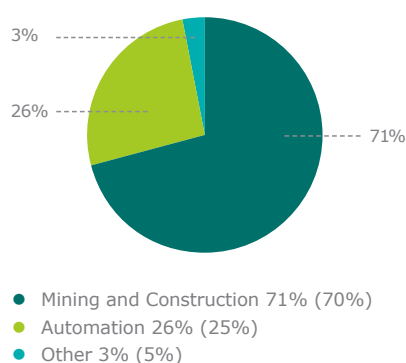
Personnel structure

At the end of 2013 we had a total of 16,425 (2012: 16,612) employees, and the average length of service was 9.2 years (2012: 9.3 years). The countries with the most Metso employees were Finland, the United States, China, Brazil and South Africa. These five countries employed 57 percent of Metso's total workforce.

GEOGRAPHICS

Comparison values for 2012 refer to the comparison period, i.e. the same period last year and all figures relate to Metso's continuing operations, unless otherwise stated.

Personnel by segment



Number of employees by country	2013				2013			
	Male	Female	Total	% of total	Male	Female	Total	% of total
Austria	86	25	111	0.7%	60	22	82	0.5%
Belgium	93	13	106	0.6%	43	6	49	0.3%
Bulgaria	0	0	0	0.0%	5	0	5	0.0%
Croatia	0	0	0	0.0%	2	0	2	0.0%
Czech republic	251	47	298	1.8%	222	42	264	1.6%
Denmark	82	27	109	0.7%	73	25	98	0.6%
Finland	2,402	720	3,122	18.8%	2,192	577	2,769	16.9%
France	501	125	626	3.8%	492	127	619	3.8%
Germany	591	115	706	4.2%	476	107	583	3.5%
Hungary	0	0	0	0.0%	3	0	3	0.0%
Italy	42	10	52	0.3%	40	10	50	0.3%
Macedonia	0	0	0	0.0%	7	1	8	0.0%
Netherlands	68	10	78	0.5%	27	6	33	0.2%
Norway	73	11	84	0.5%	43	9	52	0.3%
Poland	61	20	81	0.5%	63	20	83	0.5%
Portugal	23	6	29	0.2%	23	7	30	0.2%
Republic of serbia	0	0	0	0.0%	4	0	4	0.0%
Romania	0	0	0	0.0%	5	0	5	0.0%
Russia	197	82	279	1.7%	251	88	339	2.1%
Spain *	59	15	74	0.4%	N/A	N/A	121	0.7%
Sweden	753	162	915	5.5%	702	150	852	5.2%
Turkey	34	9	43	0.3%	40	6	46	0.3%
Ukraine	25	13	38	0.2%	26	14	40	0.2%
United kingdom	111	28	139	0.8%	110	25	135	0.8%
Uzbekistan	0	0	0	0.0%	3	2	5	0.0%
European countries total	5,452	1,438	6,890	41.5%	4,912*	1,244*	6,277	38.2%

Number of employees by country	2013				2013			
	Male	Female	Total	% of total	Male	Female	Total	% of total
Algeria	5	1	6	0.0%	7	1	8	0.0%
Ghana	42	6	48	0.3%	47	8	55	0.3%
Kazakhstan	16	10	26	0.2%	15	15	30	0.2%
South africa	935	122	1,057	6.4%	896	129	1,025	6.2%
United arab emirates	18	3	21	0.1%	20	5	25	0.2%
Zambia	8	2	10	0.1%	6	2	8	0.0%
Zimbabwe	5	1	6	0.0%	5	1	6	0.0%
Africa & Middle East countries total	1,029	145	1,174	7.1%	996	161	1,157	7.0%
EMEA total	6,481	1,583	8,064	48.5%	5,908*	1,405*	7,434	45.3%

Number of employees by country	2013				2013			
	Male	Female	Total	% of total	Male	Female	Total	% of total
Canada	556	98	654	3.9%	519	95	614	3.7%
USA	1,735	443	2,178	13.1%	1,710	416	2,126	12.9%
North America Total	2,291	541	2,832	17.0%	2,229	511	2,740	16.7%

Number of employees by country	2013				2013			
	Male	Female	Total	% of total	Male	Female	Total	% of total
Argentina	3	0	3	0.0%	3	0	3	0.0%
Brazil	253	1,674	1,927	11.6%	1,624	256	1,880	11.4%
Chile	514	63	577	3.5%	545	68	613	3.7%
Mexico	231	21	252	1.5%	262	25	287	1.7%
Peru	211	27	238	1.4%	209	28	237	1.4%
South And Central America total	1,212	1,785	2,997	18.0%	2,643	377	3,020	18.4%

Number of employees by country	2013				2013			
	Male	Female	Total	% of total	Male	Female	Total	% of total
Australia	463	104	567	3.4%	445	103	548	3.3%
China*	658	253	911	5.5%	N/A	N/A	1,493	9.1%
India	921	48	969	5.8%	883	46	929	5.7%
Indonesia	31	6	37	0.2%	36	5	41	0.2%
Japan	31	9	40	0.2%	28	7	35	0.2%
New Zealand	32	5	37	0.2%	3	2	5	0.0%
Singapore	34	28	62	0.4%	34	32	66	0.4%
South Korea	52	16	68	0.4%	65	16	81	0.5%
Thailand	12	12	24	0.1%	16	14	30	0.2%
Vietnam	4	0	4	0.0%	3	0	3	0.0%
Asia-Pacific countries total	2,238	481	2,719	16.4%	1,513*	225*	3,231	19.7%

Total Metso	12,222	4,390	16,612	100.0%	12,293*	2,518*	16,425	100.0%
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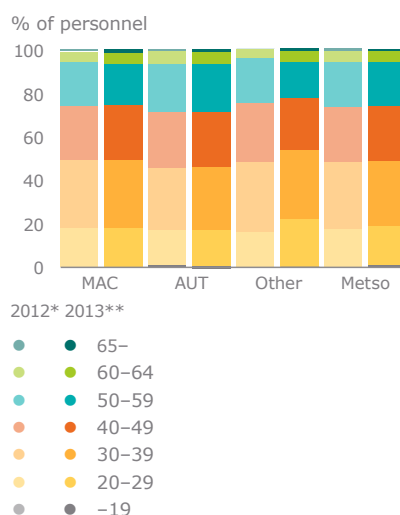
* Gender distribution not available for all employees in Spain and China.

Personnel 20 largest countries in 2013	2012	2012
Finland	3,122	2,769
USA	2,178	2,126
Brazil	1,927	1,880
China	911	1,493
South Africa	1,057	1,025
India	969	929
Sweden	915	852
France	626	619
Canada	654	614
Chile	577	613
Germany	706	583
Australia	567	548
Russia	279	339
Mexico	252	287
Czech Republic	298	264
Peru	238	237
United Kingdom	139	135
Spain	74	121
Denmark	109	98
Poland	81	83

DEMOGRAPHICS

Comparison values for 2012 refer to the comparison period, i.e. the same period last year and all figures relate to Metso's continuing operations, unless otherwise stated.

Age structure

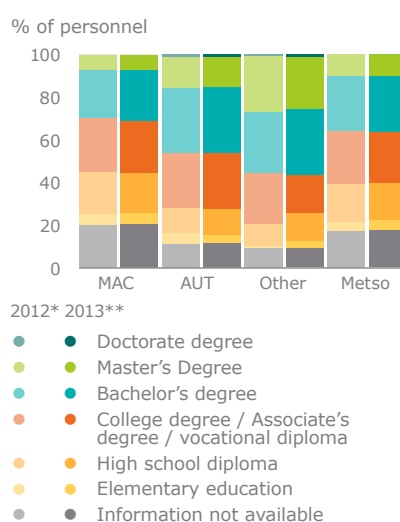


*2012 data coverage 97% of Metso personnel
**2013 data coverage 98% of Metso personnel

Employee total turnover rate by country / Top 20 countries 2013**	2012	2012
Finland	6.3%	9.9%
USA	10.4%	13.9%
Brazil	10.4%	17.7%
China	10.5%	9.9%
South Africa	15.3%	8.4%
India	7.7%	13.4%
Sweden	10.4%	9.6%
France	4.8%	4.0%
Canada	9.8%	12.7%
Chile	16.8%	18.8%
Germany	4.7%	12.8%
Australia	18.7%	19.2%
Russia	11.1%	11.2%
Mexico	7.9%	3.6%
Czech Republic	24.8%	14.9%
Peru	14.3%	10.9%
United Kingdom	7.9%	9.5%
Spain	8.1%	7.0%
Denmark	1.8%	4.8%
Poland	1.2%	2.4%
Metso all countries total	9.8%	12.3%

** 2013 data coverage 98% of Metso personnel. Calculation method re-defined compared to 2012, has minor effects on the end result.

Personnel by education level



*2012 data coverage 97% of Metso personnel
**2013 data coverage 98% of Metso personnel

Gender distribution of personnel	2012		2013	
	Male	Female	Male	Female
Metso Board of Directors	71%	29%	71%	29%
Metso Executive team	86%	14%	83%	17%
Metso Employees *	82%	18%	82%	18%
Blue Collars **	96%	4%	96%	4%
White Collars **	75%	25%	75%	25%
Line managers**	86%	14%	87%	13%
Permanent Full-Time employees **	83%	17%	84%	16%
Permanent Part-Time employees **	41%	59%	39%	61%
Temporary Full Time Employees **	77%	23%	77%	23%
Temporary Part Time Employees **	71%	29%	71%	29%
Trainees **	76%	24%	71%	29%

* 2012 data coverage 100% of Metso personnel, 2013 data coverage 98% of Metso personnel

** 2012 data coverage 97% of Metso personnel, 2013 data coverage 98% of Metso personnel

Personnel structure by employment type	2012		2013*	
	total	% of total	total	% of total
Regular, Full-time	15,057	90.6%	13,946	86.9%
Regular, Part-time	286	1.7%	260	1.6%
Regular total	15,343	92.4%	14,206	88.5%
Temporary, Full-time	1,128	6.8%	1,720	10.7%
Temporary, Part-time	141	0.8%	118	0.7%
Temporary total	1,269	7.6%	1,838	11.5%
All total	16,612	100 %	16,044*	100 %

Number of trainees in headcount	190	1.1%	235	1.5%
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* 2013 data coverage 98% of Metso employees

Personnel by function	2012		2013*	
	Headcount	% of total	Headcount	% of total
Engineering	1,565	9.4%	1,587	9.7%
Manufacturing	6,531	39.3%	6,552	39.9%
Service	2,790	16.8%	2,858	17.4%
Active personnel total, cogs	10,886	65.5%	10,997	67.0%
Sales and marketing	2,287	13.8%	3,098	18.9%
R&D	372	2.2%	347	2.1%
Administration	3,068	18.5%	1,983	12.1%
Active personnel total, S, G&A	5,726	34.5%	5,428	33%
Active personnel by function, total	16,612	100.0%	16,425	100.0%

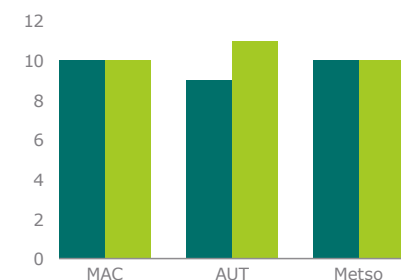
COGS = Cost of Goods Sold, S, G&A = Sales, General & Administration.

CHANGES IN PERSONNEL

Comparison values for 2012 refer to the comparison period, i.e. the same period last year and all figures relate to Metso's continuing operations, unless otherwise stated.

External recruitment

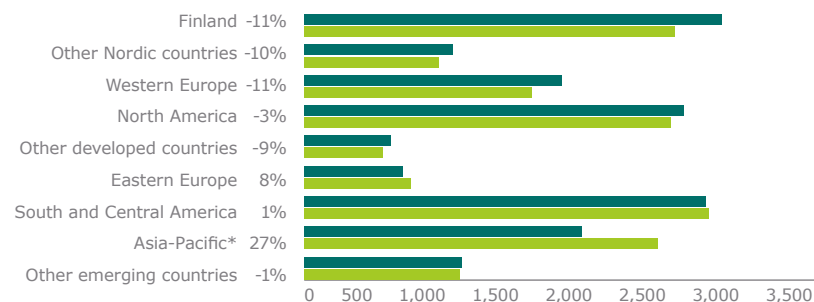
% of headcount



● 2012
● 2013*

*2013 data coverage 98% of Metso personnel

Personnel growth by area



● 2012
● 2013

*excl. Japan, Australia and New Zealand

Employee total turnover rate by country / Top 20 countries 2013	2012	2013**
Finland	6.3%	9.9%
USA	10.4%	13.9%
Brazil	10.4%	17.7%
China	10.5%	9.9%
South africa	15.3%	8.4%
India	7.7%	13.4%
Sweden	10.4%	9.6%
France	4.8%	4.0%
Canada	9.8%	12.7%
Chile	16.8%	18.8%
Germany	4.7%	12.8%
Australia	18.7%	19.2%
Russia	11.1%	11.2%
Mexico	7.9%	3.6%
Czech republic	24.8%	14.9%
Peru	14.3%	10.9%
United kingdom	7.9%	9.5%
Spain	8.1%	7.0%
Denmark	1.8%	4.8%
Poland	1.2%	2.4%
Metso all countries total	9.8%	12.3%

** 2013 data coverage 98% of Metso personnel. Calculation method re-defined compared to 2012, has minor effects on the end result.

We are committed to compliance with laws and ethical principles in people matters

In our personnel relations we comply with the labor rights stated by the International Labor Organization (ILO), and we support and respect the protection of human rights as expressed in the UN Declaration of Human Rights.

We do not use child labor or engage subcontractors or suppliers that do so. We do not allow behavior that is physically coercive, threatening, abusive or exploitative.

We are committed to the UN Global Compact initiative with its ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption.

In 2013 the total number of incidents of discrimination was 0 (2012: 0) and actions taken 0 (2012: 0).

Human resources is responsible for people management policies at Metso

The Metso HR management team drafts policies, principles and guidelines related to people management. The HR management team

is also responsible for the monitoring of them in accordance with the governance model. Local HR organizations are responsible for implementing them and supporting the compliance with them as part of our way of operating.

Examples of Metso's global HR policies and guidelines:

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

RESPONSIBLE EMPLOYMENT PRACTICES

We take a long-term approach in personnel planning and development. Through our people processes, we aim to develop and support employment opportunities for our personnel even in business change situations. We act responsibly and in compliance with national legislation and good employer practices in structural changes and lay-off situations resulting from financial or production reasons.

Our employees have the freedom to organize. Metso does not require or prevent the organization of employees. We do not track the extent of our employees' engagement in trade union activities, and our human resources practices are globally applicable regardless of the degree of organization and collective bargaining in different countries. We cooperate with local employee representatives and comply with local legislation in the business change situations.

The wages and salaries of Metso employees are determined on the basis of local collective and individual agreements, job skills assessments and employee job performance. Our globally applicable, performance-based incentive systems complement basic salaries and wages. Salary increases are based on principles determined annually by the management and on country-specific collective agreements.

Our employee benefits are based on local legislation, practices and competitive compensation levels. Occupational health care, country-specific pension practices, statutory insurance, training, and various sabbaticals supporting parenthood, family life and studying, and annual vacation time are determined on the basis of country-specific legislation and national policies.

In 2013, we analyzed the pension schemes to acquire better knowledge of the financial consequences that pension systems in different markets have for Metso. Another reason for the analysis was to make sure that our pension schemes are compliant with local legislation and requirements.

COOPERATION WITH PERSONNEL AND MANAGEMENT

Cooperation acts and other laws and regulations create a country-specific framework for the collaboration between the management

and personnel and for the mutual development of the company and its operations.

Personnel representation in business unit management is separately agreed upon and compliant with country-specific regulations. Additionally, our units engage in forms of cooperation that comply with country-specific practices and legislation.

A personnel representative elected by our personnel groups participates in the meetings of Metso's Board of Directors as an invited expert. The representative does not have voting rights and is not legally responsible for Board decisions.

Metso European Works Council

The Metso European Works Council is our European management and personnel cooperation body, which carries out the cooperation and communication defined in the EU's European Works Council directive. It offers our employees an opportunity to engage in an open dialogue about company issues.

The operating model changes agreed to in 2012 were effective in the Metso European Works Council meeting in 2013. For example, representation of six new countries was added to cover all the main European countries where Metso is present. A total of 31 employee representatives and several of our top management representatives participated in the Metso European Works Council in 2013. The key topics of the discussions covered the demerger plan and our other strategic themes as well as the current competition situation.

In 2014 the Metso European Works Council operating model will be reviewed due to the demerger of the company into the new Metso and Valmet.

Corporate citizenship

Our corporate citizenship has its foundation in our mission statement: We contribute to a more sustainable world by helping our customers to process natural resources and recycle materials into valuable products.

In order to serve our customers we need to be close to them wherever they conduct their business. Accordingly, our operations can be located next to mining operations in remote and sparsely populated areas or near serving construction companies building new megacities with millions of city dwellers. In all of these conditions, we aim to act responsibly as a good corporate citizen. Our aspiration is based on understanding mutual needs and expectations in our relationships with local communities. We are convinced that increased integration with the local community through the engagement of our local employees results in mutual benefits for Metso and the society.

The best examples of local-level corporate citizenship arise from local needs defined and responded to by our local people. The role of Metso's management is to set the framework and practices for resources used and to provide encouragement and support for local units and the employees involved. A number of local programs in, e.g., vocational training, life skills teaching, social support and health counseling have been developed and run by our local units. Another important area is our relationship with universities and research institutes, reflecting our roles as a technology company, a partner in science and research, and a potential employer.

Metso's sponsorship program comprises a number of joint activities with various external, often local partners with whom we share common interests and values. During 2013 the last year we focused on developing our health, safety and environment policies and practices, all of which are strongly linked to our view of a responsible employer and being a role model for the local business community and for all our employees worldwide.

important ethical issues, such as our commitment to the UN Declaration of Human Rights. Our sponsorship activities reflect the implementation of the Ten Principles of the UN Global Compact in our operations. We use sponsorships and donations to support the implementation of our strategy and to strengthen our corporate brand and recognition globally.

Metso defines sponsorship through the principles and terms described in the Advertising and Marketing Communication Practice, published by the International Chamber of Commerce (ICC) in August 2006. Accordingly, we endorse the definition stated in this document.

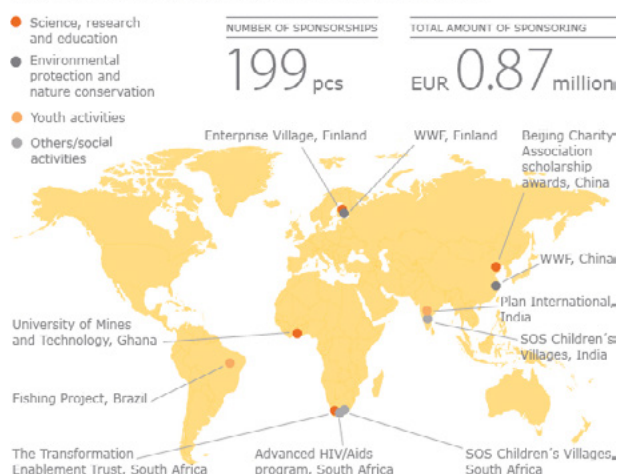
Metso chooses its sponsorship targets based on its strategic objectives – science, research and education, environmental protection, nature conservation and youth activities. To keep the focus in these target areas, we have also introduced other guiding principles to our sponsorship approach, since, as a business-to-business company, we do not allocate resources for sponsorships targeting the general public, unless deemed appropriate for a specific issue. As we operate globally and in various cultures, we sponsor only projects that are universally accepted and respected. The principle of equality also means that we do not sponsor projects or initiatives related to politics or religious worship. For the same reason, we do not sponsor ideological organizations that have values and activities that lack unanimous community support.

A substantial part of the contributions within the category "Others" includes our support to social programs in e.g. for abatement of HIV/AIDS which has gained importance as a from of our local responsibility. Similarly, we have supported also local water and sanitation programs in schools nearby to our local facilities.

Additionally, we do not sponsor professional sports on a national or international level. Our community involvement projects can, however, include support for local sports as a youth activity or a general recreation activity. We also do not sponsor activities that are commonly considered as conflicting with the principles of sustainable development, such as motor sports.

Sponsorships and donations

MAJOR SPONSORSHIP AND DONATION INITIATIVES IN 2013



Our principles of sponsorships and donations have their foundation in Metso's Code of Conduct, in which we define also other

Cooperation with non-governmental organizations (NGOs)

As a global company, Metso operates in local and international non-governmental organizations (NGOs) in many countries. In many instances, NGOs can provide the needed operations, services and experience to support the local communities, people and environment.

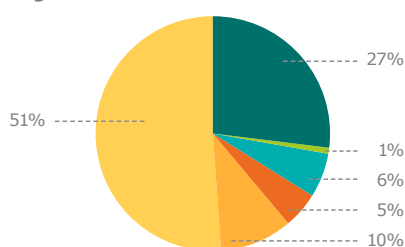
Metso's support for non-profit or non-governmental organizations and related activities was 866,453 EUR in 2013.

Total	EUR 866,453	100%
Youth activities	EUR 236,446	27%
Culture	EUR 6,398	1%
Science, research and education	EUR 49,144	6%
Environmental protection and nature conservation	EUR 42,382	5%
Sports	EUR 85,233	10%
Others	EUR 446,850	51%

During 2013 Metso continued and further developed social, educational and environmental programs, especially in growth markets like Brazil, India, China and South Africa. Being a technology company we have diverse university cooperation in all our major countries of operation.

In South Africa Metso's contributions are allocated to e.g. educational and health programs that fulfill also the criteria set by the national BBBEE (Broad Based Black Economic Empowerment) policy.

Support for non-profit organizations



- Youth activities 27% (23%)
- Culture 1% (20%)
- Science, research and education 6% (2%)
- Environmental protection 5% (3%)
- Sports 10% (14%)
- Others 51% (38%)

Metso's sponsorship responsibilities are rooted at various levels of our business organizations. The responsibilities include the managing and monitoring of sponsorship projects related to their business and customer industries.

Metso has a well-defined practical process for all its sponsorship projects. All projects must include a pre-agreement with the relevant partner, outlining the form, the focus and the desired outcome of the cooperation. Therefore, a written sponsorship co-operation agreement must always be drafted. Though we strive for long-term cooperation in sponsoring, we only make agreements that are a maximum of two years so that we can ensure agreements that are functional and flexible e.g. in terms of changes in the operating environment.

CASE: METSO SUPPORT PLAN IN IMPROVING CHILDREN'S RIGHTS IN INDIA

Metso supports local activities that aim to improve the welfare of local communities. Accordingly, Metso has chosen to support the international child-centered development organization, Plan International. Cooperation with Plan in India was started in 2012.

The program contributes to children's rights to education, and especially to water and sanitation facilities, in Indian schools. Plan's program in India supports 50 schools in the districts of Alwar, Lucknow Varanasi, Faizabad, Delhi, Andra Pradesh and Patna, and Metso supports 15 of the schools and 8,000 students.

The activities have been running at the local level for about six months, and already the feedback on the project has been positive.

The project will have a positive effect, especially on girls because lack of adequate and safe water and sanitation facilities in schools is one of the biggest reasons for girls dropping out of school. This project supports the local ethno-cultural environment and encourages families to send their children to schools.

"This is the first time a holistic approach towards developing school sanitation and hygiene has been taken into consideration in this area and with a special focus on girls. Promoting child-friendly toilet facilities in schools will encourage more girls to get an education," comments Rajiv Nagpal, Plan's State Manager for Rajasthan.

Community involvement

Metso's presence in emerging markets is constantly growing and is reflected in new units being opened or existing ones expanded. Our local presence creates wealth and job opportunities, and also business partnerships that are important and beneficial both to Metso and the local community. We encourage our units and employees to participate in a wide range of activities that bring wellbeing to the local community.

Sponsorships and donations are examples of means we use to develop and maintain interaction with important stakeholder groups. The principles and practices covering this area are defined in our Code of Conduct and in Metso's Principles of Sponsorships and Donations. We focus our sponsorships and support primarily on youth activities, science, research, education, and environmental and nature conservation.

Read more about our community involvement and projects related to it >

CASE: METSO SUPPORTING UNIVERSITY OF MINES AND TECHNOLOGY IN GHANA

During recent years Metso has collaborated with the University of Mines and Technology (UMaT) in Ghana, in Western Africa. The goal of the cooperation is to promote the scientific and technological developments of UMaT through seminars, symposiums and special short-term courses. Metso is a significant employer in the mining industry in Western Africa, and the cooperation enables Metso to support the local mining community.

The collaboration was started in 2006 with international lectures given by Metso's visiting experts. Over the years the program has expanded to include also a scholarship system, the annual Metso Award, which is granted to the two best students in Mining Engineering and Mineral Processing. In addition, Metso has become one of the main sponsors for the UMaT Biennial International Mining and Mineral conference in Ghana. Students studying for a PhD in mining and minerals have the possibility to take part in research projects sponsored by Metso. Additionally, Metso has provided materials, such as mining and laboratory equipment, for the university.

"With Metso, the future is bright. We are very proud of this project," says Professor Jerry S.Y. Kuma, Vice Chancellor of UMaT.

Health, safety and environment (HSE)

Health, safety and environment (HSE) is an essential element in all our activities. HSE is continuously present and must never be compromised. Prioritizing the health, safety and wellbeing of our employees, customers and partners is fundamental to everyone at Metso. We also require our partners and subcontractors to see that occupational health and safety issues are taken care of.

At Metso we all have a responsibility for safety, both as individuals and collectively, and we also have the right to expect a safe working environment. Therefore, safeguarding the health of the people who work for Metso is fundamental. World-class safety is also a sign of quality; safe businesses are productive businesses. Our customers and other stakeholders expect us to deliver quality products and services, but they also expect us to do it with no harm to individuals or to the environment. This means that all Metso employees must actively look out for things that threaten health, safety and wellbeing and help to eliminate or control risks. We believe that world-class safety comes from a combination of having the right attitude, making the right decisions and taking the right actions.

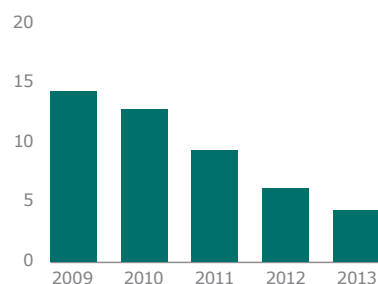
During 2013, we continued our strong focus on the development of health, safety and environmental issues. The Metso HSE Policy and Metso minimum safety standards, which were implemented in 2012, have strongly supported our safety work.

HSE self-auditing and internal HSE assurance practices were introduced at Metso in 2012 and during 2013 we further developed our HSE monitoring by improving the practices related to them. In 2013, we had a broad range of global HSE activities internally to raise awareness about health, safety and environmental issues and to train our personnel. We executed health and safety training modules for our business unit management and personnel. Various training programs, such as Metso Safe e-learning and local HSE training programs, are also available to support HSE orientation globally.

We developed our HSE Monitor reporting system, which currently covers 95% of our personnel globally. During 2012 and 2013, a global Metso safety pledge campaign was introduced to raise awareness of and enhance our uniform HSE practices, including Metso minimum safety standards. The campaign was implemented in all our production units around the world and received positive feedback from our personnel. Read more about HSE reporting and HSE management.

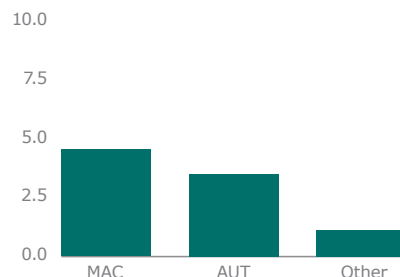
Please note that the 2012 and 2013 figures describe Metso's continuing operations.

LTIF at Metso



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

LTIF by segments



HSE targets and results

Metso's long-term objective is zero work-related incidents. Our prime short-term occupational safety target has, until now, been to achieve a lost-time incident frequency (LTIF) of less than 5 in 2015. Encouraged by significant improvements in our health and safety performance, we have sharpened our prime occupational safety target, the LTIF, to reach a level of less than 1.

In 2013, Metso regrettably had to register 1 (1) work-related fatality. The number of recordable work-related incidents in 2013 was 297 (367). Recordable incidents are the sum of lost time, restricted work and medical treatment incidents. Metso's LTIF was 4.2 (6.0), while 60% of our units reached the new Group-level LTIF target of less than 1. Metso also monitors near-misses and risk observations. The 2013 near-miss and risk observation factor was 339 (243), an increase of 40% from 2012 due to our effective safety campaigning.

The number of absence days in 2013 totaled 6.6 (7.0) days per person on average, 6.2 (6.6) days due to illness and 0.4 (0.4) days due to injury at work.

Since 2009, we have succeeded in reducing the LTIF by 71% (59%), mainly by increasing employee awareness of work safety

and by encouraging every employee to take responsibility for work safety issues. During 2013, our LTIF decreased from 6.0 to 4.2. This is a reduction of 30%. The LTIF levels reported by Metso's units and operating countries vary, and there is still a lot of room for improvement in health and safety work.

HSE reporting

Incidents, first-aid situations, environmental damages, near-miss situations and observed risks related to occupational health and safety are entered into the HSE Monitor reporting tool. Following the success in implementing the incident reporting numbers, the next step is to focus on important leading indicators, such as near-miss reporting. The number of notices has been increasing, and today we receive about 850 new risk observations or near-miss notices monthly.

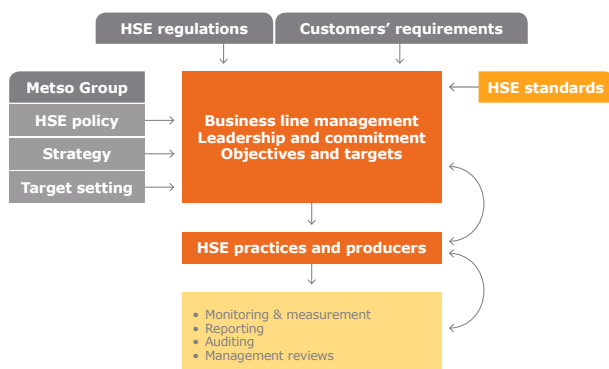
Read more about HSE reporting on our website, Sustainability in Metso >

HSE management

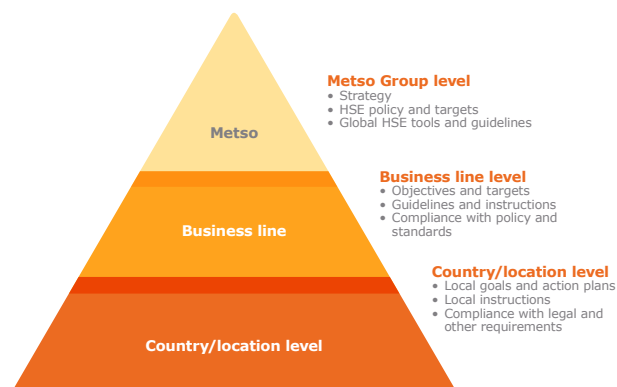
We take a precautionary approach by applying the requirements defined by our high HSE standards early in the development phase of our products and process solutions. In our own HSE management practices, we comply with ISO 9001, ISO 14001 and OHSAS 18001, and many of our business units have gained certification to these standards. 34% of our relevant operations are covered by the ISO 14001 certification, 17% by the OHSAS 18001 certification and 80% by the ISO 9001 certification. The coverage is calculated by the number of employees working in certified facilities excluding discontinued operations. We also strive to anticipate the development of HSE legislation on a national and international level.

Our health, safety and environmental (HSE) management is organized according to a semi-decentralized model in which our strategy, HSE policy and targets are set at the Group level, and the business line managements set business-specific targets, action plans and global instructions based on the Group's targets. The HSE management model was amended at the end of 2013, due to the demerger of Metso. The new HSE management model is regionally coordinated, but the responsibility for these issues lies, as earlier, with our business organizations.

HSE OPERATIONAL MODEL



HIERARCHY OF METSO HSE PROCEDURES



Read more about our global HSE network and how HSE is managed at Metso >

HSE development projects

2013 marked a year of development and increased strength for Metso's HSE projects around the world. We are actively developing our HSE performance through a range of actions and development projects. We strive to manage our HSE actions comprehensively by supporting and strengthening our performance further according to our sustainability strategy.

COMPREHENSIVE TOOL FOR SUSTAINABILITY MANAGEMENT

During 2013, major progress was made in the area of reporting. A new Metso-wide sustainability management system was implemented for environmental reporting and sustainability auditing. Metso's Sustainability and Technology Development team has been deeply involved in the implementation of the system, which enables uniform environmental reporting throughout Metso.

Reporting has been improved by including all Metso's environmental figures in the sustainability management system. In the near future, the sustainability management system will include occupational health, safety and environmental incident features as well as the environmental legislation monitoring and chemicals management functionality. The system is also used as a tool for internal HSE auditing.

"Improving our reporting of essential sustainability topics is a way for us to improve the understanding of Metso's position and performance in the area of sustainability, both internally and externally. The tool will also help us gain a comprehensive picture of ongoing legislative developments affecting our operational environment," says Lennart Ohlsson, SVP, Sustainability and Technology Development.

MINIMUM SAFETY STANDARDS

In 2012, Metso minimum safety standards were launched to create a safer working environment for Metso's employees. The target for the standards is to remove risk factors in the most common work tasks in Metso's plants; the risk factors were chosen on the basis of an analysis of serious incidents that had occurred in Metso.

The Minimum safety standards give guidance in eight different risk factors: lock out/tag out procedure to prevent unexpected

start-up, working at heights, lifting, working in confined spaces, operating tools and equipment, working with hazardous substances, personal protective equipment and maintaining good order.

Based on the positive impact on safety, and the positive feedback from our organization, new topics, such as safe road traveling, will be added to the Minimum safety standards for implementation during 2014.

The objective is to implement the Minimum safety standards locally at all Metso facilities. The goal is also to ensure that local procedures are communicated to every employee at the plants.

HSE AUDITING

Metso continued developing its safety culture by focusing on the HSE auditing practices and the HSE assurance practices. The HSE audit process supports our units in enforcing our Minimum safety standards and in finding best practices in daily operations. It also enables us to share these best practices globally. As a result of the increased transparency arising from audits, Metso's top management is also able to better support the segments and locations in their work to improve safety.

The audits were introduced globally in 2012, and accelerated during 2013. The positive results of the auditing process surpassed the expectations, in terms of the number of audited locations and the quality of the audits. Internal auditors visited 23 locations during 2013, revealing hundreds of needs for corrective actions. Every case will be followed up according to a case-specific plan. The new auditing practice has been well received and supported by our local organizations.

In 2013, the new mandatory HSE self-assessment tool, including a 12 elements model, was implemented to support the development of good local safety practices and to identify and prioritize the development areas for the local HSE work.

The 12 elements model created for Metso is a methodology for systematic development of different aspects of safety. Each element assesses the maturity of the safety systems at our production sites. The 12 elements include, e.g., HSE management, hazard and risk evaluation, training, ownership, leadership, and incident and accident management.

OTHER HSE INITIATIVES

Global Metso safety pledge campaign to raise awareness in HSE issues

A safe workplace for everyone is at the core of our values and is the basis for our health and safety work at Metso. A global Metso safety pledge initiative was launched to remind us of the importance of safety and the personal responsibility for safety issues. The driving force of the campaign was to anchor the Metso minimum safety standards in the daily routines of each individual Metso factory worker.

Personal responsibility was central to the campaign and each employee took a personal safety pledge to ensure a safe workplace for everyone. The campaign was implemented in all of Metso's production units globally and it resulted in thousands of safety promises. The campaign received very positive feedback around Metso locations globally. The safety pledge campaign was started

as an initiative but it has continued as a reminder of the importance our own actions have on safety.

Mobile incident reporting

In 2013, we launched a mobile application for iPhones and iPads. Developed in-house, the application enables mobile risk observation and near-miss reporting from outside the office. The application can be used by all employees, but it is primarily targeted to sales and service personnel and management, who spend time traveling and visiting our sites. In addition to near-miss and risk observation reporting, the application features HSE contact information globally and a selection of permanent guidance documents, such as basic safety instructions and instructions on the correct actions to take in an incident situation. The aim of the new application is to make reporting even easier and faster than before. It is also a new way to engage our employees in safety.

HSE incident guide

We monitor our HSE indicators closely to ensure accurate HSE reporting. In 2013 we created a new HSE incident guide that clarifies the HSE incident classification and explains our HSE indicators. All HSE incident types are introduced with easy-to-understand explanations and examples. The guide also indicates what is recordable and non-recordable and gives guidance on reporting. The aim of the new guide is to strengthen the reporting routines and to increase the accuracy of our near-miss and accident reporting numbers.

HSE e-learning platform

A learning platform created in 2013 allows us to more effectively deliver safety e-learning programs to employees. The system supports all sites in the US, Mexico and Canada. Necessary safety training requirements were classified with all employees based on their identified benchmark job or function. The result is multiple sets of curricula or blocks of courses, that can be assigned systematically. The system is linked to our HR Information System (SAP) which reduces the need for administration and makes tracking of the training information easier. In the future, the platform can also be used for delivering other training such as ethics and compliance training.

Health, safety and environment as one of the Metso Award categories

Health, safety and environment acknowledged as one of the categories in a company-wide Metso Award recognition program for all Metso employees. The purpose of the program is to recognize projects that have improved our way of working and have generated new ideas, products or best practices. In the HSE category, recognition is given to projects that have driven significant activities in the area of health, safety and environment. Other categories in the program are customer care, innovation and operational excellence. The Metso Award initiative was first introduced at Metso in spring 2011. The annual award is granted in categories derived from Metso's values.

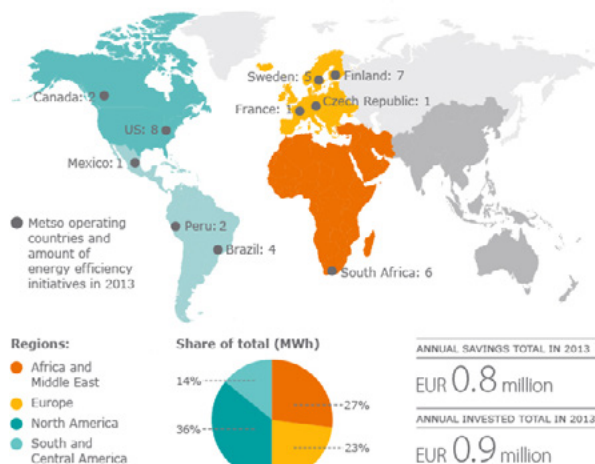
Metso's energy efficiency program

ENERGY EFFICIENCY ACTIONS OF OUR OWN PRODUCTION IN 2013

Alone in 2013 Metso saved **1.8%** of the energy of its own production, a total of 7,800 MWh.

Since the beginning of the program of energy, a total of 45,700 MWh of energy has been saved through a wide range of actions around the world.

Approximately **80%** of our production sites have participated in the program since 2010.



We strive to reduce the environmental footprint of our own production through a dedicated energy-efficiency program, while setting global, Group-wide targets for energy conservation and carbon dioxide emissions for our own production. Our global target is to reduce Metso's energy consumption and emissions by 15 percent by 2015 and by 20 percent by 2020 compared to our business volume.

Decreasing energy consumption will reduce emissions while also bringing financial benefits. The majority of our reported CO₂ emissions come from the use of energy. In 2013, Metso saved 1.8% of the energy of its own production, a total of 7,800 MWh (2,100 tons of CO₂). Since the beginning of the program, 10.7%, i.e. a total of 45,700 MWh of energy (12,340 tons of CO₂), has been saved through a wide range of actions around the world.

We have developed quarterly reporting metrics for each production site's energy-savings actions; these metrics help to promote energy-efficiency improvements and monitoring at the Group level.

Identifying energy-efficiency improvements

The 15 Metso sites with the highest energy consumption account for nearly 80 percent of Metso's total energy consumption and hence 80 percent of Metso's CO₂ emissions.

Since 2009, we have conducted energy audits at the sites that have the highest energy consumption and the greatest potential for energy savings. By the end of 2013, external audits of energy consumption were completed in most of the largest energy-consuming production units, and during 2014 we will focus on

the less energy-intensive units. Additionally, we will continue our internal research work and the implementation of measures to improve the efficiency of energy use, including the compiling of a global database for actions to improve energy efficiency. The most significant savings targets identified are related to the use fuel, e.g. natural gas, and heat. Potential savings were also found outside the production process, e.g. in cooling, compressed air systems and building services.

HIGHLIGHTS OF THE ENERGY PROGRAM 2013

During 2013, more than 30 different energy-efficiency projects started or implemented in Metso's own production generated a total savings of 2,100 tons of carbon dioxide. Additionally, a number of smaller initiatives and actions have taken place globally in our production units.

We have implemented 170 projects that have led to carbon dioxide savings of 12,300 tons since 2009 when Metso's energy-efficiency program was started. Since then, investments totaling EUR 4.1 million have resulted in savings of 45,700 MWh of energy, worth EUR 3.1 million; these investments have a payback time ranging from one to three years.

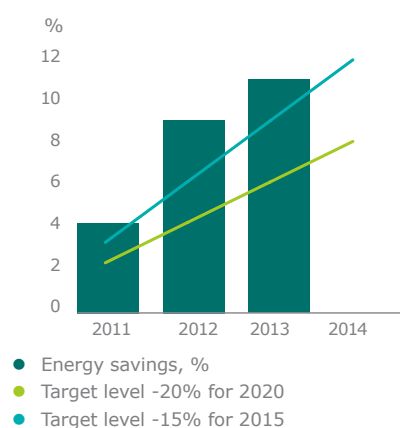
To speed up the energy and CO₂ savings in our production, we have a separate budget for energy and CO₂ investments.

Metso uses both intensity (e.g. MWh/ton) and absolute targets (MWh/a) in its energy and CO₂ emissions reductions program. An absolute target is used for specific sites, while the rest of Metso's production sites are using an intensity target. An absolute target is not applicable to all of Metso's sites due to their operating model. Both the intensity and absolute targets are actively monitored and reported.

We are ahead of our global targets for 2015 and 2020 in terms of intensity and absolute energy consumption targets. In terms of completed energy-saving actions, we are currently at our target level of a 20% reduction by 2020.

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

Summary of energy saving actions



CASE: PRACTICAL ENERGY EFFICIENCY IMPROVEMENTS AT METSO LOCATIONS

Sometimes small things make a big difference – also cost-wise. This was noticed in two of Metso's undertakings, which emerged from eco-efficient thinking. These exceptional projects can be easily duplicated, and they are clear evidence of how eco-efficient solutions result in cost savings.

Tapani Suominen, Operational Excellence Manager at the Helsinki plant in Finland, was on his way home from work when he noticed that the office premises were fully lit late in the evening. This was against Tapani's values, so he informed the plant management of the issue; and was the starting point for improving the automation of lighting at the Hakkila plant. A decision was made to invest in lighting timers, a cost-effective solution to the problem.

At the Lachine plant in Montreal, Canada, studies showed that the location was perfect, from the weather point of view, for installing solar panels for heating purposes. The plant is heated entirely by natural gas, so the idea is to use the panels for heating purposes and thus substantially reduce the use of natural gas. During the cold winter months the panels will be used as one of the main sources of heat. The investment helps the environment and brings clear cost savings.

"The plant is very proud to have the panels in place, both from an energy-efficiency standpoint and with regards to the positive environmental impact through the reduction of greenhouse gases," comments Guy Lassier, Maintenance Supervisor in Lachine, Canada.

Product stewardship

Metso's product stewardship process aims to assure that our products provide environmental, social and economic benefits over their entire life cycle, from the extraction of raw materials to decommissioning. This means that our products are compliant with applicable regulations, safe to operate, economically feasible and efficient, and help our customers to minimize their environmental impacts.

The sources of product stewardship are innovation and the continuous improvement of existing products. As stated in Metso's HSE policy, we design our solutions, products, innovations and services to help our customers improve their safety and environmental performance. Our ambition is to maintain our technology leadership with cost-efficient and environmentally sustainable products and process solutions.

Life-cycle thinking is a crucial aspect in providing safe, economically feasible and environmentally sustainable products. Our life-cycle services help our customers to operate and maintain their equipment efficiently and safely, while our life-cycle assessments provide us with the necessary information about the environmental profile of our products in order to help us and our customers make justified decisions.

Product safety

The safety of Metso products is one of the key drivers in product development. Metso's product safety procedures consider all aspects relevant to the safe installation, operation, service and maintenance of the products.

Metso's products are designed to meet all the relevant standards, norms and directives in the respective delivery countries. Metso's products are delivered with the appropriate information and instructions to ensure safe operation service and maintenance. In addition, Metso offers a wide range of life-cycle services to ensure that all the products in use will continue to meet existing and future requirements throughout their life cycle.



Life-cycle assessment

We are continuously developing our competence in the life-cycle assessments of our products. A life-cycle assessment is a tool to define the potential environmental impacts related to a product or service over its entire life cycle.

By developing life-cycle assessments, we want to help our customers reduce the environmental impacts of their processes. Our customers and other stakeholders are also increasingly interested in the environmental impacts of our products and supply chain. This kind of knowledge is needed by Metso and by our customers, for example in order to comply with future legislative requirements.

Life cycle assessments also give us an opportunity to produce totally new knowledge. As a developer of new technologies, we are able to assess solutions that have not yet been subjected to research.

The main focus for Metso is on building life-cycle assessments into our research and product development processes. The aim is to use the results of the assessments to identify the relevant areas for product development and thus further reduce the environmental impact of our products.

In addition to product development, the results of the life-cycle assessments can be used for communication and marketing purposes. Providing fact-based information on the environmental performance of our products also supports our customers in the communication with their stakeholders.

Innovation

Our research and technology development (RTD) activities focus on several important areas of sustainability, such as energy and raw materials efficiency, utilization of renewable and recycled raw materials and fuels, advanced process control technology and new solutions for the services business. In this way, our RTD strongly supports our growth strategy. Our RTD activities are based on co-operation with customers and on our network of research facilities and universities.

Improvement of the environmental impacts of our customers' operations is an integral part of our product and service portfolio. Metso's solutions produce added value for our customers during all phases of the production process life cycle, improve customer

competitiveness and reduce adverse environmental impacts, either directly or indirectly, throughout the value chain.

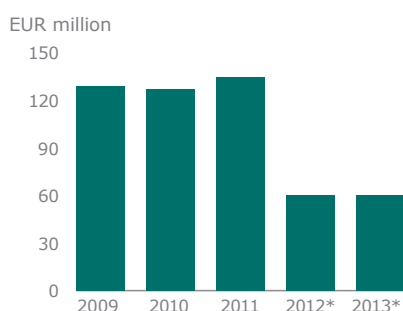
The environmental business solutions we offer are related particularly to the reduction of energy consumption in our customers' production processes, improved utilization of raw materials, enhanced water conservation, and the reduction of dust, noise, waste and emissions.

We also offer training, maintenance and services related to our products. We take care of the entire production process life cycle and help to ensure that the solutions are used correctly and in an environmentally sustainable manner.

As Metso is focusing on the reduction of environmental impact in its RTD processes, most of our RTD projects are evaluated according to their environmental performance, a process that starts with identification of environmental aspects. Qualitative objectives are set for the most significant environmental issues, and the progress is followed during the entire development project.

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

RTD expenditure



* Excluding IPR expenses

CASE: INCREASED SAFETY THROUGH PRODUCT IMPROVEMENT

Safety is a high priority at Metso and was also emphasized during the product planning phase of the award-winning Metso Megaliner™. The new product innovation reduces the installation time of the mill lining, while simultaneously improving safety. Metso Megaliner™ was launched in 2012 and the contracts signed with the new technology have been among the largest mill lining orders Metso has ever received.

The new product innovation was a result of persistent research and development work by Metso's Mill Lining Solutions team. Large mills require quick replacements of linings because the downtime costs are high. While keeping downtime to a minimum, Megaliner™ also greatly improves worker safety. The liners are bolted into position from the outside of the mill, so the installation crew does not have to work close to the suspended heavy liners inside the mill during replacement.

"Megaliner™ boosts mill availability thanks to the faster liner replacement. And installation is not only faster, but easier too; compared to conventional liners, it only takes half the number of attachment points to secure Megaliner™. And because they are

larger in size, fewer liners are required," says Tage Möller, Vice President, Mill Lining Solutions from Mining and Construction.

CASE: INCREASED PRODUCTION AND ENERGY EFFICIENCY AT ANTAMINA MINE

Supported by Metso's process technology and innovation business unit, Compañía Minera Antamina is continuously exceeding its production targets and improving the energy efficiency of operations at the Antamina mine in Peru.

The cooperation started when Antamina approached Metso to assist in increasing production of the mine and plant. Compañía Minera Antamina experienced challenges in achieving similar throughputs with two different ore types, copper and zinc and was looking for a solution to achieve a similar result for both of them. Metso helped the customer by offering a cost effective and rapid route to increase overall production, reduce energy consumption, and achieve higher metal recovery and better overall process operation and stabilization.

The optimization project included review and benchmarking of the current operating practices at Antamina from drill and blasting to crushing and grinding operations. Metso ore characterisation, complete field surveys, SmarTag™ ore tracking system, mathematical models and simulation techniques were utilised to develop alternative operating strategies in the mine and plant. These strategies were implemented together with the customer and resulted in considerably less energy consumption per ton of product. The specific energy savings at the Antamina mine were ultimately 25%.

CASE: ECO-EFFICIENT MINING PROCESS

New approaches are being sought to find alternative technologies and practices in mining and mineral processes that minimize energy and water, consumption and reduce CO₂ emissions. In 2011, Metso established a three-year research and development project, Development of an Eco-efficient Mining Process, to address the growing need for more sustainable practices.

The project was initiated in cooperation with a major mining company in order to gain additional knowledge and to find new methods for eco-efficient mining services. The aim is to reduce energy usage by 30% and greenhouse gases by 50% compared to conventional processes.

The new findings have been shared with Metso's key customers and the cooperation enables Metso's experts to further expand on the project findings even further. Metso has had the ability to demonstrate its expertise in eco-efficient mining and to offer eco-efficient and optimized solutions. There has been an emphasis on sharing information about the project outcomes between Metso and the collaboration partners.

As a result, Metso has found new business opportunities and the most important findings of the project have been tested with the key customers that were part of the project. Metso has also been honored with several awards and recognitions based on the findings of the study.

"This project provides Metso with new knowledge to help our customers improve their processes. We have been able to deliver production increases from 5-30% with reduced operating costs and energy consumption," says Dr. Walter Valery, SVP, Process Technology and Innovation from Mining and Construction.

Environmental impacts of own production

Regarding the ecological footprint of our products and services only a small portion is related to our own production. As the volume of our production activities outsourced to our subcontractors increases, the relative significance of our own production further decreases. The most essential environmental impacts of our production are related to the energy consumption in our foundries. Globally, we have 36 production facilities and 34% of our relevant operations are covered by the ISO 14001 environmental standard. Our production facilities are constantly developing their environmental operations in accordance with our health, safety and environment (HSE) policy. The HSE policy states that we cooperate with our stakeholders to develop our best practices and processes to

improve the efficient and sustainable use of energy and materials as well as to prevent pollution. Hence, we continuously make efforts to improve the environmental performance of our operations and the environmental awareness of our workforce.

Environmental reporting system

Our production facilities are required to report their environmental data at the Group level. Energy and water consumption data are reported quarterly and other environmental data, e.g. materials use and waste amounts, are reported annually. Each unit has a designated environmental representative and the reported data is validated by the unit manager of the location. During 2013, we implemented a new environmental reporting system to improve our data collecting procedures and to ensure the quality and accuracy of the data collected.

ENVIRONMENTAL FIGURES

Environmental balance sheet

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

	2009	2010	2011	2012*	2013*
Materials					
Ferrous metals, 1000t	139.57	232.86	258.98	139.45	123.98
Non-ferrous metals, 1000t	3.96	4.26	7.35	4.16	3.73
Paints, 1000t	0.74	0.98	1.06	0.78	0.64
Solvents, 1000t	0.44	0.43	0.60	0.43	0.41
Cardboard, 1000t	0.11	0.63	0.70	0.06	0.14
Wood, 1000t	4.67	5.67	8.50	5.52	6.43
Paper, 1000t	0.02	0.03	0.04	0.01	0.04
Plastics, 1000t	0.05	0.25	0.27	0.03	0.08
Recycled materials, 1000t	55.13	101.99	94.45	56.18	51.02
Energy					
Electricity, TJ	1,471.04	1,776.43	1,820.88	760.29	701.17
District heat, TJ	531.51	760.51	568.28	141.02	127.85
Steam, TJ	82.92	115.00	100.82	36.69	39.37
Natural gas, TJ	730.55	915.12	871.74	653.85	618.13
Coal, TJ	300.71	198.83	120.33	0.00	0.00
Heavy fuel oil (HFO), TJ	161.81	15.39	13.60	4.85	5.82
Light fuel oil (LFO), TJ	56.66	64.47	50.51	0.00	0.00
Diesel, TJ	29.87	38.97	47.19	23.93	20.75
Gasoline, TJ	6.07	5.99	2.93	0.71	0.16
Liquified petroleum gas (LPG), TJ	48.20	65.75	73.99	32.13	27.53
Total energy, TJ	3,419.33	3,956.46	3,670.26	1,653.28	1,540.76
Water					
Water consumption, 1,000 m ³ **	1,414.64	2,061.61	1,589.20	590.46	579.82
Air emissions					
CO ₂ , 1000t	257.86	282.61	266.51	127.16	120.22
VOC, 1000t	0.33	0.40	0.42	0.35	0.30
Waste					
Hazardous, 1000t	3.78	6.79	7.72	5.39	4.95
Non-hazardous, 1000t	68.96	95.60	108.94	56.06	53.15

* 2012 and 2013 figures describe Metso's continuing operations

** Excluding surface water and water from recycled source

EMISSIONS TO AIR

In 2013, our production activities caused 120.22 (127.16) tons of carbon dioxide emissions relating to the direct and indirect use of energy. The majority (about 68%) of our CO₂ emissions are created indirectly through purchased electricity, steam and district heat produced elsewhere. We managed to reduce CO₂ emissions by 5% in 2013 compared to the previous year mainly due to our energy-efficiency program.

VOC emissions resulting from our production are insignificant and related mainly to the use of solvent-based chemicals. In 2013, our VOC emissions were 300 (349) tons. Our production does not cause any other essential emissions to the air.

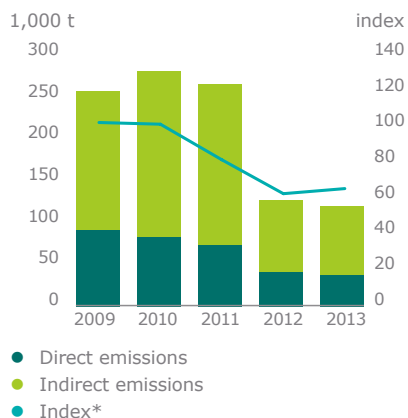
Emissions arising from business travel

In accordance with our travel policy, Metso strives to reduce its need for business travel by providing video conferencing equipment and opportunities to hold a web or telephone conference. Metso's travel policy also states that Metso's travel decisions should support environmentally friendly options whenever it is also economically feasible.

Metso currently monitors and reports scope 3 emissions stemming from business travel in Finland, Sweden North America and China, which totaled approximately 17.0 thousand CO₂ tons in 2013 and accounted for 48% of Metso's workforce. In other countries in which Metso operates, business travel data is monitored, although not systematically.

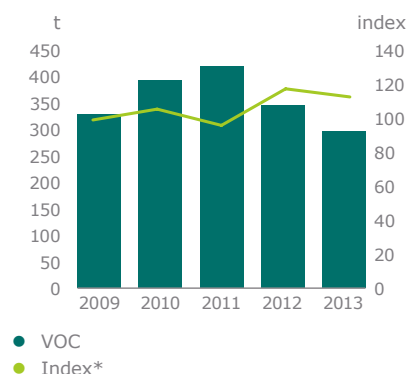
Please note that the 2012 and 2013 figures describe Metso's continuing operations.

CO₂ emissions



* The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

VOC emissions



*The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

MATERIALS

The raw materials and components used in our production consist mainly (80%) of recyclable ferrous metals. In 2013 we used around 123,977 (139,446) tons of ferrous metals. Other materials include chemicals and various packaging materials (cardboard, wood, paper and plastics). Total new/virgin materials use in 2013 amounted to around 155,714 (172,002) tons, decrease of 9% compared to the previous year. The amounts of materials should be regarded as estimates as the reporting of materials is not comprehensive for all Metso production units.

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

Materials use



*The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

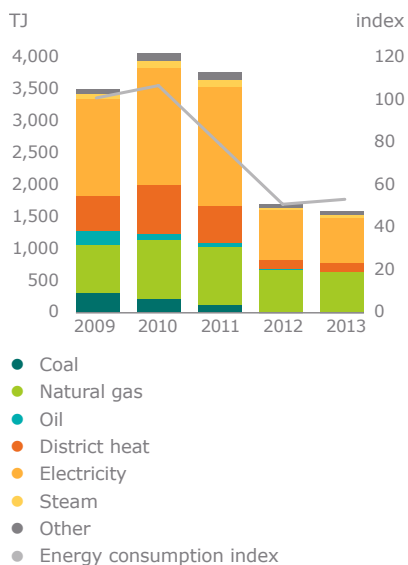
ENERGY

Some of Metso's production processes are energy intensive, e.g. iron and steel foundries. The majority of our energy consumption comes from indirect energy sources (electricity, district heat and steam), whereas natural gas is the major component of our direct energy consumption. The distribution of energy consumption among Metso's segments is shown in the graph. Brazil had the highest energy consumption, accounting for 22% of Metso's total energy consumption.

In 2013, our energy consumption was 1,540.76 (1,653.28) TJ. The figure does not include the fuels used in transportation and vehicles, nor does it include employee travel and transportation. In the energy consumption graph oil includes heavy fuel oil and light fuel oil and other energy includes gasoline, diesel and liquified petroleum gas. The total energy consumption at Metso decreased around 7% compared to 2012.

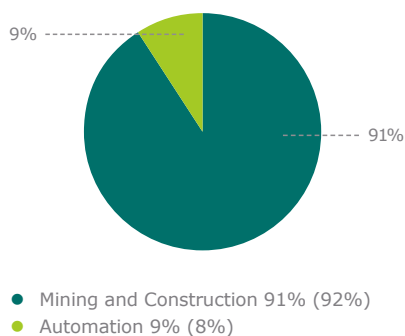
Please note that the 2012 and 2013 figures describe Metso's continuing operations.

Energy consumption



*The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

Energy consumption per segment



WASTE

In 2013, our operations generated a total of 58,099 (61,455) tons of waste, of which 42% (45%) was recycled. The waste resulting from our operations consists mainly of metal, wood, cardboard, paper, municipal waste and foundry sand. The waste is reported by categorizing it as hazardous and non-hazardous waste and according to its treatment (recycled, transported to a landfill or incinerated). Hazardous waste is delivered to hazardous waste disposal facilities and includes substances such as oils, cutting fluids and paints. In 2013, around 4,950 (5,393) tons of hazardous waste was generated by our operations.

We continue to focus on our target to reduce the amount of waste arising from our operations by 15% by 2020. Our policy is to encourage our production units to take targeted measures to avoid the formation of waste in the first place and to increase the utilization of waste already generated. In 2013, we decreased the amount of total waste by 5% compared to the 2012 level.

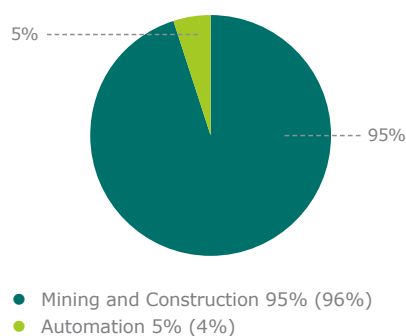
Please note that the 2012 and 2013 figures describe Metso's continuing operations.

Annual waste / net sales



*The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

Annual waste per segment



WATER

The water usage in our operations is not significant and water is used mostly for catering and sanitation purposes. Our water consumption in 2013 was 579,818 (590,461) m³, consisting mainly of municipal water usage and excluding the usage of surface water as well as water from recycled source. We use surface water for cooling purposes mainly in our foundries where clean water is returned back to its source without causing any material environmental impacts. Therefore, surface water usage is not included in the reported water amount.

We have set a target to reduce our water usage by 15% by 2020. We continue to focus on this target set in 2012, and we encourage our production units to take targeted actions to decrease their usage of water. In 2013, the reduction was 2% compared to the previous year. We increased the water reporting frequency in 2013 by including the water-related indicators in the quarterly reporting.

Metso's production in water-stressed areas

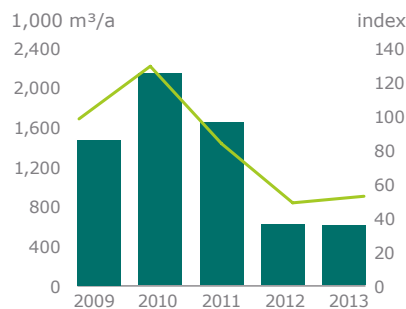
Metso operates in 50 countries around the world, including water-stressed areas. Our largest water-consuming plants in water-stressed areas are located in India, China, South Africa and Mexico, where we have initiated various actions to save water. As an example, at our production site in Isithebe, South Africa, all water meters are checked daily for abnormal consumption. Additionally they are reported individually on a monthly basis to ensure early detection of any leakages. The plant has also installed a rain-water catchment to fill heat-treat water quenching tanks, which reduces the need to refill for evaporation losses from quenching operations in high rain seasons.

Waste water management

Our goal to reduce water usage by 15% by 2020 is valid also for waste water. Metso monitors different waste water components where necessary for environmental reasons. To reduce the waste-water generated in our production, in 2010 we started sharing best practices between Metso's production units. Generally, our discharges to water are minor and not considered relevant to Metso's production operations.

Please note that the 2012 and 2013 figures describe Metso's continuing operations.

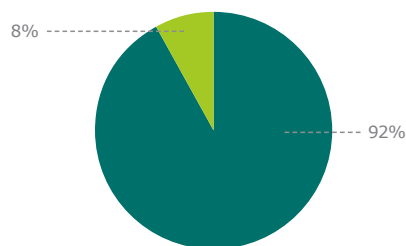
Water consumption / net sales



- Total water consumption, m³/a
- Index, water/net sales*

*The index is proportioned to Metso's net sales. For comparison, the reference year is 2009 = 100 index value

Water consumption per segment



- Mining and Construction 92% (94%)
- Automation 8% (6%)

Reporting principles

Sustainable development is reflected in our daily activities through the overall management of, e.g., our business ethics and Code of Conduct, risk management, human resources, and health, safety and environmental work. Important subjects, such as compliance with laws and regulations, human rights, equal opportunities and non-discrimination, safety, sponsorship and the protection of the environment, are explained in more detail in Metso's Code of Conduct and apply to all Metso employees. Metso's sustainability work is based on our strategy, policies, targets and objectives, as well as performance indicators set at the Group level and implemented in our operating units globally.

Metso's Sustainability Report 2013 (i.e. the Sustainability section in the Annual Report) consists of eight sections. The first section describes Metso's approach to sustainable business operations, our focus areas and our sustainability strategy, as well as highlights of our key themes and data for 2013. The second section focuses on Metso's sustainability management, including general operating principles. The key themes of Metso's people are presented in the third section of the report. Metso's corporate citizenship frameworks, including sponsorships and donations as well as community involvement projects, are available in the fourth section. The fifth section focuses on Metso's health, safety and environment (HSE) aspects including the HSE targets and results, HSE management as well as the development projects. Metso's energy-efficiency program, product stewardship activities and the environmental impacts of Metso's own production are also described in section five. The sixth section includes Metso's reporting principles; the GRI and Global Compact index are presented in the seventh section of the report. The independent assurance report is available in section eight of the report.

Metso has been reporting sustainability principles and goals since 2002. Metso publishes its sustainability data annually and the reporting period is the calendar year, which is also the financial year, i.e. January 1 to December 31. Metso's sustainability data for 2013 can be found in the Sustainability section of our Annual Report 2013. The information disclosed in the Sustainability section is focused on material and dynamic information written in a compact format whereas more comprehensive or static sustainability information is disclosed on our web sites (Sustainability in Metso). The other sections of the Annual Report serve as supplementary sustainability information.

Metso's sustainability reporting in 2013 is based on the core indicators of the Global Reporting Initiative's (GRI) G3.1 Guidelines. The Global Reporting Initiative is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework, which is under continuous improvement and is applied worldwide. We have selected the indicators from the G3.1 Guidelines that are most relevant to Metso in terms of our operations, products and stakeholders. We have self-declared our reporting to be Application Level B+ of the GRI G3.1 Guidelines.

The essential focus areas of sustainability for 2013 are illustrated in the materiality matrix in the Sustainability section of our Annual

Report 2013. These focus areas have been carefully analyzed and selected by management representatives in collaboration with our Sustainability team. The material themes have been identified also based on our encounters with different stakeholder groups.

Metso develops its Group-wide reporting and the scope of its sustainability monitoring actively and in cooperation with its stakeholders. For instance, sustainability indices and raters are driving the performance of company reporting by developing the indices and the complexity of the questions for global companies. Also non-governmental organizations (NGOs), along with society in general, are demanding more transparency from business actors globally. In addition, Metso's internal stakeholders' dialogue is increasing on a global scale. Through active cooperation with all of Metso's stakeholders, we strive to create a more transparent and interactive platform for further cooperation and reporting structures.

The consolidated quantitative sustainability performance data in the Annual Report has been externally assured by PricewaterhouseCoopers Oy, which has also checked our reporting against GRI guidelines and has confirmed it to be Application Level B+ of the GRI G3.1 Guidelines. A comparison of the Annual Report's sustainability content against the G3.1 Guidelines and the UN Global Compact initiative is presented in the section of the Sustainability Report containing the GRI and Global Compact Index.

Scope of our reporting

Metso's Extraordinary General Meeting approved the demerger on October 1, 2013 resulting in the establishment of a separately listed company, Valmet Corporation, which consists of Metso's former Pulp, Paper and Power business with an effective date of December 31, 2013. Metso's holding in Valmet Automotive was reduced as part of an internal asset restructuring, and Valmet Automotive ceased to be a Metso subsidiary on December 31, 2013. Operations related to the Pulp, Paper and Power businesses as well as Valmet Automotive are in this report referred to as "discontinued operations". Metso's Mining and Construction business and its Automation business, as well as Group Head Office form Metso's continuing operations. The scope of Metso's Sustainability section in the Annual Report, along with the other sections of the Annual Report, cover Metso as it operates after the demerger. The qualitative and quantitative information for 2013 is therefore described and presented for Metso, excluding discontinued operations unless otherwise stated. Moreover, 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 segment level. Any other division of the data reported is noted separately.

We present the comparative information for 2012 in parentheses. The data for 2012 has been restated by excluding discontinued operations. Any further adjustment to prior-year data is indicated with a separate note.

In the appendix to the Sustainability section of Metso's Annual Report (sustainability appendix), sustainability key performance indicators are presented including both Metso's continuing and

discontinued operations, whenever relevant. A link to the appendix is included in the GRI and Global Compact Index section.

Metso's previous Annual Report with sustainability data was published in March 2013. Metso's sustainability performance in 2013 should be read together with other sections of the Annual Report 2013. Additional sustainability information can be found on our website, Sustainability in Metso.

Financial reporting

In our financial reporting, we follow the International Financial Reporting Standards (IFRS). Our financial reporting system data covers all Metso units. Each unit submits its financial report to the Group-wide reporting application, and the data is consolidated, validated and analyzed at both the reporting segment and corporate levels. The majority of the figures describing economic responsibility are derived from the audited financial statements. The purchases by country data has been collected separately from reporting units and the "by country division" is defined as the location of the supplier's domicile.

Sponsorship and donation expenditure data are collected annually from the relevant Metso units.

Health, safety and environmental reporting

The environmental data is collected from all our production facilities as the majority of Metso's environmental impacts are related to production activities. Altogether 36 (40) units (without discontinued operations) are included in environmental reporting. The energy and water-related data is reported quarterly and all other environmental data annually. Data collection is carried out using a web-based reporting tool and the reported data is approved by the unit manager and validated at the segment level. A new, more comprehensive sustainability reporting system was implemented during 2013. At the group level, the data is consolidated, validated and analyzed. The data is used, e.g., as an environmental risk management tool, for planning operational improvements and as a base for the Metso energy-efficiency program. As a result of our constant development work in our environmental reporting, the

revision of estimates and some errors found, we have made several changes to our historical data.

Our CO₂ emissions are calculated according to the principles of the GHG protocol.

Metso's health and safety (HS) data is collected from all worldwide locations and covers 95% of Metso's employees (excluding discontinued operations). Data is managed and reported by each business line's HSE Manager. The Metso-level report is collected by the General Manager of HSE. Metso has used a worldwide health and safety data reporting system, HSE Monitor, for collecting HSE data in 2013. The 'Lost-time incident frequency' has been calculated based on incidents resulting in one or more days of absence and the estimated hours worked. The factor is calculated per million hours worked.

Data related to our research and development activities is collected from our research and development units every six months. This is accomplished through a reporting chain that includes management at the unit, business line, segment and corporate level. Our reporting segments are responsible for the accuracy of the figures, after which the data is consolidated at the corporate level.

Reporting personnel data

Metso HR management is responsible for collecting and reporting personnel data with the support of local HR. Starting in 2010, Metso has implemented a global HR information system (SAP HR) that allows access to versatile and comparable HR data globally. This data is the main source of the personnel data in annual reporting and it is managed in conjunction with Metso's financial reporting. Together the global HR system and harmonized global HR reporting principles have created an excellent basis to data quality in our people reporting. The headcount information in our Annual Report 2013 covers all of Metso, and the more detailed personnel analysis covers the units included in the global SAP HR system (98% of all Metso personnel), excluding only the latest acquisitions that had not been implemented into the system by the end of 2013.

GRI and Global Compact Index

Comparison with Global Reporting Initiative guidelines and Global Compact principles.

Status

■ Fully reported (F)

■ Partly reported (P)

■ Not reported (N)

AR = Annual Report 2013

GC = Global Compact

GRI G3.1 guidelines

Sustainability appendix (downloads a PDF-file) >

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
Profile				
1. Strategy and Analysis				
1.1.	The CEO's statement	F	From the CEO	
1.2.	Key impacts, risks and opportunities	F	Sustainability at Metso, Climate change, Metso sustainability statement, Sustainability is part of Metso's strategy, Sustainability targets and achievements, Financial targets and achievements, Our strategy	www.metso.com/risks
2. Organizational Profile				
2.1.	Name of the organization	F	This is Metso, Essential Metso, Contact information	
2.2.	Primary brands, products and services	F	This is Metso, Strategic must-wins, Customer industries, Metso's businesses	
2.3.	Operational structure	F	This is Metso, Metso's businesses, Corporate governance	
2.4.	Location of organization's headquarters	F	This is Metso, Contact information	
2.5.	Number of countries and location of operations	F	This is Metso, Global presence, Geographical key figures, Strategic must-wins	
2.6.	Nature of ownership and legal form	F	Financial statements 2013	Available in our Financial Statements, on the page 80-81 in the PDF-file.
2.7.	Markets served	F	This is Metso, Global presence, Strategic must-wins, Geographical key figures	
2.8.	Scale of reporting organization	F	This is Metso, Reporting principles, Group key figures, Metso's businesses, Financial statements 2013	
2.9.	Significant changes	F	Reporting principles	
2.10.	Awards received in the reporting period	F	Sustainability indices	
3. Report Parameters				
3.1.	Reporting period	F	Reporting principles	
3.2.	Date of most recent previous report	F	Reporting principles	
3.3.	Reporting cycle	F	Reporting principles	
3.4.	Contact point for questions	F	Contact information	

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
Report Scope and Boundary				
3.5.	Process for defining report content	F	Sustainability management, Reporting principles, Prosperity for our stakeholders, Metso People, Corporate citizenship, Stakeholder dialogue	More information about stakeholder dialogue
3.6.	Boundary of the report	F	Reporting principles	
3.7.	Limitations on the report's scope or boundary	F	Reporting principles	
3.8.	Basis for reporting subsidiaries and joint ventures	F	Reporting principles	
3.9.	Data measurement techniques and bases of calculations	F	Reporting principles	
3.10.	Explanations of re-statements	F	Reporting principles	
3.11.	Significant changes from previous reporting periods	F	Reporting principles	
3.12.	GRI content index	F	GRI content index	
3.13.	Assurance policy and practice	F	Reporting principles, Independent assurance report	
4. Governance, Commitments and Engagement				
Governance				
4.1.	Governance structure	F	Corporate Governance, Governing bodies of Metso, Board of Directors, Board of Directors Dec 31, 2013	Corporate Governance Statement www.metso.com/governance
4.2.	Position of the Chairman of the Board	F	Board of Directors Dec 31, 2013	Corporate Governance Statement www.metso.com/governance
4.3.	Independence of the Board members	F	Board of Directors Dec 31, 2013	Corporate Governance Statement www.metso.com/governance
4.4.	Mechanisms for shareholder and employee consultation	F	Human resources management, Annual general meeting of shareholders	
4.5.	Executive compensation and linkage to organization's performance	F	Management remuneration	Management compensation are not directly linked to HSE indicators. Corporate Governance Statement www.metso.com/governance
4.6.	Processes for avoiding conflicts of interest	F	General operating principles	Follows corporate governance code, Corporate Governance Statement www.metso.com/governance
4.7.	Process for determining expertise	F	Corporate Governance, General operating principles, Nomination board	Follows corporate governance code and Metso's equal opportunity and diversity policy, Corporate Governance www.metso.com/governance
4.8.	Implementation of mission and values statements; code of conduct	F	Management model, General operating principles, Metso sustainability statement, Sustainability management, Metso strategy	www.metso.com Code of Conduct
4.9.	Procedures of the Board for overseeing management of economic, environmental, and social performance, risk management and compliance with internationally agreed standards and principles.	F	Management model, Risk and risk management, Corporate Governance	Corporate Governance Statement www.metso.com/governance
4.10.	Processes for evaluating the Board's performance	F	Corporate Governance, Board of Directors,	Follows corporate governance code, Corporate Governance Statement www.metso.com/governance
Commitments to External Initiatives				
4.11.	Precautionary principle	F	HSE management, Risk and risk management, Corporate Governance	Corporate Governance Statement www.metso.com/governance , Risks and risk management www.metso.com/risks More information about HSE management.

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
4.12.	Voluntary charters and other initiatives	F	General operating principles, Compliance with laws and ethical principles	
4.13.	Memberships in associations	F	Stakeholder dialogue, Memberships in organizations	More information about stakeholder dialogue.
Stakeholder Engagement				
4.14.	List of stakeholder groups	F	Stakeholder dialogue	More information about stakeholder dialogue.
4.15.	Identification and selection of stakeholders	F	Stakeholder dialogue, Sustainability management, Corporate citizenship	Metso has identified its key stakeholders through sustainability materiality process. More information about stakeholder dialogue.
4.16.	Approaches to stakeholder engagement	F	Stakeholder dialogue, Investor information, Strategic must wins	Read also from our Sustainability report cases More information about stakeholder dialogue.
4.17.	Key topics raised through stakeholder engagement	F	Sustainability management, Stakeholder dialogue	More information about stakeholder dialogue.
5. Management Approach and Performance Indicators				
	Economic management approach	F	Management model, Sustainability targets and achievements, Financial targets and achievements	
	Environmental management approach	F	Management model, HSE management, HSE targets and results, Sustainability targets and achievements	More information about HSE management.
	Social management approach	F	Management model, HSE management, Human resources management, Sponsorships and donations, Strategic must-wins, Sustainability targets and achievements	More information about HSE management.
	Human rights approach	F	Sustainability at Metso, Sustainability management, General operating principles, Management model	
	Society approach	F	Sustainability at Metso, Sustainability management, Corporate citizenship, Management model	
	Product responsibility approach	F	Sustainability at Metso, Sustainability management, Sponsorships and donations, Product stewardship, Management model	
Economic Performance Indicators				
EC1	Economic value generated and distributed	F	Prosperity for our stakeholders	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	F	Sustainability risks and opportunities, Climate change, Strategic must-wins, Risk and risk management,	Financial implications of climate change are assessed in our annual CDP Climate Change response. www.metso.com/risks Read more about Sustainability risks and opportunities
EC3	Coverage of the organization's defined benefit plan obligations	P	Human resources management, Performance, Corporate governance, Financial statements in 2013	
EC4	Significant financial assistance received from government	P	Financial statements in 2013	
EC5	Entry-level wage compared to minimum wage	P	Wages and salaries, Personnel structure	
EC6	Spending on local suppliers	P	Sustainable supply chain, Prosperity for our stakeholders	

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
EC7	Local hiring and proportion of senior management hired from the local community at locations of significant operation	N		
EC8	Infrastructure investments provided for public benefit	P	Corporate citizenship, Global presence, Community involvement cases	Community involvement cases
EC9	Significant indirect economic impacts	P	Global presence, Prosperity for our stakeholders	
Environmental Performance Indicators				
EN1	Materials used by weight or volume	P	Material use, Environmental figures, Environmental impacts of our own production	Materials use is part of our environmental reporting. However, the data obtained is not yet comprehensive for all Metso production units.
EN2	Recycled materials used	P	Material use, Environmental figures	Recycled materials use is part of our environmental reporting. However, the data obtained is not yet comprehensive for all Metso production units and hence not included in this report.
EN3	Direct energy consumption	F	Energy, Environmental figures, Environmental impacts of our own production, Energy efficiency program	
EN4	Indirect energy consumption	P	Energy, Environmental figures, Environmental impacts of our own production, Energy efficiency program	
EN5	Energy saved due to conservation and efficiency improvements	F	Energy efficiency program, Highlights of 2013 energy efficiency program	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	P	Strategic must-wins, Product stewardship	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	P	Energy efficiency program	Energy efficiency is part of our environmental reporting. However, any absolute figure at the Group level showing reductions in indirect energy consumption cannot yet be obtained and hence is not included in this report.
EN8	Total water withdrawal	P	Water	Metso reports water consumption from all production facilities.
EN9	Water sources significantly affected	N		
EN10	Percentage and total volume of water recycled and reused	N		Total volume of water recycled is part of our environmental reporting. However, the data obtained is not yet comprehensive for all Metso production units and hence not included in this report.
EN11	Location and size of land holdings in biodiversity-rich habitats	N		Metso is aware of the global problem of increasing biodiversity loss. However, our activities at our units do not cause significant impacts on biodiversity.
EN12	Description of significant impacts of activities, products, and services on biodiversity	N		Metso is aware of the global problem of increasing biodiversity loss. However, our activities at our units do not cause significant impacts on biodiversity.
EN13	Habitats protected or restored	N		Metso is aware of the global problem of increasing biodiversity loss. However, our activities at our units do not cause significant impacts on biodiversity.

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
EN14	Managing impacts on biodiversity	N		Metso is aware of the global problem of increasing biodiversity loss. However, our activities at our units do not cause significant impacts on biodiversity.
EN15	Species with extinction risk with habitats in areas affected by operations	N		Metso is aware of the global problem of increasing biodiversity loss. However, our activities at our units do not cause significant impacts on biodiversity.
EN16	Total direct and indirect greenhouse gas emissions by weight	F	Emissions to air, Environmental figures, Reporting principles	
EN17	Other relevant indirect greenhouse gas emissions	F	Emissions to air	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	F	Energy efficiency program, Highlights of 2013 energy efficiency program, Emissions to air	
EN19	Emissions of ozone-depleting substances	N		Emissions of ozone-depleting substances from Metso's operations are minor and not considered relevant to Metso's productions.
EN20	SOx, NOx and other significant air emissions	F	Emissions to air, Environmental figures	SOx and NOx emissions are included in our environmental reporting. However, these emissions resulting from Metso's operations are minor and not considered relevant to Metso's productions. VOC emissions are reported.
EN21	Total water discharge	N		BOD, COD and TSS are included in our environmental reporting. However, these discharges resulting from Metso's operations are minor and not considered relevant to Metso's productions.
EN22	Total amount of waste	F	Waste, Environmental figures	
EN23	Significant spills	F		No significant spills occurred in 2013
EN24	Transported, imported, exported or treated hazardous waste	P	Waste, Environmental figures	The total amount of hazardous waste can be found in the Environmental impacts of own production section.
EN25	Water bodies and habitats affected by discharges of water	N		BOD, COD and TSS are included in our environmental reporting as well as any negative effects these might have on the environment. However, these discharges resulting from Metso's operations are minor and not considered relevant to Metso's productions.
EN26	Mitigating environmental impacts of products and services	P	Product stewardship, Strategic must-wins, Segment key figures, Increased safety through product improvement, Eco-efficient mining process, Increased production and energy efficiency	Product sustainability cases
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	P		Many parts of Metso's products are made of recycled steel and many products are also recyclable at end of life.
EN28	Significant fines and sanctions for non-compliance with environmental regulations	F		No significant non-compliance cases were reported in 2013.
EN29	Environmental impacts on transportation	N		At present, this information is not collected at the Group level. However, this is planned to be done in the future.

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
EN30	Total environmental protection expenditures and investments	P	HSE management, HSE, Environmental impacts of our own production	More information about HSE and HSE management.
GC 7	Support for precautionary approach to environmental challenges	F	HSE management, General operating principles	Included in Metso's Code of Conduct www.metso.com More information about HSE management.
GC 8	Initiatives to promote greater environmental responsibility	F	Product stewardship, HSE management, Sustainability management, General operating principles	Included in Metso's Code of Conduct www.metso.com More information about HSE management.
GC 9	Development and diffusion of environmentally friendly technologies	F	Product stewardship, Strategic must wins, Segment key figures	Included in Metso's Code of Conduct www.metso.com
Social Performance Indicators				
LA1	Breakdown of workforce	F	Personnel structure	
LA2	Breakdown of employee turnover and new employee hires	P	Personnel structure	
LA3	Employee benefits	P	Human resources management	
LA4	Coverage of collective bargaining activities	P	Human resources management, General operating principles	Metso does not track the degree of employee organization on Group level. However, the recognition of the right to collective bargaining is included in the Metso Code of Conduct.
LA5	Minimum notice period regarding operational changes	F		Metso complies with national legislation.
LA6	Representation in joint management-worker health and safety committees	P	Human resources management, HSE management	More information about HSE management.
LA7	Rates of injury, occupational diseases, lost days, absenteeism and fatalities	P	HSE targets and results, Sustainability highlights 2013, People summary	
LA8	Education and prevention programs regarding serious diseases	N		This topic is not coordinated at the Group level.
LA9	Health and safety topics covered in formal agreements with trade unions	N		This topic is not coordinated at the Group level.
LA10	Average hours of training per year per employee by employee category	N		
LA11	Programs for skills management	F	Learning and development	
LA12	Employees receiving regular performance and career development reviews	P	Learning and development	
LA13	Composition of governance bodies and breakdown of employees	F	Human resources management, Personnel structure, Board of directors, Executive team	
LA14	Ratio of basic salary and remuneration of men to women	N		We do not engage in or tolerate discrimination based on gender. This data is not collected
LA15	Return to work and retention rates after parental leave, by gender	N		
GC 3	Freedom of association and the effective recognition of the right to collective bargaining	F	Human resources management	Included in Metso's Code of Conduct www.metso.com
GC 4	Elimination of all forms of forced and compulsory labor	F	Human resources management	Included in Metso's Code of Conduct www.metso.com
GC 5	Effective abolition of child labor	F	Human resources management	Included in Metso's Code of Conduct www.metso.com
GC 6	Elimination of discrimination in respect of employment and occupation	F	Human resources management	Included in Metso's Code of Conduct www.metso.com

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
Human Rights				
HR1	Investment agreements and contracts that include human rights clauses	P	General operating principles	Included in Metso's Code of Conduct www.metso.com
HR2	Significant suppliers and contractors that have undergone human rights screening	P	Sustainable supply chain	The most significant suppliers are informed of Metso's Code of Conduct, which includes human rights issues, through Metso's Sustainable Supplier Criteria.
HR3	Employee training on policies and procedures concerning aspects of human rights	P	General operating principles	Included in Metso's Code of Conduct www.metso.com
HR4	Incidents of discrimination and actions taken	F		No incidents of discrimination were reported in 2013.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk	P		Included in Metso's Code of Conduct www.metso.com
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor	P	Sustainable supply chain	Included in Metso's Code of Conduct www.metso.com supplier sustainability criteria. Based on conducted audits, no risk of child labour have been found in Metso's operations and significant suppliers.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor	P	Sustainable supply chain	Included in Metso's Code of Conduct www.metso.com and supplier sustainability criteria. Based on conducted audits, no risk of child labour have been found in Metso's operations and significant suppliers.
HR8	Human rights-related training for security personnel	P		Included in Metso's Code of Conduct www.metso.com
HR9	Incidents of violations involving rights of indigenous people and actions taken	F		No incidents were reported in 2013.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	N		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	N		
GC 1	Support for the protection of internationally proclaimed human rights	F	General operating principles, Human resources management	Included in Metso's Code of Conduct www.metso.com
GC 2	Certainty of not being complicit in human rights abuses	F		Included in Metso's Code of Conduct www.metso.com
Society				
SO1	Operations with implemented local community engagement, impact assessments and development programs	P	Community involvement cases	
SO2	Number of business units analyzed for risks related to corruption	F	Corporate governance, Risk and risk management	Corporate Governance Statement www.metso.com/governance , Risks and risk management www.metso.com/risks
SO3	Employees trained in organization's anti-corruption policies	P	General operating principles	
SO4	Actions taken in response to incidents of corruption	F	Corporate governance, Sustainability auditing and assurance	Included in Metso's Code of Conduct www.metso.com . No incidents of corruption were reported in 2013. More information about sustainability auditing and assurance.

Code	Content	Status	Online Annual Report 2013	Comments/Remarks
SO5	Public policy positions and participation in public policy development and lobbying	P	Memberships in organizations, General operating principles	
SO6	Contributions to political parties, politicians and related institutions	F	General operating principles, Sponsorships and donations	Metso does not make political contributions.
SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	F		Included in Metso's Code of Conduct www.metso.com . No incidents of corruption were reported in 2013.
SO8	Fines and sanctions for non-compliance with laws and regulations	F		Included in Metso's Code of Conduct www.metso.com . No incidents of corruption were reported in 2013.
SO09	Operations with significant potential or actual negative impacts on local communities	N		
SO10	Operations with significant potential or actual negative Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	N		
GC 10	Work against corruption in all its forms, including extortion and bribery	F	General operating principles, Sustainability auditing and assurance	Included in Metso's Code of Conduct www.metso.com and Metso Global Anti-Corruption Policy. Any incidents can be reported anonymously through Metso's Whistleblower. More information about Sustainability auditing and assurance.
Product Responsibility				
PR1	Life cycle stages in which health and safety impacts of products are assessed	P	Product stewardship	
PR2	Non-compliance with regulations concerning health and safety impacts of products	F	Product stewardship, Financial statements	No cases of non-compliance regarding product or services reported in 2013, however Metso has old pending asbestos claims and lawsuits within the United States.
PR3	Type of product and service information required by procedures	N		
PR4	Non-compliance with regulations concerning product and service information and labeling	F	Product stewardship	No cases of non-compliance were reported in 2013.
PR5	Practices related to customer satisfaction	P	Stakeholder dialogue, Efforts to improve our stakeholder dialogue	Regular feedback through our comprehensive sales and service network. More information about stakeholder dialogue.
PR6	Adherence to marketing communications laws, standards and voluntary codes	P	Sponsorships and donations, Investor information	Corporate Governance Statement www.metso.com/governance
PR7	Non-compliance with regulations and voluntary codes concerning marketing communications	F		No cases of non-compliance were reported in 2013.
PR8	Complaints regarding breaches of customer privacy	F		No complaints were reported in 2013.
PR9	Fines for non-compliance concerning the provision and use of products and services	F		No cases were reported in 2013.

Sustainability Appendix	Metso Group 2010	Metso Group 2011	Metso Group 2012	Metso Group 2013	Continuing operations 2013	Discontinued operations 2013
Economic Indicators:						
Purchases. EUR million	3,470	4,319	5,020	3,679*	2,124	1,555
Wages and salaries. EUR million	1,106	1,229	1,336	1,300	701	599
Taxes and other indirect employee costs. EUR million	431	496	542	421	276	145
Net financial expenses. EUR million	75	65	49	63	54	9
Dividends. EUR million	105	254	277	150	150	n/a
Support for non-profit organization	3.12	1.15	1.38	1.51	0.87	0.65
Environmental Indicators:						
Direct energy consumption by primary energy source, TJ						
- Coal	199	120	41	91	0	91
- Natural gas	915	872	845	820	618	201
- Oil	80	64	41	63	6	57
Indirect energy consumption by primary source, TJ						
- Electricity	1,776	1,821	1,678	1,512	701	811
- District heat	761	568	555	495	128	367
- Steam	115	101	96	71	39	32
Total direct CO ₂ emissions (scope 1), 1,000 t	84	73	63	59**	35**	24**
Total indirect CO ₂ emissions (scope 2), 1,000 t	199	193	179	168	82	86
Total municipal water consumption, 1,000 m ³	1,858	1,385	1,240	1,067	454	613
Hazardous waste, 1,000 t	7	8	10	8	5	3
Non-hazardous waste, 1,000 t	96	109	95	84	53	31
Health & Safety Indicators:						
LTIF (Lost time incident frequency)	12.4	9.1	7.1	5.2	4.2	6.4
Work-related fatalities	1	4	1	1	1	0
Disability pensions	27	18	21	n/a	7	n/a
Average number of absence days per person due to illness	5.4***	4.6	6.5	n/a	6.2	n/a
Average number of absence days per person due to injury at work	n/a	0.3	0.4	n/a	0.4	n/a
Human Resource Indicators:						
Average personnel 2013	n/a	n/a	n/a	28,940	16,687	-
Personnel at year end	28,593	30,324	30,212	16,425	16,425	-
Average age (years)	42	42	42	41.1	41.1	-
Average length of service (years)	13	12	11	9.2	9.2	-
Performance review coverage rate	56%	51%	60%	65%	n/a	n/a
Training costs (million €)	11	12.4	16.2	n/a	8.9	n/a

n/a = value not available

*) Due to differences in calculation principles the figure is an estimation

**) Excluding CO₂ emissions resulting from the consumption of diesel, gasoline and liquified petroleum gas

***) Average number of absence days per person due to illness or injury at work

Independent Assurance Report

To the Management of Metso Corporation

We have been engaged by the Management of Metso Corporation to perform a limited assurance engagement on the consolidated quantitative information on economic, social and environmental responsibility for the reporting period of January 1, 2013 to December 31, 2013, disclosed in Metso Corporation's Annual Report 2013 on Metso Corporation's website (hereinafter "Sustainability Reporting").

Management's responsibility

The Management of Metso Corporation is responsible for preparing the Sustainability Reporting in accordance with the Reporting criteria as set out in Metso Corporation's reporting instructions and the G3.1 Sustainability Reporting Guidelines of the Global Reporting Initiative.

Practitioner's responsibility

Our responsibility is to express a conclusion on the Sustainability Reporting based on our work performed. Our assurance report has been made 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 work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Sustainability Reporting has not been prepared, in all material respects, in accordance with the Reporting criteria.

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 Reporting. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Sustainability Reporting. Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of Metso Corporation.
- Visiting Metso Corporation's Head Office as well as six production units in China, Denmark, Finland and the United States.
- Interviewing employees responsible for collection and reporting of the information presented in the Sustainability Reporting at Metso Group level and at the different production units where our visits took place.
- Assessing how Metso Group employees apply Metso Corporation'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.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that Metso Corporation's Sustainability Reporting has not been 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, 26 February 2014

PricewaterhouseCoopers Oy

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Sustainability & Climate Change

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Sustainability & Climate Change