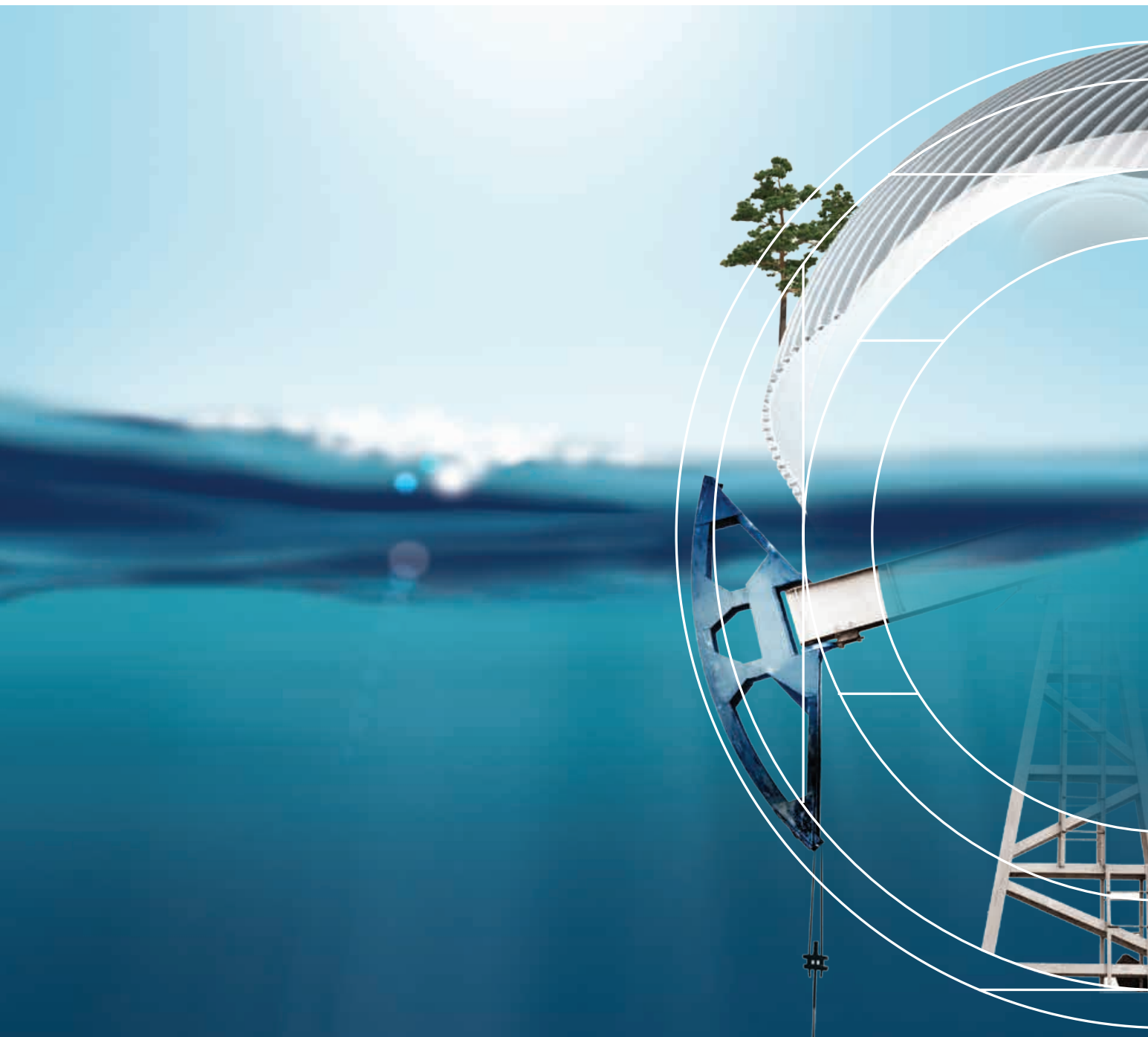


kemira

Where water
meets chemistry™



Corporate Responsibility Report 2015

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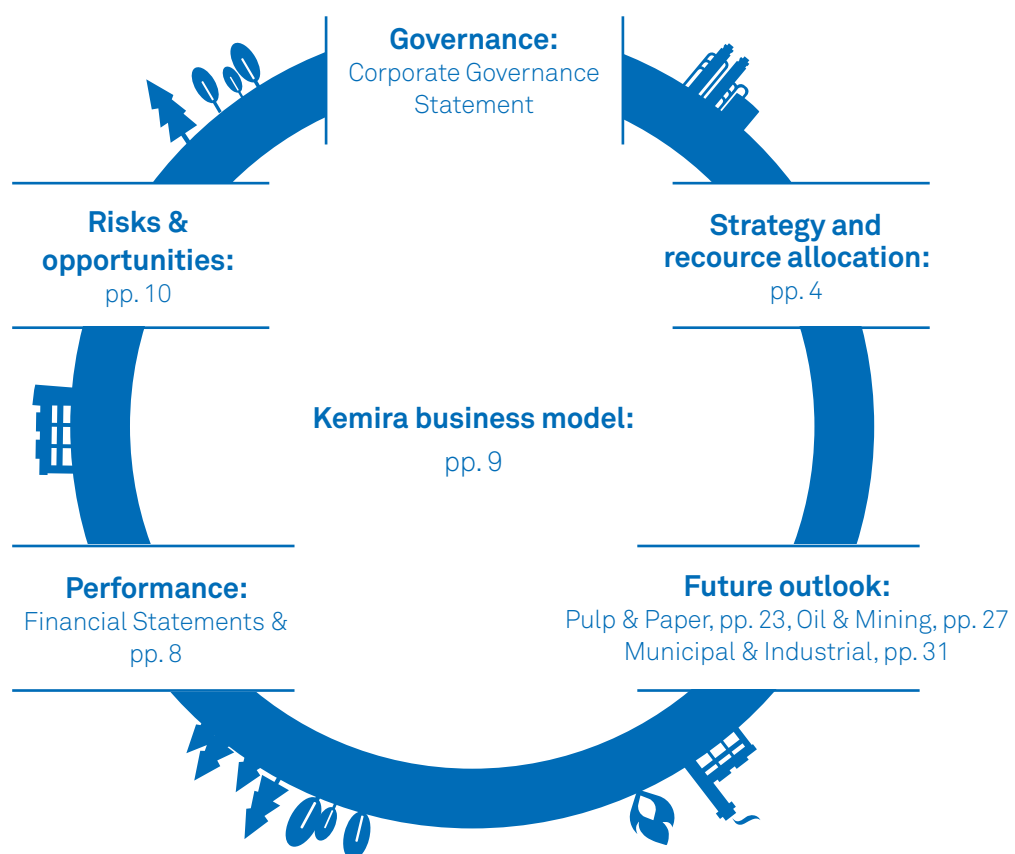
GRI REPORT



All forward-looking statements in this report are based on the management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.


THE KEMIRA WAY: VALUE CREATION MODEL

VISION, VALUES: PP. 2



Kemira

IN BRIEF

 Kemira is a global chemicals company serving customers in

water-intensive industries. We provide expertise, application knowhow and chemicals that improve our customers' water, energy and raw material efficiency. Our focus is on pulp & paper, oil & gas, mining and water treatment.

KEMIRA VALUES

- We drive performance and innovation
- We are dedicated to customer success
- We care for people and the environment
- We succeed together

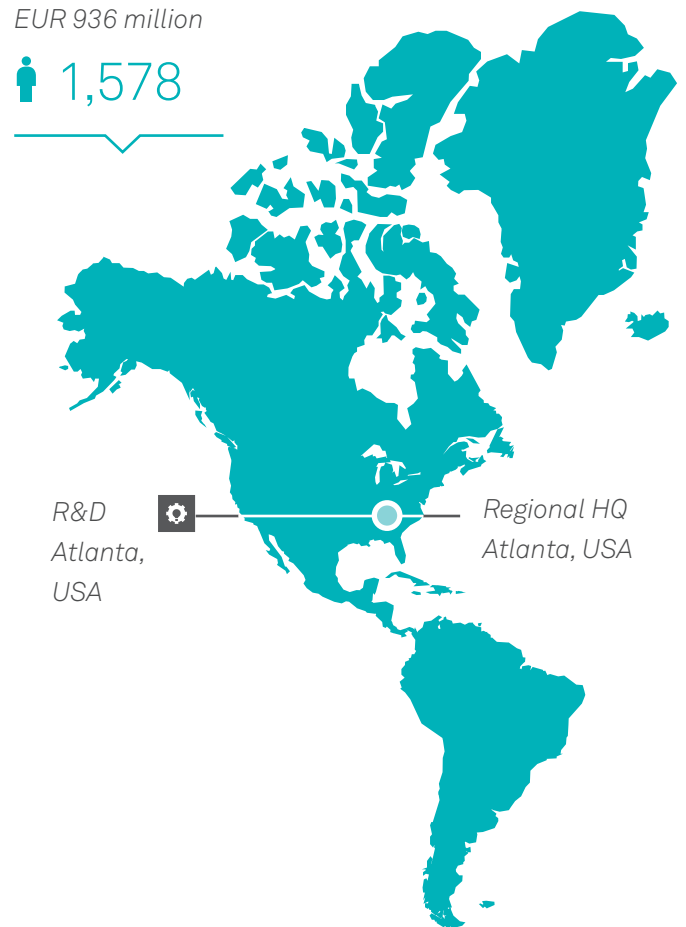
VISION

The first choice in chemistry for water intensive industries

THE AMERICAS 40%

EUR 936 million

 1,578



BUSINESS SEGMENTS:

PULP & PAPER

A leading global bleaching, process and functional chemical supplier, #1–2 in all regions

OIL & MINING

Growing chemical supplier to oil & gas and mining industries, #2 in global polyacrylamide polymers

MUNICIPAL & INDUSTRIAL

Market leader in raw and wastewater treatment chemicals, #1 in Europe and North America

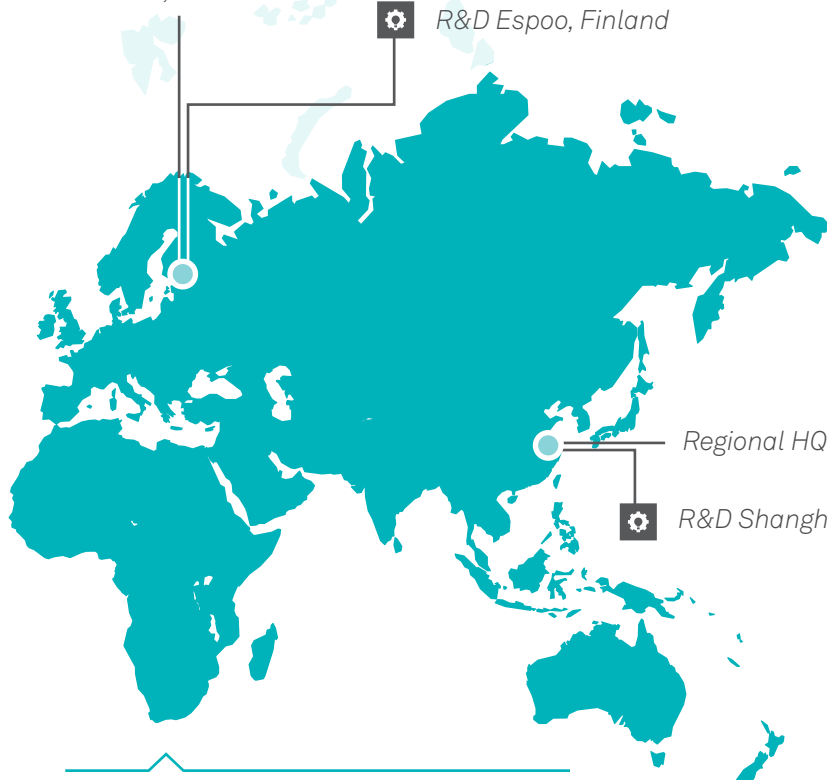
- REVENUE: EUR 2.4 (2.1) billion
- OPERATIVE EBITDA: EUR 287.3 (252.9) million, 12.1% (11.8%)
- EARNINGS PER SHARE: EUR 0.47
- EMPLOYEES 4,685
- MANUFACTURING NETWORK of 64 (59) sites, products sold in more than 100 countries
- FINANCIAL TARGETS FOR 2017: EUR 2.7 billion revenue, operative EBITDA margin 15%, < 60% gearing
- Headquartered in Helsinki, Finland, listed on the Nasdaq Helsinki Ltd.

Kemira headquarters

Helsinki, Finland



R&D Espoo, Finland



ASIA PACIFIC 8%

EUR 196 million



536

Regional HQ Shanghai, China



R&D Shanghai, China



Employees



R&D and technology centers

EUROPE, MIDDLE EAST AND AFRICA 52%

EUR 1,241 million



2,571

THE

first choice

IN CHEMISTRY FOR WATER INTENSIVE INDUSTRIES



In 2015, Kemira delivered growth and improved operative EBITDA. Our strategy execution is on track, despite of substantial changes in the operating environment, such as the significant drop in crude oil prices and volatile currency exchange rates. Going forward, we aim for continued growth with improved profitability in our three segments: Pulp & Paper, Oil & Mining, and Municipal & Industrial.



Jari Rosendal | President and CEO

Our vision is to become "The first choice in chemistry for water intensive industries". To live up to this vision, we must excel in all areas of value creation: expertise, innovation, product performance and quality, sustainability and financial performance, customer satisfaction, employee engagement, and more. Our key stakeholders – customers, suppliers, shareholders & lenders and employees – expect long-term sustainable value creation capability from us.

STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

In 2015, we focused significant efforts on the Pulp & Paper (P&P) segment by executing both a larger scale acquisition of the AkzoNobel paper chemicals business as well as small bolt-on acquisitions. The integration is proceeding well, even exceeding our expectations. We have also continued to focus on organic growth in P&P by investing in capacity, R&D as well as sales and marketing. In addition, the segment continues to strive for improved profitability and is targeting two times the market growth with an EBITDA

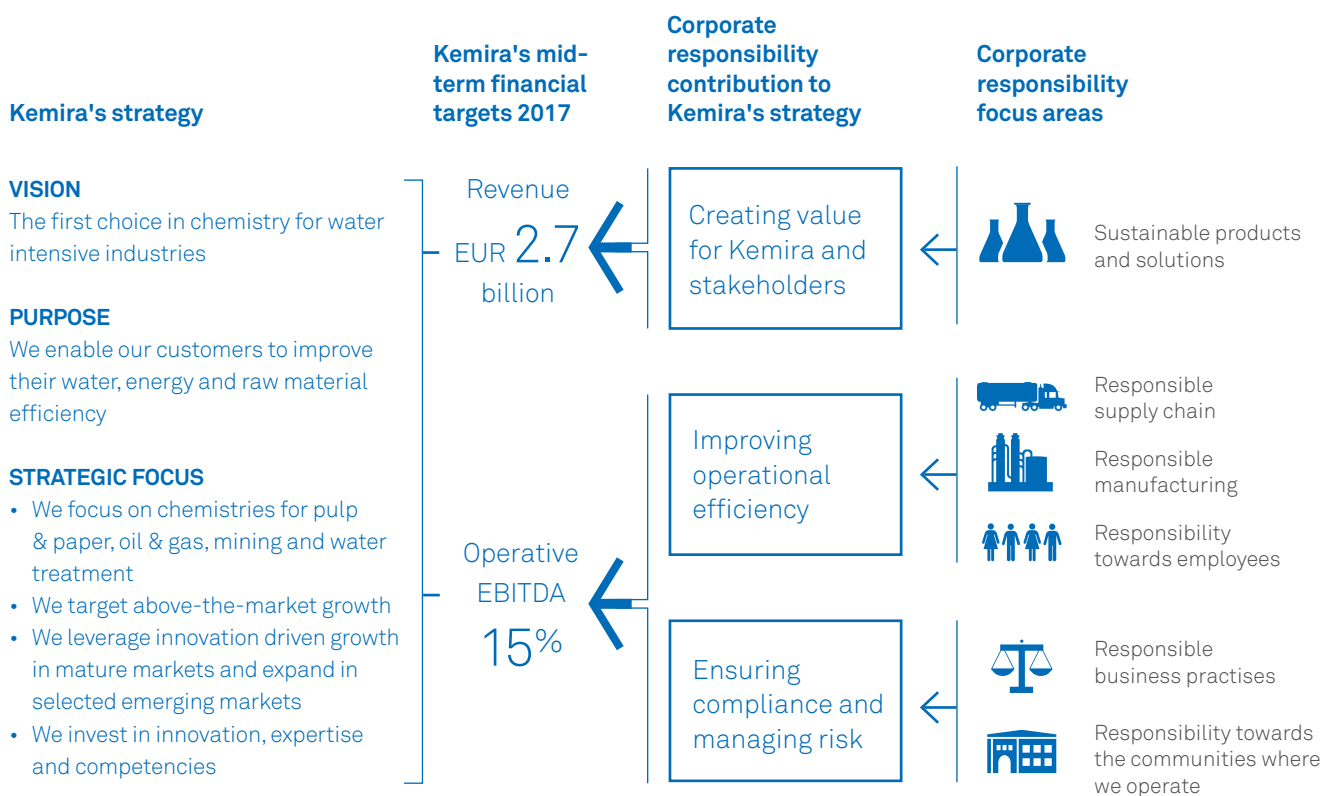
margin in line with the Group target going forward. In 2015, P&P represented 60% of Kemira's revenue.

In Oil & Mining (O&M), the market has been very challenging because of the significant drop in crude oil prices in 2015. As a consequence, we modified our main strategic focus, shifting growth efforts from the North American shale market towards the Chemical Enhanced Oil Recovery (CEOR) application that started to materialize faster than we expected. We won our first deals in CEOR in 2015. Naturally we also keep fighting in the shale markets, getting ready for the next up-cycle. Going into 2016, we will continue to focus resources on CEOR. We expect to return to growth despite the current low oil price levels. The drop in oil prices has also had positive impacts through lower raw material costs. Our business relating to water treatment in the mining sector showed some modest growth, as

OUR STRATEGY
EXECUTION IS
ON-TRACK: IN 2015,
OUR REVENUE GREW BY
11% AND OPERATIVE
EBITDA BY 14% -
LEADING TO AN
IMPROVED MARGIN OF
12.1%.

we were focusing more on the market. Overall, the O&M business represents some 15% of Kemira's revenue.

We are very happy with the turnaround in the Municipal & Industrial (M&I) segment, where we



are back on the growth trajectory and expect steady growth and cash flow generation going forward. The restructuring activities carried out between 2012–2014 impacted mostly the M&I business, and the efficiencies are now starting to show. We will continue to focus on profitability improvement also in the future. In addition, we are looking into developing new, advanced water treatment technologies which we believe will be in-demand in the future. M&I represents some 25% of our revenue.

CORPORATE RESPONSIBILITY SUPPORTING STRATEGY IMPLEMENTATION

Our corporate responsibility work ties closely with our strategy by helping us create long-term sustainable value to Kemira and our stakeholders, improve our operational efficiency, and ensure compliance and manage risks. Our corporate responsibility focus areas, targets and KPIs are designed to drive forward continuous improvement in these areas.

Our stakeholders expect high performance from us in our sustainability work, not only in our own operations but throughout the value chain. We are committed to internationally recognized principles, such as the OECD Guidelines for Multinational Enterprises, whose fundamentals are also reflected in our own Kemira Code of Conduct, the United Nations Global Compact and the chemical industry's Responsible Care.

Our innovations translate to customer benefits by helping them improve their water, energy and raw material efficiency. Sustainability evaluation is encoded in our new product development process, where better sustainability performance compared to products already available on the market is one of the innovation advancement criteria. We are happy to see that our corporate responsibility work has also been recognized by independent third party evaluators: RobecoSAM rated our sustainability performance above the

chemical industry average in 2015, EcoVadis rewarded us with their Gold recognition (top 2%), and in the CDP Nordic Carbon Disclosure Leadership Index we achieved a disclosure score of 99 out of 100 and a performance band B (scale A-E).

The highlights for 2015 also include e.g. a significant upward trend in our employee engagement and continued stringent screening of our suppliers' sustainability performance. This work continues, and we still have much room for improvement. We also witnessed a worrying deterioration in our work safety performance, and we have, and continue to address this issue through increased awareness-raising, reporting and training. Also the Kemira Carbon Index value is not decreasing, due to increased share of carbon-intensive feedstock required by our current product mix.

CHEMISTRY IS AN ENABLER

Looking into the future, our focus will be on reaching our mid-term targets: EUR 2.7 billion revenue with 15% EBITDA margin in 2017. Our chemistry is an enabler in bioeconomy, circular economy and resource efficiency. With our vision to become the first choice in chemistry for water intensive industries, we aim to proactively push for improvement in all these areas within our sphere of influence.

Jari Rosendal
President & CEO

Sustainability

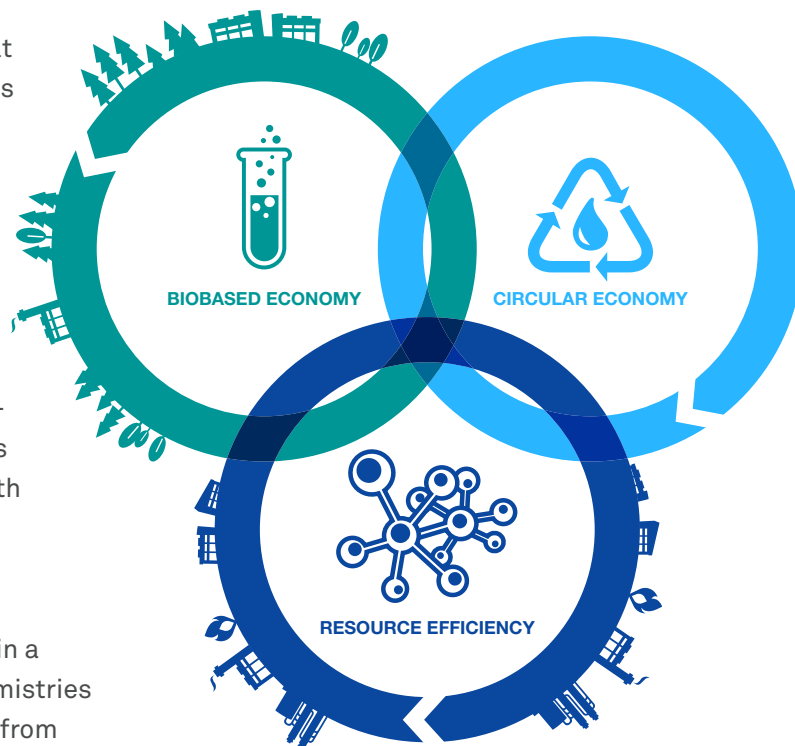
– A KEY DRIVER IN OUR BUSINESS

BIOBASED ECONOMY

Biobased economy looks for solutions that enable replacing non-renewable resources with more biobased materials. For example, at Kemira we are looking for alternative raw materials for our own products. Our customers use our chemistries for example to produce biogas from organic waste. Wood fiber is extensively used to replace fossil based materials like plastics. Our chemistries help in producing biobased materials more economically and efficiently, and with fewer inputs.

CIRCULAR ECONOMY

Circular economy aims to keep materials in a closed loop and eliminate waste. Our chemistries enable water reuse, phosphorus recovery from wastewater and the recycling of fibers from packaging and paper waste, and extends the use-life of recycled fiber. We also use secondary



raw materials (recycled materials and industrial by-products) in our own production.

OUR INNOVATIONS ARE CONTRIBUTING TO THE TRANSITION TOWARDS A MORE RESOURCE EFFICIENT SOCIETY.

RESOURCE EFFICIENCY

Our chemistries help in resource efficiency: achieving the same or improved output by using less resource inputs.

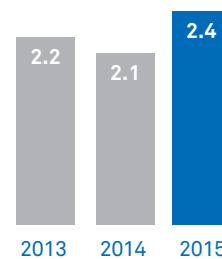
In our Oil & Mining segment, resource efficiency shows in reduced use of water and energy and more efficient use of existing oil reserves with the help of our polymers.

PERFORMANCE 2015

Financial performance

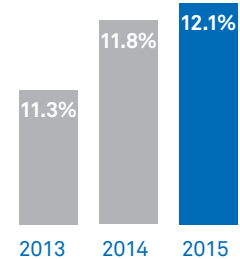
Revenue (EUR billion)

Target: 2.7 in 2017



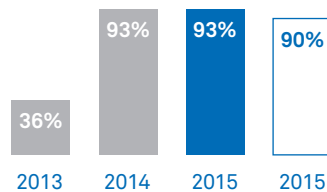
Operative EBITDA (%):

Target: 15% in 2017



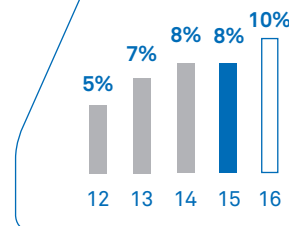
Responsible supply chain

Target: ≥ 90% of supplier contracts with signed Code of Conduct for Suppliers, Distributors and Agents as attachment by 2015



Sustainable products and solutions

Innovation revenue target:
10% of total revenue in 2016

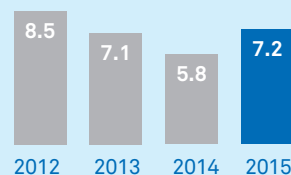


Responsibility towards employees

Safety target:

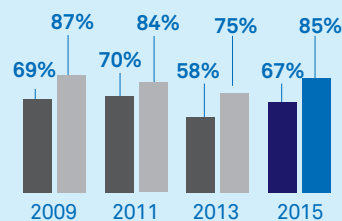
Achieve zero injuries

Number of Total Recordable Injuries (TRI) per million hours, Kemira + contractor, 1 year rolling average.



Engagement target:

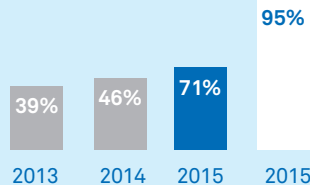
Employee engagement index at or above the external industry norm by 2015, participation rate 75–85%



■ Employee engagement index, % (external norm 2015: 68%)
■ Participation rate, % of total employees

Leadership development target:

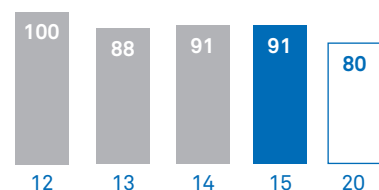
≥ 95% of people managers participated in global leadership programs at least once in period 2013–2015 (cumulative %)



Responsible manufacturing

Climate change target:

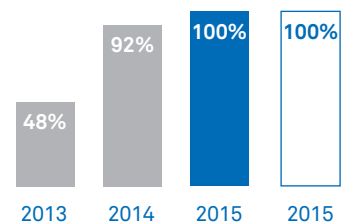
Kemira Carbon Index ≤ 80 by 2020



Responsibility towards the communities where we operate

Community involvement target:

Each Kemira site with over 50 employees participates in local community involvement initiatives at least once in period 2013–2015 (cumulative %)



Business model

Equity: EUR 1,193.2 million

Interest-bearing liabilities:
EUR 794 million

Cash: EUR 152 million

**Business units in 40 countries,
64 manufacturing sites**

Key relationships: customers, suppliers,
industrial partners for secondary raw
materials, distributors & agents

INPUTS

4,685 professionals worldwide

**250 R&D experts in 3 hubs, over
1,300 patents**

Total materials purchased:

→ 3.3 million tons, 27.5% recycled

→ Total energy purchased (GWh) 4,128

BUSINESS ACTIVITIES

Differentiation:

→ sustainable innovation, expertise,
portfolio, performance, capability

Product stewardship

Responsible business practices

→ Compliance to Kemira Code of Conduct

**Responsibility for
employees**

→ Workplace safety
→ Employee engagement
→ Leadership development

Responsible supply chain

→ Sustainability in sourcing and supply
chain management

Responsible manufacturing

→ Lowering costs & environmental
impacts of our operations

OUTPUTS

**Sustainable products
and solutions**

→ Polyacrylamide polymers #1-2
→ Coagulants #1
→ Sizing #1
→ Chlorate & peroxides #2

Services

→ Application support
→ Process control & monitoring
→ Total Chemistry Management

Emissions and waste

→ Scope1 + Scope2 (CO2 eq. tonnes) = 926,000
→ Total waste disposal 110,632 tonnes



OUTCOMES

Customers

→ Product quality or product yield
optimization
→ Process and energy
efficiency
→ Water quality and regulatory
compliance
→ Customer Net Promoter Score: 28
(industry average 26)

Shareholders & lenders

→ EUR 112.9 million paid in dividends
and interest expenses*

Society

→ Purified water, suitable for reuse
→ Sustainable use of biobased materials:
recycled fibers
→ Less water and energy used in
industrial processes
→ More efficient extraction and use of
non-renewable resources: oil, minerals
and water
→ Income taxes: EUR 12.3 million*

* on cash basis

RISKS & OPPORTUNITIES

CHANGES IN CUSTOMER DEMAND



OPPORTUNITY

- Rising demand for sustainable solutions for packaging & board and tissue grades, chemistries enabling water recycling & reuse, and technologies enabling unconventional oil & gas and enhanced conventional oil recovery

RISK

- Further decline in demand for printing & graphical paper grades, leading to mergers and mill closures
- Prolonged/further slowdown in oil, gas and mining activity due to soft market conditions
- Shift in demand toward water treatment technologies with lower chemical consumption
- Unforeseen customer production slowdowns

MANAGEMENT APPROACH

- Systematic monitoring of market development
- Focus on improved sustainability of products and solutions
- Customer intimacy and innovation
- Geographic and customer-industry diversity
- Comprehensive & diversified portfolio
- Flexible manufacturing network with competitive scale
- Active communications about the benefits of Kemira's technologies

CHANGES IN LAWS AND REGULATIONS



OPPORTUNITY

- Increased demand for chemical treatment of water due to stricter regulation and enforcement
- Regulatory developments expected to favor recycling and reuse of resources

RISK

- Regulatory developments creating pressure to replace chemicals with other substances or technologies
- Bans/restrictions on substances used in Kemira's production
- Increases in production and transportation costs

MANAGEMENT APPROACH

- Proactive follow-up & participation in regulatory discussions relating to chemical substances, water treatment and circular economy
- Active evaluation of alternatives to debated substances
- Focus on R&D: innovations enabling more efficient use of resources and recycling

CHANGES IN COMPETITION



OPPORTUNITY

- Large customers looking for a strategic supplier with a global footprint and commitment to their line of industry
- Sustainability aspects emphasized in partner selection

RISK

- Major competitor or customer consolidations changing market position
- New standard commodity chemical producers entering the market

MANAGEMENT APPROACH

- Regular strategy reviews to reflect changes in competitive situation
- Close follow-up of competitive activity
- Investments in competencies & capabilities
- Differentiation and customer intimacy
- Participation in market consolidation and active M&A monitoring

CHANGES IN RAW MATERIAL COSTS & AVAILABILITY



OPPORTUNITY

- Efficiencies brought by active price & inventory management and forecasting
- Biobased materials optional for fossil based materials

RISK

- Increased costs impact profitability
- Dependency on single-source for raw material supply
- Breaks or disturbances in the availability of key raw materials

MANAGEMENT APPROACH

- Comprehensive, strategic approach to sourcing
- Strategic purchase contracts, backward integration, tracking of prices of key raw materials
- Captive manufacturing of critical raw materials
- Strategic investment in energy-generating companies & hedging a portion of the energy and electricity spend

COMPETITION FOR KEY TALENT



OPPORTUNITY

- Attractive employer status in many areas thanks to market-leading knowhow and people processes

RISK

- Key talent attracted by value chain players

POTENTIAL FOR HAZARD & REPUTATIONAL DAMAGE



OPPORTUNITY

- Ability to demonstrate high performance and compliance with standards & expectations gives advantage over smaller players

RISK

- For example, process safety incidents, machinery breakdowns, environmental as well as employee health and safety incidents and the consequent financial losses & brand damage
- Unauthorized IT system access by malicious intruders causing physical damage or other financial loss

INNOVATION CAPABILITY



OPPORTUNITY

- Kemira's ability to innovate for resource efficiency, circular economy and bioeconomy together with customers

RISK

- New disruptive technologies
- Slow product portfolio renewal, lack of differentiation

GEOPOLITICAL CHANGES



OPPORTUNITY

- New potential geographical markets become addressable

RISK

- Business interference or other adverse consequences through political actions or economic uncertainties in countries strategically important to Kemira

MANAGEMENT APPROACH

- Continuous identification of high potentials and key competencies for the future needs
- Development and improvement of compensation schemes, learning programs, and career development programs
- Systematic approach and commitment to employee engagement
- Collaboration with educational institutes, employer branding

MANAGEMENT APPROACH

- Systematic focus on achieving set targets, certified management systems, efficient hazard prevention programs & reporting, and competent personnel
- Several insurance programs protecting the company against financial impacts of hazard risks
- Systematic risk analyses and continuous improvement of procedural, technical and physical protection mechanisms

MANAGEMENT APPROACH

- Customer intimacy and co-creation
- Innovation metrics and sustainability checks
- Differentiated products and technologies, application knowhow
- Monitoring & scouting for new technologies

MANAGEMENT APPROACH

- Continuous monitoring and consideration of geopolitical movements and changes followed by adequate business adjustments

KEY BUSINESS
ACTIVITIES CONTRIBUTING TO
SUSTAINABLE

value

CREATION

➤ Our approach to corporate responsibility is guided by our value creation model, our stakeholders' expectations, and our commitments to internationally defined principles. The targets are set together with the Management Board. The Board of Directors acts as the highest governing body and approves the corporate responsibility report.

VALUE CREATION MODEL

- Vision
- Strategy
- Business model

STAKEHOLDERS' EXPECTATIONS

- Customers
- Investors & lenders
- Employees

COMMITMENTS, GUIDELINES AND PRINCIPLES

- Kemira Code of Conduct
- UN Global compact
- Responsible Care

→ Focus areas

→ Targets

→ KPI's



Responsible business practises



Sustainable products
and solutions



Responsibility towards
employees



Responsible
supply chain



Responsible
manufacturing



Responsibility towards
the communities
where we operate

RISK, COMPLIANCE, RESILIENCY

RESPONSIBLE BUSINESS PRACTICES

In order to ensure business continuity and reach our strategic goals, we must secure the trust of our stakeholders. Our focus on responsible business practices aims at protecting the Kemira brand from damage and potential consequent financial losses by ensuring we comply with regulatory requirements and high ethical standards.

The Kemira Compliance Program and its core instrument, Kemira Code of Conduct, drive responsible business practices throughout our organization and beyond – obliging also our business partners to commit to responsible business conduct, respect for human rights and environmental responsibility. In addition to the Code, we regularly train our own employees on e.g. competition law, insider information, anti-

bribery and human rights, and provide more detailed policies on specific topics.

Our greatest human rights risks relate to the health and safety of handling hazardous materials, our upstream and downstream business relations, and expansion into emerging markets. Kemira conducted an eLearning on human rights in 2015. The training was completed by 80% of the target group of 2,850 persons.

Our employees are encouraged to raise any compliance issues via multiple channels, including an anonymous 24/7 hotline. Kemira Ethics and Compliance ensures that all reported issues are addressed with due care.

Our Risk Management focuses on systematic and proactive identification, analysis and management of various risks related to Kemira's business, such as strategic, operational, hazard and financial risks. More information about risks on pp. 10.

PULP & PAPER PRODUCT SHOWCASE

STRONGER BOARD USING LESS FIBERS

Kemira FennoBond™

1

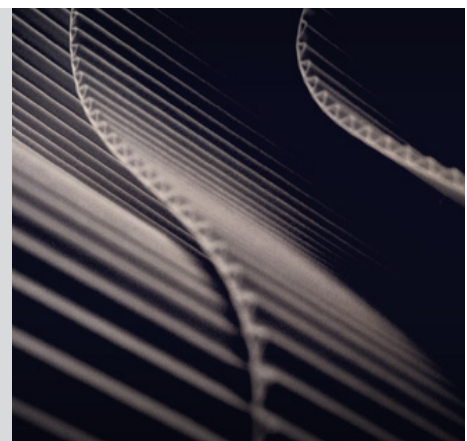
Maintain stiffness and strength at lower basis weight.

2

Enables usage of lower quality furnishes with maintained strength properties.

3

Savings through yield advantage and raw material efficiency.



Improved sheet characteristics (strength, stiffness).



Allows the use of lower quality fibers.



Energy savings.



Improved productivity and increased machine speed.

INNOVATION

Sustainable

PRODUCTS AND SOLUTIONS



> Our strategy is to increase Kemira's differentiated product line revenue to 60% in 2016 (51% in 2015), and most of our R&D efforts are focused on this.

Our innovation capability is measured through an innovation sales target*. The sustainability of our new products is a key aspect in the development work: we prioritize solutions that have improved sustainability performance compared to those already available on the market. All our New Product Development projects apply sustainability checks at each development stage.

We are actively looking for alternative bio-based raw materials and we focus on applications where product biodegradability brings additional value – e.g. in wastewater treatment and packaging and board. Many customers are focusing on the recyclability of their final product.

KEMIRA'S SUSTAINABILITY
PERFORMANCE WAS
ABOVE INDUSTRY AVERAGE
ACCORDING TO ECOVADIS
AND ROBECOSAM
ASSESSMENTS IN 2015.

*10% of sales revenue by end 2016, including new chemistries, product upgrades and tailored chemistries sold into new applications, developed and launched within the last 5 years.

PRODUCT STEWARDSHIP

At Kemira, the concept of product stewardship goes beyond regulatory compliance, which in itself sets tight controls on the manufacture and sale of chemicals. A proactive approach is strategic to us, since it allows us to address changing requirements and stakeholder expectations and adjust our offerings ahead or at par with the competition.

One of the key principles of product stewardship for chemicals focuses on efficient risk assessment: identifying the intrinsic properties of the substance, the use conditions and the potential exposure to that chemical. This analysis helps us to focus our product and process development efforts in areas where our impacts

on the safety and sustainability in the value chain are the greatest.

This approach is also an integral element of the global chemical industry's Responsible Care® initiative, which Kemira is committed to.

We perform stringent safety assessments on our products and provide information on their safe use. We ensure that health and environmental matters as well as regulatory requirements are thoroughly considered in New Product Development projects.

We have screened our current portfolio for priority substances that are subject to future regulatory restrictions or associated with particular concerns. Management plans are prepared for these substances.

INNOVATION PARTNER

We are an innovation partner for our customers. Many of our customers are sustainability leaders in their business sectors and only work with partners with similar high standards and commitments. This makes the continuous improvement of our sustainability performance of strategic importance to us, and at best, gives us competitive advantage through products that enable cost and resource savings in customer processes (e.g. water, energy, fiber).

Kemira holds over 1,300 patents. In 2015, our innovation sales were EUR 189 million (8%).

KEMIRA REVENUE SPLIT BY CUSTOMER BENEFIT:

- Product quality, property or product yield optimization: 50%
- Process or energy efficiency: 20%
- Water quality or regulatory compliance related to wastewater and sludge treatment: 30%

Responsibility

TOWARDS EMPLOYEES

WE EMPLOY APPROXIMATELY

4,685

PROFESSIONALS AROUND
THE WORLD.

> Attracting, engaging and retaining key talent is of strategic importance to Kemira in order to be competitive. Safety at the workplace and strong employee engagement are the cornerstones of our people management approach.

SAFETY

Safety is of first priority in all our operations because of the nature of our industry and potential impacts on costs, stakeholder relations and reputation. In 2015, we saw a rise in the number of reported injuries, TRI (Total Recordable Injuries per million work hours). In addition to continuous diligent safety work, intensive campaigning and awareness-building was started to address the issue. At the end of the year, the TRI level stood at 7.2 (2014: 5.8). We are taking this very seriously and continue to work on our safety performance long-term to protect our most valuable asset: people.

ENGAGEMENT

Employee engagement at Kemira has been addressed through systematic action-planning and execution, supported by strong managerial commitment. Thanks to these efforts, our employee engagement index is again at the level of industry norm, after the drop caused by restructuring measures. Our employee survey results show that good corporate responsibility performance is very important to our personnel.

LEADERSHIP AND PERFORMANCE

Skilled leaders and employees are key to the successful execution of Kemira's strategy. Our performance management process consists of Performance and Development Discussions (PDD) and performance evaluation, supported by online management tools. Kemira is actively encouraging leadership development through job-rotation and on-the-job-learning.

DIVERSITY

In our recruitment decisions, we do not apply gender and/or minority quotas or similar but aim at finding the best professional knowhow for each position. The Kemira Code of Conduct obliges us to respect the principle of equal opportunity and treatment without regard to age, race, birth, gender, creed, political persuasion, social status or origin. The same equal opportunity principle is also highlighted in our Recruitment Policy.

In 2015, the share of women in Kemira's total workforce was 26%, in executive positions 22%, in Management Board 22%, and in Board of Directors 33%.

COMMUNITY INITIATIVE

KEMIRA READING GALLERY LAUNCHED AT NANJING NANHUA EXPERIMENTAL PRIMARY SCHOOL

In 2015, Kemira and the Nanhua Experimental Primary school of the Nanjing Chemical Industry Park located in China launched a joint Kemira Reading Gallery to encourage students' interest in reading. Over 2,800 books were donated by employees and Kemira together.

Kemira staff also volunteered to provide environmental education to the students. "We want to build sustainable relationships with our local communities," says Joe Chan, President of Kemira's operations in China. "Reading is a good habit with lifelong benefits for children. This is another way of



living according to the Kemira value: We care for people and the environment."

OPERATIONAL EXCELLENCE

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Kemira's business is supply chain intensive. We have over 650 direct material suppliers, most of whom come from EMEA and North America. Of these, 160 are core suppliers, who deliver 80% of our direct material spend. Our top three direct spend categories are electricity, acrylonitrile and petroleum solvents and by volume ferrous sulphate, hydrochloric acid and sodium chloride (salt). In 2015, some 27% of all raw materials used by Kemira were recycled or industrial by-products from external partners. The Municipal & Industrial business utilizes 60–70% secondary raw materials from other industries, participating heavily in local by-product streams. Kemira drives responsibility in the supply chain through the Code of Conduct for Suppliers, Distributors and Agents, which all repeat suppliers with a substantial annual spend value are expected to sign. By the end of 2015, 93% of Kemira's suppliers had signed the Code. Our Supplier Performance Management Program, comprising of supplier Performance Evaluations and Supplier Sustainability Assessments, helps in identifying any possible challenges relating to suppliers' performance, including sustainability.

In 2015, Kemira launched a program for operational excellence, addressing the efficiency and optimization of material and information flows from our suppliers to customers across Kemira.

SOME 27% OF ALL RAW MATERIALS USED BY KEMIRA IN 2015 WERE RECYCLED OR INDUSTRIAL BY-PRODUCTS FROM EXTERNAL PARTNERS.

IN 2015, KEMIRA LAUNCHED A PROGRAM FOR OPERATIONAL EXCELLENCE TO DRIVE FORWARD THE FULFILLMENT OF ITS GROWTH AND PROFITABILITY TARGETS.

Manufacturing footprint globally (64 sites):



MANUFACTURING

RESPONSIBLE MANUFACTURING

Our global manufacturing network consists of 64 sites. The AkzoNobel paper chemicals business acquisition, completed in 2015, brought us six new manufacturing sites located in Italy, Spain, Korea, Thailand, Indonesia and Australia. The site in Italy will be discontinued.

We have streamlined our product portfolio and reduced the number of sites in the past few years to lower our operative fixed costs. We have also adopted LEAN manufacturing in order to continuously improve efficiency.

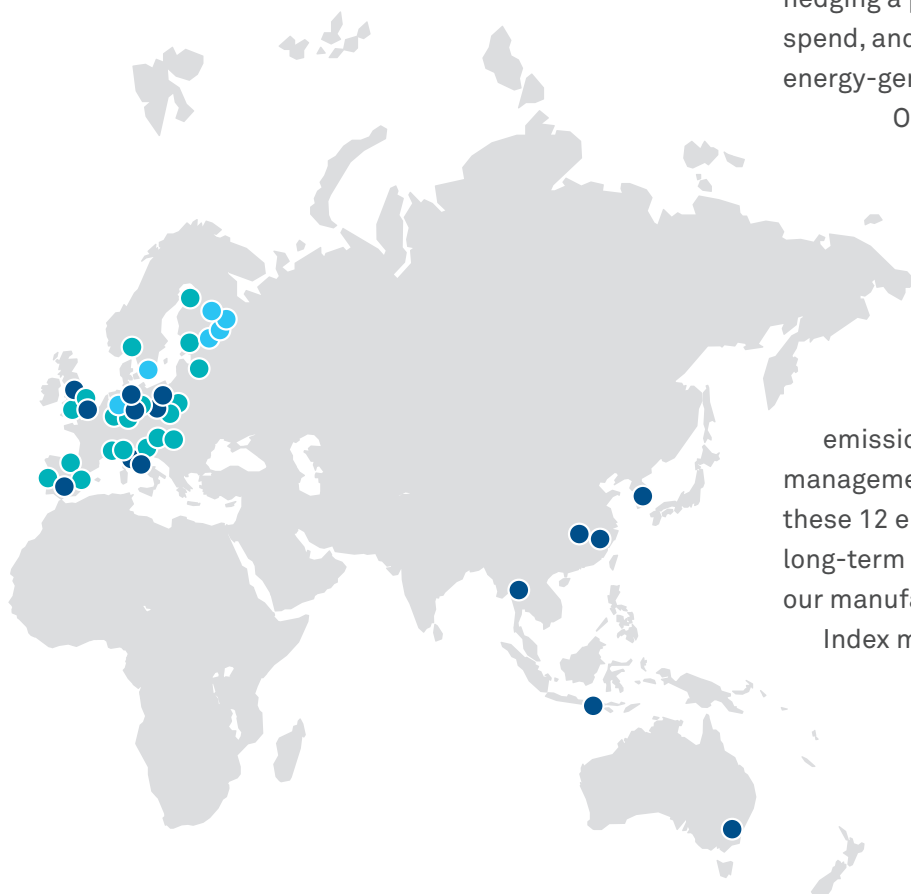
Our Environmental, Health, Safety and Quality (EHSQ) vision consists of three elements: “Zero

environmental harm”, “Zero harm to people”, and “Customer satisfaction”. We take matters of safety extremely seriously in all our operations. Kemira’s EHSQ management system is based on ISO 14001, ISO 9001 and OHSAS 18001 standards. By the end of 2015, Kemira had certified 86% of major site locations according to at least one of these standards.

Energy-efficiency is important to Kemira, as it brings both cost-savings and environmental benefits. Many of Kemira’s products are energy intensive to produce, making it of strategic importance to constantly improve our energy efficiency and manage the risk of purchased electricity. Electricity price risk is mitigated by hedging a portion of the energy and electricity spend, and through strategic investment in energy-generating companies in Finland.

Our approach to reducing greenhouse gas emissions is based on improving energy efficiency at manufacturing sites and on purchasing energy at lower emission levels.

Some 12 sites out of the total of 64 sites consume 90% of energy and account for 95% of our CO₂ emissions. A substantial share of our energy management activities are therefore focused on these 12 energy-intensive sites. Kemira has set a long-term target for CO₂ emission intensity from our manufacturing operations. The Kemira Carbon Index monitors our CO₂ performance from both consolidated and individual manufacturing site perspective. The target is to reduce the value of the Kemira Carbon Index to or below 80 by the end of 2020, in comparison to the Carbon Index value of 100 in base-line year 2012.





PULP & PAPER

STRATEGIC OBJECTIVE:

Growth above-the-market with improved profitability

How?

- Commercialize new products
- Leverage strong market position and acquisition synergies
- Execute successful investment projects (e.g. long-term "chemical island" bleaching chemical contracts)
- Continue to evaluate bolt-on acquisitions
- Scale up operations in the APAC region

SALES CHANNEL

- Direct sales to pulp & paper producers.
- Serving all major players in the market globally.

RESULT 2015

Revenue

1,417

EUR million
(60% of Kemira revenue)

Operative EBITDA

12.1

%

BUSINESS SPECIFICS

- Strategic commitment to the pulp & paper industry
- Application-driven approach
- Offering adapted to regional requirements
- Innovation partner for the pulp & paper industry

APPLICATION KNOW-HOW

- Pulp, paper, board and tissue production
- Pulping, bleaching, wet-end and coating chemistry, water treatment

#1-2 IN ALL REGIONS

Value built in pulp & paper

CUSTOMER SEGMENTATION

- Pulp
- Packaging & Board
- Printing & Writing
- Tissue & Specialties

PRODUCTS

Most comprehensive product portfolio in the business.

DIFFERENTIATED PRODUCTS

(54%) Polymers, sizing and strength chemicals, defoamers, dispersants, biocides and other process chemicals

COMMODITY PRODUCTS

(46%) Mainly bleaching & pulping chemicals

MAJOR RAW MATERIALS

Acrylonitrile, olefins, cationic monomer, tall oil soaps and crude tall oil, electricity, fatty acids, heavy fuel oil/natural gas, maleic anhydride, sodium chloride, sulfur

COMPETITIVE ADVANTAGE

- Application know-how
- Product performance
- Backward integration into key raw materials
- Comprehensive offering
- Global reach
- Chemical island concept

CUSTOMER VALUE

IMPROVED:

- Process efficiency
- End-product features & quality
- Raw material, energy and water efficiency: sustainable innovations



THE ONLY BLEACHING, PROCESS AND FUNCTIONAL CHEMICALS PROVIDER WITH A TRULY GLOBAL REACH

Growth in pulp & paper chemicals is driven by higher volumes of packaging board and tissue grades. Kemira has unique expertise in applying chemicals and supporting pulp & paper producers to innovate and constantly improve their operational efficiency and end-product quality. We support our customers in biobased economy, enabling production with fewer inputs, less environmental impact and reduced water footprint.

INVESTING IN COMPETENCIES & CAPACITIES

Kemira is committed to innovating for the long-term future together with the pulp & paper industry. The paper chemicals market has long been fragmented with no clear global leader. Kemira's investment in competencies and capacities in pulp & paper chemistry makes us the global market leader in bleaching, process and functional chemicals. Kemira's Pulp & Paper segment continues to focus on delivering growth and improved profitability.

KEMIRA PULP & PAPER
GROWTH TARGET: AT
LEAST TWO TIMES THE
MARKET GROWTH.

AkzoNobel paper chemicals business acquisition strengthens Kemira's position

In May 2015, Kemira acquired the AkzoNobel paper chemicals business, which consists mainly of retention, sizing and strength products, complemented by e.g. coating additives. Revenue of the transferred business is more than EUR 200 million and the number of transferred employees is approximately 350. Several production units were included in the deal, together with several contract manufacturing agreements with AkzoNobel sites. Acquired production sites are located in Italy, Spain, Korea, Thailand, Indonesia and Australia. Going forward, Kemira has also several new sales offices in the APAC region.

The acquisition gives us direct access to new markets in APAC and increases the number of experienced sales, service and application personnel. Today, we have better access to locally produced products, larger sales and field service organization and a number of attractive new products, which allow us to catch new opportunities and speed-up Kemira's growth in APAC. Revenue and cost synergies have started to materialize according to plan.

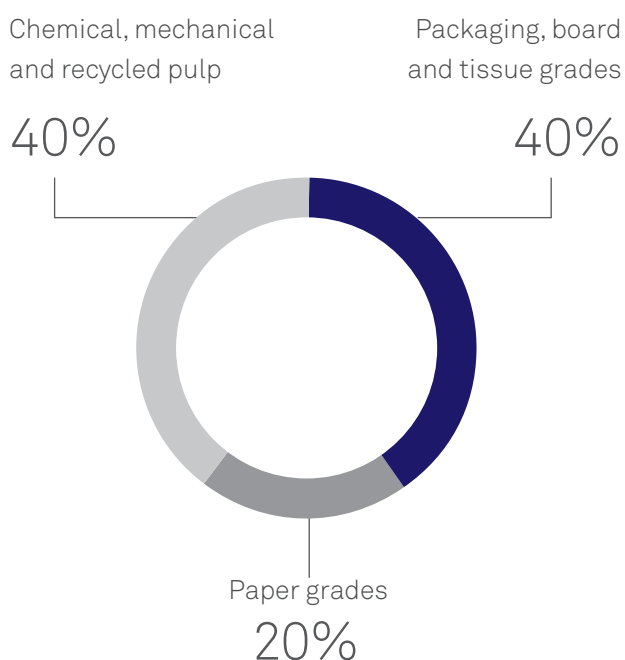
2015 IN BRIEF

- Kemira completes the AkzoNobel paper chemicals acquisition.
- Kemira acquires certain assets of Soto Industries, LLC, headquartered in Charlotte, North Carolina. Soto specializes in the application of scale control products, defoamers, and settling agents for the pulp and paper industry.
- Kemira announces plans to close the acquired manufacturing site in Soave, Italy.
- Kim Poulsen starts as President of Kemira's Pulp & Paper segment & APAC region and member of the Management Board.
- Throughout the year, Stora Enso and Kemira work together on a joint corporate responsibility initiative on water stewardship in Guangxi Province in Southern China. The construction works addressing water shortages and quality problems in three local villages were finalized in 2015.

MARKET OUTLOOK

Pulp & Paper segment is expected to grow at least double the relevant market growth. The market compounded annual growth rate (CAGR) is estimated to be 1.5%. The majority of the growth is expected from the emerging markets in South America and APAC. Even though the market growth in APAC is expected to slowdown slightly, it is still estimated to reach 2.5–3% per annum. There is also an increased demand for pulp chemicals in the Nordics where several expansion projects are ongoing or announced.

Thanks to our comprehensive offering, global reach and strong application know-how, Kemira is well positioned to serve the industry.



OM

OIL & MINING

STRATEGIC OBJECTIVE:

Growth and expansion to new applications like Chemical Enhanced Oil Recovery and oil sands.

How?

- Continued faster, industry leading innovations with key customers
- Manufacturing expansion investments with high return on capital employed
- Targeted bolt-on acquisitions to enable equipment and services offering

SALES CHANNEL

- Oil & Gas and process additive applications: sales to operators, pumpers, service companies and other value adding partners.
- Mining: Sales to operators and other value adding partners.
- Distributors to other industries.

RESULT 2015

Revenue

350

EUR million
(15% of Kemira revenue)

Operative EBITDA

9.5
%

BUSINESS SPECIFICS

- Application-driven approach
- Focus on fast innovation to solve critical customer challenges

APPLICATION KNOW-HOW

- Oil & Gas: drilling & cementing, stimulation, oil sands, Chemical Enhanced Oil Recovery and production
- Mining: iron ore, copper, and gold recovery

**#2 IN GLOBAL
POLYACRYLAMIDE
PRODUCTION**

Improving Efficiency & yield in oil & mining

CUSTOMER SEGMENTATION

- Oil & Gas
- Mining
- Other industries through distributors (excess capacity)

PRODUCTS

DIFFERENTIATED PRODUCTS
(83%) polymers, dispersants & antiscalants, biocides, emulsifiers, defoamers

COMMODITY PRODUCTS
(17%) coagulants

MAJOR RAW MATERIALS

Acrylonitrile, acrylic acid, various monomers

COMPETITIVE ADVANTAGE

- Innovative chemicals & application knowledge
- 2nd largest manufacturer of polyacrylamides in the world

CUSTOMER VALUE

IMPROVED:

- Process efficiency
- Yield
- Cost-efficiency
- Water efficiency
- Energy efficiency
- Compliance with environmental regulation



GROWING CHEMICAL SUPPLIER TO OIL & GAS AND MINING INDUSTRIES

Kemira provides a unique combination of application knowhow and innovative chemicals that improves process efficiency and yield in oil, gas and metals recovery. We tailor chemistries for specific process needs, ensuring the customer has the most cost-effective, well performing product for their particular application and field. We assist in extracting oil & gas in a more resource-efficient manner: getting more out of existing resources, and utilizing less water and energy in the process.

MARKET DOWNTURN IMPACTS DEMAND

The oil and gas chemicals market is competitive and cyclical. In 2015, the sharp decline in oil prices impacted the overall oil and gas business, but particularly the oil and gas drilling and stimulation market in North America. Kemira is the leading supplier of friction reducers used in this activity.

In response to the market situation, Oil & Mining segment implemented efficiency improvements, closing one manufacturing site in Longview, Washington and realigned its resources. New growth opportunities were identified in Chemical Enhanced Oil Recovery (CEOR) and oil sands. Going forward, the segment focuses on returning to organic growth even with current low oil price levels and getting ready for the next up-cycle.

Kemira's growth in the mining sector has been modest in recent years due to soft market conditions. In 2015, we saw some signs of recovery especially in Southern Africa, and were able to increase our sales volumes with our new differentiated offering focusing on copper and gold mines.

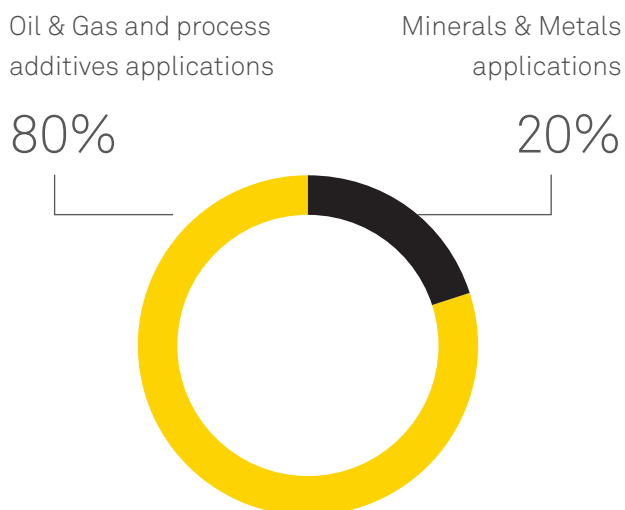
KEMIRA OIL & MINING
GROWTH TARGET:
DOUBLE-DIGIT GROWTH
OVER-THE-CYCLE.

2015 IN BRIEF

- Kemira enters the market for Chemical Enhanced Oil Recovery (CEOR), and is awarded a contract by Cairn India Limited for the supply of polyacrylamide for its EOR implementation.
- Kemira and Chevron's Energy Technology Company enter into a Master Collaboration Agreement to develop novel and next generation chemistries for a wide array of oil & gas exploration and production activities.
- Oil & Mining segment continues to gain business in the Canadian oil sands market.
- Kemira and technology start-up Aqsens join forces for unconventional collaboration to offer innovative on-site liquid analyses for oilfield scale control.
- The closure of a manufacturing plant in Longview, WA, US is announced.
- Kemira acquires certain assets of Polymer Services, LLC, specialized in the field application of polymer gel treatments for enhanced or improved oil recovery.

MARKET OUTLOOK

Pricing pressures and challenging market conditions are likely to continue going into 2016. Being a technology and value provider, Kemira is better positioned to weather the fluctuations than pure commodity players in the market. Chemical Enhanced Oil Recovery (CEOR) and unconventional oil extraction present longer term growth opportunities in Oil & Mining segment's relevant market.





MUNICIPAL & INDUSTRIAL

STRATEGIC OBJECTIVE:

Steady growth and cash flow generation

How?

- Further strengthen the base business in raw and waste water treatment
- Ensure efficiency & cost and product leadership through operational and commercial excellence and innovation
- Build on top of strong customer base with innovation driven Advanced Water Treatment applications

SALES CHANNEL

Municipal
60%

Industrial
40%

Municipal: mainly direct sales
Industrial: direct sales & distributors

RESULT 2015

Revenue

606

EUR million
(25% of Kemira revenue)

Operative EBITDA

13.7

%

BUSINESS SPECIFICS

- Regulation-driven business
- Local business
- Raw material backward integration
- Large customer base

APPLICATION KNOW-HOW

- Raw water treatment
- Waste water treatment
- Sludge treatment

#1 IN EUROPE

#1 IN NORTH AMERICA

Optimizing the water cycle

CUSTOMER SEGMENTATION

- Fragmented market:
- Municipal (private & public)
- Industrial (e.g. food & beverage, chemicals and metals processing)

PRODUCTS

- Only partner able to provide both polymers and coagulants

DIFFERENTIATED PRODUCTS
(25%) Polymers, antiscalants, defoamers, biocides

COMMODITY PRODUCTS
(75%) Coagulants

SUPPLY CHAIN INTENSIVE:

- Managing high-volume streams to fragmented customer base

MAJOR RAW MATERIALS

- 60–70% secondary input materials: participating in local, fast and flexible by-product streams
- Acrylonitrile, sulfuric acid, hydrochloric acid, aluminium hydrate, iron ore, pickling liquor, copperas (ferrous sulfate)

COMPETITIVE ADVANTAGE

- Security of supply, speed and logistics flexibility
- Expertise
- Comprehensive portfolio
- Backward integration into other industries' by-products through long-term partnerships
- High coverage manufacturing network in mature markets

CUSTOMER VALUE

IMPROVED:

- Water treatment process reliability and efficiency: total water cycle management
- Regulatory compliance and beyond



MARKET LEADER IN RAW AND WASTE WATER TREATMENT CHEMICALS

The market for Kemira's Municipal & Industrial segment is driven by regulation. Kemira helps municipalities, private operators and water-intensive industries in the transition towards circular economy by enabling water reuse and improved water treatment efficiency at every stage of water management. We are the leading chemicals supplier for raw, wastewater and sludge applications in Europe and North America, and the only manufacturer offering a full product portfolio of coagulants, polymers and other, more differentiated water treatment chemicals. This makes our position in the market unique.

BACK ON THE GROWTH PATH

The Municipal & Industrial segment has gone through a restructuring program in the recent past in order to reduce complexity, costs and focus on core business. After the restructuring, the segment has kept fixed costs under tight control and been selective with investments. The business has regained its capability for sustained growth, delivering increased sales volumes in all regions. The growth is enabled by Kemira's strong expertise and investments into innovation, and tightening regulation.

The segment's competitors in the mature markets consist mainly of smaller local companies. The coagulants market is particularly fragmented and local in nature. Kemira's competitive advantage stems from cost-efficiency in our own operations, application knowledge and flexible manufacturing capability.

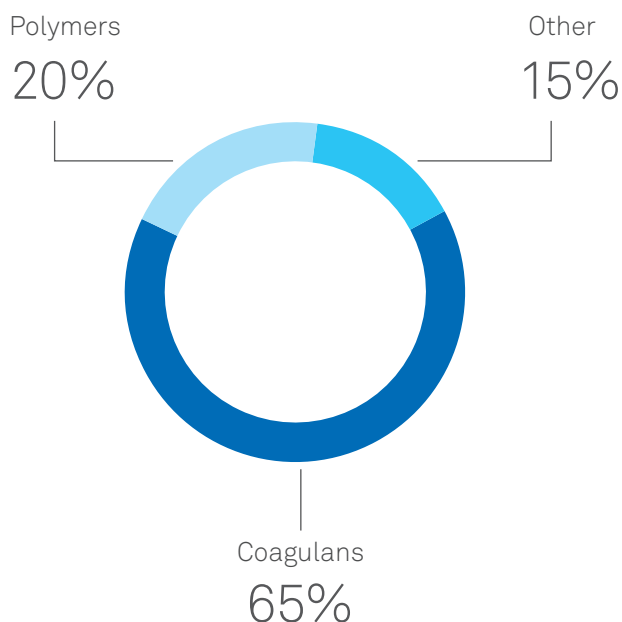
KEMIRA MUNICIPAL &
INDUSTRIAL GROWTH
TARGET: ANNUAL
REVENUE GROWTH
BETWEEN 2–4%.

2015 IN BRIEF

- M&I strengthens its market position establishing new key customer relationships around the world, with eg.: Singapore Public Utilities, Ghana Water, City of Philadelphia, City of Berlin and City of Rome.
- Kemira celebrates the grand opening of a large-scale water treatment chemicals plant in Tarragona, Spain.
- A position paper on circular economy is published as a response to a regulatory process initiated by the EU Commission.
- Kemira provides solutions for sludge deep dewatering for Shanghai Haibin sewage treatment plant, increasing solid content of sludge from 20% to 40–45%
- Major customer delivery agreements in North America.
- Growth and profitability improvement in APAC.
- Improved return on capital employed.

MARKET OUTLOOK

Municipal & Industrial segment's strategic intent is to grow approximately at the rate of the mature markets, that is, some 2–4% annually, and to further improve profitability and maximize cash flow. To reach greater growth figures, stronger regulation and enforcement of water treatment – especially in emerging markets – is required.



kemira

Where water
meets chemistry™



GRI Report
2015

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1. FOCUS AREAS OF KEMIRA'S CORPORATE RESPONSIBILITY

1.1 OUR FOCUS AREAS

For Kemira, corporate responsibility means integrating environmental and social considerations into all of our business operations. Our business success is not only based on economic achievements, but also on gaining the

trust of our stakeholders and taking responsibility for our impacts along our value chain.

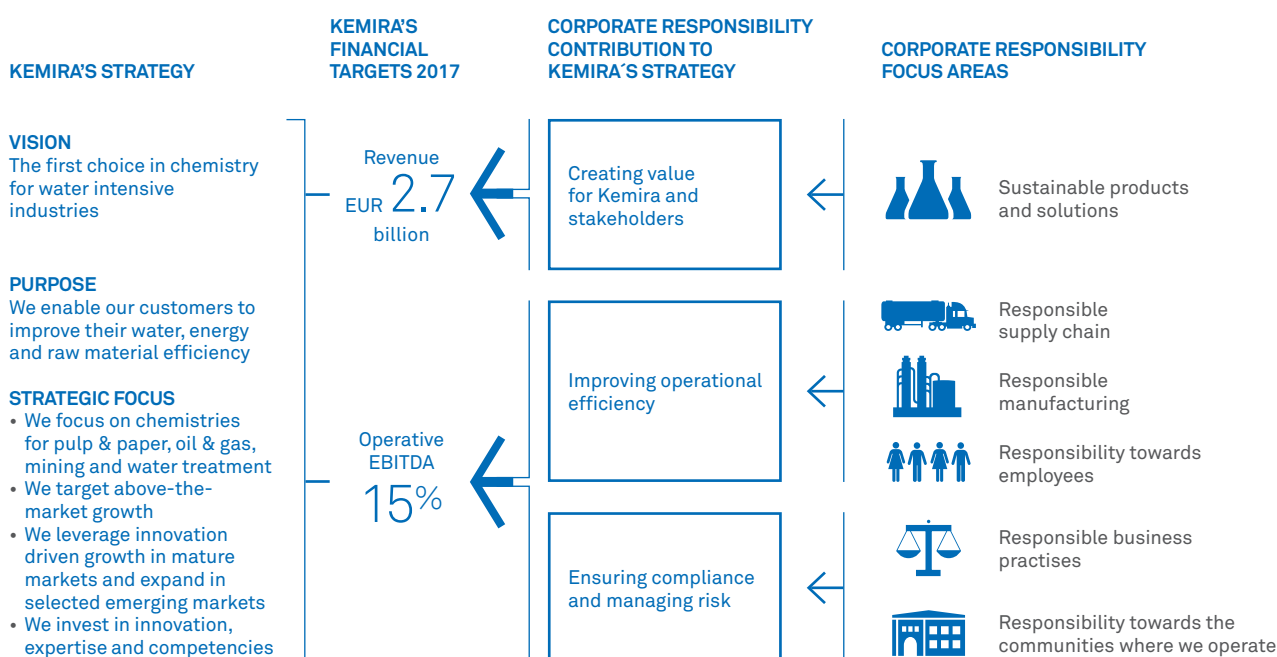
The priorities for our responsibility work have been defined as our corporate responsibility focus areas.

CORPORATE RESPONSIBILITY FOCUS AREAS



The responsibility work managed through focus areas is contributing to Kemira's strategy executions through long-term sustainable value creating, improved efficiency and ensuring compliance and risk management.

CORPORATE RESPONSIBILITY CONTRIBUTING TO KEMIRA'S STRATEGY



1.2 OUR GUIDING PRINCIPLES FOR CORPORATE RESPONSIBILITY

Our approach to corporate responsibility is guided by our value creation model, our stakeholders' expectations, and our commitments to internationally defined principles.

Value creation model	Stakeholders' expectations	Commitments, guidelines and principles
→ Vision	→ Customers	→ Kemira Code of Conduct
→ Strategy	→ Investors and lenders	→ UN Global Compact
→ Business model	→ Employees	→ Responsible Care

OUR VALUE CREATION MODEL DELINEATES OUR MATERIAL IMPACTS

Our vision, strategy and business model narrows down the scope of the impacts our business activities may have on the environment, people and society.

- Kemira is a global company operating in a business-to-business environment. We supply chemicals for industrial use in the pulp and paper, oil and gas, mining, and water treatment sectors.
- Global resource scarcity is an important business driver for us. Kemira is not directly involved in the utilization of natural resources such as oil, gas, minerals or fibers, but our customers actively process, extract and refine these resources.

- Our external business environment is highly regulated by legislation and industry norms covering business conduct, product life-cycle management, and the health, safety and environmental aspects of manufacturing.
- Our inputs (raw materials) and outputs (products) are mainly chemicals, including some classified as harmful or hazardous substances. Our manufacturing technologies rely on chemical reactions transforming our input materials into products which often require large amounts of energy.
- Our main raw materials tend to have a limited number of large global suppliers. For secondary raw materials (recycled or industrial byproducts) we rely for local suppliers or even operate in industrial symbiosis with those suppliers.
- We operate a global manufacturing network with 64 plants and business units in 40 countries. Our units are generally small or mid-size, and mainly located in industrial areas such as chemical parks. Consequently, our plants seldom have a dominant position in their local communities, for example in terms of employment or environmental impacts.
- Our manufacturing operations are not labor intensive, but they do require well-trained employees. Our R&D and sales operations require highly qualified professionals.

The material impacts of our business activities mainly relate to environmental impact through resource efficiency in our own operations and throughout our value chain while the most important social impacts relate to safety, employee engagement and ethical business conduct.

THE MOST MATERIAL IMPACTS OF KEMIRA BUSINESS ACTIVITIES

	INDIRECT IMPACT		DIRECT IMPACT	INDIRECT IMPACT	
	Production of input materials and energy	Upstream transportation	Kemira's own operations	Downstream transportation	Use of Kemira products
Economic impact			Economic performance		
Environmental impact	<ul style="list-style-type: none"> • Emissions • Supplier performance for their environmental impacts 	<ul style="list-style-type: none"> • Emissions • Supplier performance for their environmental impacts 	<ul style="list-style-type: none"> • Materials and Energy • Emissions • Effluents and waste 	<ul style="list-style-type: none"> • Emissions • Supplier performance for their environmental impacts 	<ul style="list-style-type: none"> • Emissions • Products and services
Social impact	<ul style="list-style-type: none"> • Supplier performance for their labor practices, human rights and ethical business behaviour 	<ul style="list-style-type: none"> • Supplier performance for their labor practices, human rights and ethical business behaviour 	<ul style="list-style-type: none"> • Labor practices and decent work (Employment and Labor Relations, Occupational health and safety, Training and education, Diversity and equal opportunity, Equal remuneration for women and men) • Human Rights (Non-discrimination, Freedom of association and collective bargaining, Human rights assessment) • Societal (Anticorruption, Anticompetitive behavior, Public policy, Local communities) 	<ul style="list-style-type: none"> • Supplier performance for their labor practices, human rights and ethical business behaviour 	<ul style="list-style-type: none"> • Product responsibility (Customer health and safety; Product and service labelling; Marketing communication; Product compliance)

OUR STAKEHOLDERS' EXPECTATIONS

Our key stakeholders are shareholders and lenders, customers, employees and suppliers. Other important stakeholder groups include the local communities where Kemira operates, regulatory bodies, trade associations, decision makers and opinion leaders.

Our key stakeholder groups are persons or organizations whose assessments and decisions relating to Kemira are directly affected by our economic, environmental and social performance.

- Many of our customers are sustainability leaders in their respective industrial sectors. Kemira forms part of their value chains, and we are expected to demonstrate the same high commitment to sustainable business as our customers.
- A significant number of our investors practise Socially Responsible Investing (SRI). Kemira shares are listed on the NASDAQ OMX Helsinki, and Finnish investors are our largest shareholders.
- Sustainable business conduct is an important employee engagement driver, according to our employee surveys.

We regularly review our stakeholders' expectations and concerns to help us update our sustainability priorities. Our most recent review of our stakeholders' expectations was conducted in spring 2015. Our stakeholders continue to highlight the importance of topics such as sustainable products, safety, employee development, business ethics and compliance, responsibility along the supply chain, and reductions in environmental impacts both in our own operations and in the value chain. These stakeholder topics are addressed through our corporate responsibility focus areas.

Our approach to stakeholder engagement is based on our active stakeholder relationship management. It includes activities ranging from information sharing to active dialogue and collaboration on issues of mutual interest. More detailed information is provided in the following table.



MANAGEMENT APPROACH OF STAKEHOLDER ENGAGEMENT

Kemira stakeholders (G4-24)	Basis for identification and selection of stakeholders (G4-25)	Kemira's approach to stakeholder engagement (G4-26)	Key topics and concerns raised through stakeholder engagement (G4-27)	Kemira's response (G4-28)
Shareholders and lenders	<ul style="list-style-type: none"> Share of value creation to investors through dividends and interests payments Expectations for return on investment, and for environmental & social performance and governance 	<ul style="list-style-type: none"> Regular events like Capital Markets Day, roadshows, conference calls and one-to-one meetings. Approximately 200 events of this kind were organized in 2015. 	<ul style="list-style-type: none"> Alignment of corporate responsibility with Kemira's strategy and business activities Potential business risks and opportunities related to corporate responsibility topics and transparency 	<ul style="list-style-type: none"> Kemira's approach to corporate responsibility management Transparent reporting and disclosure (e.g. CDP)
Customers	<ul style="list-style-type: none"> Our customers are Kemira's main source of value creation Our customers' expectations and needs drive Kemira's product portfolio and service models 	<ul style="list-style-type: none"> Direct customer contacts by Kemira sales organization Exhibitions and trade shows Product testing and plant trials Customers' requests regarding Kemira's sustainability performance 	<ul style="list-style-type: none"> Product safety Transportation safety Reduction of environmental impacts in customers' manufacturing and products 	<ul style="list-style-type: none"> Product stewardship Transportation safety programs Sustainability checks in New Product Development
Employees	<ul style="list-style-type: none"> A significant share of our value creation is channeled to our employees through salaries and payments Employee well-being and capabilities influence our operational performance and value creation 	<ul style="list-style-type: none"> Employee surveys: Voices@Kemira biennially, and Pulse twice a year Performance management process Kemira European Forum Town hall meetings Compliance & Ethics Hotline 	<ul style="list-style-type: none"> Key topics and concerns based on the Voices 2015 survey: Performance management and rewards Visible role modelling of Kemira values 	<ul style="list-style-type: none"> Performance and Development discussions Leadership development, skills development and training programs Documented action-plans produced in response to the findings of employee surveys
Suppliers	<ul style="list-style-type: none"> A significant share of our value creation is channeled to our suppliers through payments for goods and services Suppliers' responsibility and performance influence Kemira's value creation capability and reduce our business risks 	<ul style="list-style-type: none"> Working closely with core suppliers to help them meet our performance expectations, and take corrective actions if needed Supplier performance management 	<ul style="list-style-type: none"> Our customers expect responsibility throughout the supply chain. Business ethics and compliance 	<ul style="list-style-type: none"> Kemira Code of Conduct for Suppliers, Distributors and Agents Supplier sustainability assessments
Local communities	<ul style="list-style-type: none"> A significant share of our value creation is channeled to society through tax payments and employment The safety and environmental performance of our operations may impact local communities' acceptance 	<ul style="list-style-type: none"> Collaboration with local communities at major sites to understand and address their concerns Collaboration with schools and universities 	<ul style="list-style-type: none"> Safety and environmental risks Employment opportunities 	<ul style="list-style-type: none"> Transparency, regular and open dialogue with local communities Site specific activities, e.g. open door days Regular industrial risk assessments
Regulatory bodies, trade associations, decision makers and opinion leaders	<ul style="list-style-type: none"> These stakeholders have the capability to influence or make political decisions on environmental issues including climate change, and on chemical legislation 	<ul style="list-style-type: none"> Participation in the activities of industrial trade associations Subject-specific dialogue with regulatory bodies on national and EU level Managed relationships with selected non-profit organizations 	<ul style="list-style-type: none"> Resource efficiency Safety of shale oil and gas and enhanced oil recovery Chemicals safety 	<ul style="list-style-type: none"> Circular economy position paper Active participation in CEFIC working groups* Membership of Cleantech Finland and Climate Leadership Council

* Kemira is a member of the Chemical Industry Federation of Finland (CIFF) and the European Chemical Industry Council (CEFIC). Kemira's CEO is a board member in CIFF and in CEFIC.

OUR COMMITMENTS, GUIDELINES AND PRINCIPLES

The Kemira Code of Conduct and our commitments to the UN Global Compact and the Responsible Care program set the standards for the behavior expected throughout the company, and are integral elements of our management approach to corporate responsibility.

The Kemira Code of Conduct, which reflects the principles of the OECD Guidelines for Multinational Enterprises, defines expectations related to responsible business covering all of our operations. Our Code of Conduct also reflects the principles of The United Nations Global Compact. We expect our suppliers and other business partners to maintain the same high standards of operations, as defined in our Code of Conduct for Suppliers, Agents and Distributors.

The United Nations Global Compact was signed by Kemira in 2014 to emphasize our commitment to respect and promote human rights, implement decent work practices, reduce our environmental impact and combat corruption.

Responsible Care is a voluntary initiative launched by the global chemical industry to continuously improve the environmental, health, safety and security performance of the industry's products and processes. **The Responsible Care Global Charter** seeks to harmonize, govern and expand the Responsible Care ethic globally, with a special focus on product stewardship throughout the supply chain. Kemira Oyj has signed both the Responsible Care initiative and the Responsible Care Global Charter.



WE SUPPORT



Responsible Care
Our commitment to sustainability

2 OUR MANAGEMENT APPROACH

2.1 CORPORATE RESPONSIBILITY AT KEMIRA

Our corporate responsibility management approach aims to effectively identify, understand and manage the most significant impacts of our business activities on the environment, people and society.

For us, corporate responsibility means both being responsible throughout our own operations, and contributing to sustainable development all along our value chain. Our management approach to corporate responsibility is described in more detail for each focus area.

Management approach	Key topics for our management approach
Responsible business practices	Compliance to Kemira Code of Conduct
Sustainable products and solutions	Product stewardship and innovation
Responsibility for employees	Employee engagement Leadership development Workplace safety
Responsible supply chain	Sustainability in sourcing and supply chain management
Responsible manufacturing	Environmental impacts of our operations through energy and water usage and emissions
Responsibility towards the local communities	Safety of our operations Engagement of our employees for the benefit of Local communities

CORPORATE RESPONSIBILITY TARGET SETTING AND PERFORMANCE

Our corporate responsibility focus areas reflect Kemira's sustainability priorities, which are managed through target setting, and by following the principles of continuous improvement. The related targets and their respective KPIs are reviewed annually, with performance follow-up made on a quarterly basis and reported externally.

Our Management Board approves our corporate responsibility targets and KPIs. The Board of Directors is duly informed about these targets and our related performance, and its members also approve this Corporate responsibility section of Kemira's Annual Report.

OUR CORPORATE RESPONSIBILITY PERFORMANCE IN 2015

Focus area	KPIs and KPI target values	Achievement 2015																		
Sustainable products and solutions																				
Innovation sales Target on progress	Share of innovation revenue in total revenue → 10% by the end of 2016	<table><tr><th>Year</th><th>Share of innovation revenue (%)</th></tr><tr><td>2012</td><td>5%</td></tr><tr><td>2013</td><td>7%</td></tr><tr><td>2014</td><td>8%</td></tr><tr><td>2015</td><td>8%</td></tr><tr><td>2016</td><td>10% (Target)</td></tr></table>	Year	Share of innovation revenue (%)	2012	5%	2013	7%	2014	8%	2015	8%	2016	10% (Target)						
Year	Share of innovation revenue (%)																			
2012	5%																			
2013	7%																			
2014	8%																			
2015	8%																			
2016	10% (Target)																			
Responsibility towards employees																				
Leadership development Target not achieved	People managers to participate in global leadership programs at least once during the period 2013–2015, cumulative % → > 95% by the end of 2015	<table><tr><th>Year</th><th>Participation (%)</th></tr><tr><td>2013</td><td>39%</td></tr><tr><td>2014</td><td>46%</td></tr><tr><td>2015</td><td>71%</td></tr><tr><td>2015</td><td>95% (Target)</td></tr></table>	Year	Participation (%)	2013	39%	2014	46%	2015	71%	2015	95% (Target)								
Year	Participation (%)																			
2013	39%																			
2014	46%																			
2015	71%																			
2015	95% (Target)																			
Employee engagement Target achieved	Employee Engagement Index → Index at or above the industry norm by the end of 2015 Participation rate in Voices@Kemira → 75–85% by the end of 2015	<table><tr><th>Year</th><th>Engagement (%)</th><th>Participation (%)</th></tr><tr><td>2009</td><td>69%</td><td>87%</td></tr><tr><td>2011</td><td>70%</td><td>84%</td></tr><tr><td>2013</td><td>58%</td><td>75%</td></tr><tr><td>2015</td><td>67%</td><td>85%</td></tr></table> <p>■ Engagement ■ Participation</p> <p>Employee Engagement Index: External industry norm 68% in 2015</p>	Year	Engagement (%)	Participation (%)	2009	69%	87%	2011	70%	84%	2013	58%	75%	2015	67%	85%			
Year	Engagement (%)	Participation (%)																		
2009	69%	87%																		
2011	70%	84%																		
2013	58%	75%																		
2015	67%	85%																		
Occupational health and safety Target not achieved	Number of total recordable injuries (TRI) per million hours worked (Kemira + contractors, 1 year rolling average) → Zero injuries	<table><tr><th>Year</th><th>TRI per million hours worked</th></tr><tr><td>2012</td><td>8.5</td></tr><tr><td>2013</td><td>7.1</td></tr><tr><td>2014</td><td>5.8</td></tr><tr><td>2015</td><td>7.2</td></tr></table>	Year	TRI per million hours worked	2012	8.5	2013	7.1	2014	5.8	2015	7.2								
Year	TRI per million hours worked																			
2012	8.5																			
2013	7.1																			
2014	5.8																			
2015	7.2																			
Responsible supply chain																				
Code of Conduct for Suppliers, Distributors and Agents Target achieved	Share of supplier contracts with signed CoC-SDA as attachments → 90% by the end of 2015	<table><tr><th>Year</th><th>Share of supplier contracts (%)</th></tr><tr><td>2013</td><td>36%</td></tr><tr><td>2014</td><td>93%</td></tr><tr><td>2015</td><td>93%</td></tr><tr><td>2015</td><td>90% (Target)</td></tr></table>	Year	Share of supplier contracts (%)	2013	36%	2014	93%	2015	93%	2015	90% (Target)								
Year	Share of supplier contracts (%)																			
2013	36%																			
2014	93%																			
2015	93%																			
2015	90% (Target)																			
Responsible manufacturing																				
Climate change Target on progress	Kemira Carbon Index performance → Index ≤ 80 by end of 2020 (baseline year 2012 = 100)	<table><tr><th>Year</th><th>Carbon Index</th></tr><tr><td>2009</td><td>110</td></tr><tr><td>2010</td><td>105</td></tr><tr><td>2011</td><td>102</td></tr><tr><td>2012</td><td>100</td></tr><tr><td>2013</td><td>88</td></tr><tr><td>2014</td><td>91</td></tr><tr><td>2015</td><td>91</td></tr><tr><td>2020</td><td>80 (Target)</td></tr></table>	Year	Carbon Index	2009	110	2010	105	2011	102	2012	100	2013	88	2014	91	2015	91	2020	80 (Target)
Year	Carbon Index																			
2009	110																			
2010	105																			
2011	102																			
2012	100																			
2013	88																			
2014	91																			
2015	91																			
2020	80 (Target)																			
Responsibility towards the communities where we operate																				
Participation in local community involvement activities Target achieved	Kemira sites with over 50 employees to participate in local community involvement initiatives at least once during the period 2013–2015, cumulative % → 100% by the end of 2015	<table><tr><th>Year</th><th>Participation (%)</th></tr><tr><td>2013</td><td>48%</td></tr><tr><td>2014</td><td>92%</td></tr><tr><td>2015</td><td>100%</td></tr><tr><td>2015</td><td>100% (Target)</td></tr></table>	Year	Participation (%)	2013	48%	2014	92%	2015	100%	2015	100% (Target)								
Year	Participation (%)																			
2013	48%																			
2014	92%																			
2015	100%																			
2015	100% (Target)																			

UPDATED CORPORATE RESPONSIBILITY TARGETS

We updated our corporate responsibility targets for 2016 onwards based on our materiality analysis and review on stakeholder expectations.

Focus area	Issue	KPI's and KPI target values
Sustainable products & solutions	Innovation sales	Share of innovation revenue of total revenue, % → 10% in 2016
Responsibility towards the employees	Occupational health and safety	Number of Total Recordable Injuries (TRI) (per million hours, Kemira + contractor, 1 year rolling average) → Achieve zero injuries
	Employee engagement	Employee engagement index based on Voices@Kemira biennial survey → The index at or above the external industry standard Participation rate in Voices@Kemira → 75% or above
	Leadership development	Leadership development activities provided, average → Two (2) leadership development activities per people manager position during 2016–2020
Responsible supply chain	Direct supplier management	Number of onsite audits for suppliers (with lowest sustainability assessment score). → 5 suppliers audited every year during 2016–2020, average
Responsible manufacturing	Climate change	Carbon index → Kemira Carbon Index ≤ 80 by the end of 2020 (2012 = 100)

RESPONSIBILITIES AND RESOURCES

Kemira's Director, Corporate Responsibility, leads the overall development and management of corporate responsibility activities.

The Corporate Responsibility function is responsible for:

- managing the company-wide process to identify corporate responsibility priorities and targets
- coaching and supporting the organization
- coordinating, monitoring and reporting on activities related to corporate responsibility
- establishing the processes, tools and metrics to ensure our compliance with relevant external norms and standards, guidelines and expectations
- engaging in stakeholder dialogue related to corporate responsibility
- managing public affairs issues

Kemira's segments and functions are responsible for the implementation of our corporate responsibility targets. This work is supported and coordinated by the Corporate Responsibility Management Team, which is chaired by our Director, Corporate Responsibility.

Members of the Corporate Responsibility Management Team represent the organizational units that are responsible for the implementation and business integration of our corporate responsibility targets. The team members are responsible for the management and performance follow-up of target implementation in their respective organizational units. They also make proposals concerning target updates and KPIs to Kemira's Management Board, as well as for performance reporting purposes. The team has regular monthly meetings with a scheduled annual agenda.

Our corporate responsibility targets are annually reviewed and approved by the Kemira Management Board.

The approved targets are presented to the Board of Directors, who also approve our annual corporate responsibility report. Performance follow-ups in relation to our targets are conducted quarterly, and the results are reported to the Management Board and to Kemira's stakeholders through our interim reporting.

MONITORING THE EFFECTIVENESS OF OUR MANAGEMENT APPROACH

Our approach to reducing Kemira's impacts on the environment and society is to a large extent based on the systematic implementation of our management systems. Our Environment, Health, Safety and Quality (EHSQ) policy requires all Kemira companies and operations to implement and maintain certified Environmental, Health, Safety and Quality management systems.

Across our operations in Europe we have implemented a European Integrated Management System, which brings our operational sites, and our existing Enterprise Resource Planning (ERP) processes, work procedures and responsibilities under one integrated management system. Similar work on a multisite management system is under way in North America. We regularly conduct extensive internal and external auditing and/or assurance in order to monitor the effectiveness of our management approach.

MONITORING THE EFFECTIVENESS OF OUR MANAGEMENT APPROACH

Monitoring the impacts of business activities		
Economic impacts	Environmental impacts	Social impacts
Internal auditing by Kemira functions		
Internal Audit	<ul style="list-style-type: none"> Evaluation of internal controls Reliability of financial reporting Effectiveness and efficiency of operations 	<ul style="list-style-type: none"> Evaluation of internal controls Compliance with applicable laws and regulations
Supply Chain Management	<ul style="list-style-type: none"> Supplier assessment program 	<ul style="list-style-type: none"> Supplier assessment program
Environment, Health, Safety and Quality (EHSQ)	<ul style="list-style-type: none"> Management system audits Site specific EHS audits 	<ul style="list-style-type: none"> Management system audits Site specific EHS audits
Product Stewardship and Regulatory Affairs		<ul style="list-style-type: none"> Product regulatory compliance at manufacturing sites and all relevant functions (jointly with internal audit)
External auditing by independent service providers		
External certification partner for EHSQ management system	<ul style="list-style-type: none"> Assessing and auditing ISO 14001 environmental management systems 	<ul style="list-style-type: none"> Assessing and auditing OHSAS 18001 occupational health and safety management systems ISO 9001 quality management systems
External auditor for legal compliance auditing	<ul style="list-style-type: none"> Legal compliance audits 	<ul style="list-style-type: none"> Legal compliance audits
External service provider for financial auditing	<ul style="list-style-type: none"> Assessing and auditing financial statements 	
External service provider for assuring our corporate responsibility report according to GRI G4	<ul style="list-style-type: none"> Assurance of our environmental responsibility management processes and performance 	<ul style="list-style-type: none"> Assurance of our social responsibility management processes and performance

EXTERNAL SUSTAINABILITY RATINGS AND RECOGNITIONS

CDP



Kemira was recognized in the Nordic Climate Disclosure Leadership Index (CDLI) for the third consecutive year.

Kemira achieved a disclosure score of 99 out of 100, and a performance band B (on a scale A-E).

Disclosure scores measured on a scale of 0–100 measure the levels of transparency companies demonstrate through their responses. The scheme's performance bands measure how effectively companies address climate risks. To secure a position on CDP's Nordic Climate Disclosure Leadership Index (CDLI) companies must achieve a disclosure score in the top 10% of the Nordic 260 sample of stocklisted companies.

ECOVADIS



Kemira was rewarded with a Gold recognition level for the company's corporate responsibility performance by EcoVadis, a collaborative platform providing sustainability ratings and

performance improvement tools for global supply chains. With a score of 72/100 points, Kemira is in the top 2% of suppliers assessed by EcoVadis – both in all categories and within the chemical sector. In 2014, Kemira achieved Silver level with 58/100 points.

ROBECOSAM SUSTAINABILITY ASSESSMENT

Kemira participated in the voluntary RobecoSAM corporate sustainability assessment for the third time in 2015.

However, our performance did not qualify us to be included in the RobecoSAM Sustainability Yearbook. Our score improved to 71 on a scale of 0–100 (from 70 in 2014, and 63 in 2013). Kemira's sustainability performance is rated clearly above the chemical industry average of 58 (55 in 2014 and 52 in 2013).

The feedback gained through this process has helped us to identify both our strengths and areas where we can make further improvement. For example, the 2015 results indicate that we have improved our performance on Product stewardship, while Customer relationship management and Human capital development are areas where further work is required to bring our performance up to the high standards we have achieved for other management practices.

2.2 RESPONSIBLE BUSINESS PRACTICES

As a global company we are committed to conduct our business in a socially responsible manner throughout our value chain. We fully comply with all applicable laws, regulations, our own policies and ethical standards in all of the societies in which we operate. Our approach involves having clear rules and guidance in place, which are easily accessible to all our employees and business partners.

ETHICS AND COMPLIANCE AT KEMIRA

The management scope of ethics and compliance at Kemira is based on the topics included in the Kemira Code of Conduct. Our management approach is based on activities designed to promote the principles of ethical business behavior.

The Kemira's Code of Conduct, which is aligned with our values, sets the minimum standards of expected behaviour for our employees and business partners. Our internal policies and procedures provide more detailed guidance to steer our daily work and decision making. The related policies are regularly reviewed and updated as necessary. Every Kemira employee receives regular training on our Code of Conduct, which is available in 21 languages and distributed to all our employees.

Kemira's suppliers are meanwhile obliged to follow our Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in their business activities with us. This code sets requirements relating to issues including responsible business conduct, respect for human rights and environmental responsibility. Adherence to these principles is confirmed in writing. Both of these code of conduct documents can be found at www.kemira.com.

Topics included in the Kemira Code of Conduct

COMPLIANCE WITH LAWS	<ul style="list-style-type: none"> • Compliance with the prevailing laws in every country where we do business is an essential principle for us.
ENVIRONMENT, HEALTH AND SAFETY	<ul style="list-style-type: none"> • We strive to protect the environment, health and safety and to promote quality in all of our businesses. • We aim to promote sustainable development including economic, environmental and social aspects. • We follow all applicable laws and regulations on chemical product safety, including those specifying how chemical hazards and information on the safe use of chemicals should be communicated.
PEOPLE	<ul style="list-style-type: none"> • We respect and support fundamental human rights, including the principle of equal opportunity and treatment, with no discrimination in relation to age, race, birth, gender, creed, political persuasion, social status or origin. • We do not employ forced or child labour. • We prohibit any kind of harassment at the workplace. • We respect the right of all personnel to establish or join trade unions and other representative organizations.
BUSINESS PARTNERS AND INVESTORS	<ul style="list-style-type: none"> • We only deal with reliable business partners who show consideration for the environment and people. We expect all of our business partners and subcontractors to comply with our Code of Conduct for Suppliers, Distributors and Agents. • We strongly support fair competition within the framework of applicable competition laws. • All Kemira employees are expected to comply with all applicable international trade controls and laws designed to combat terrorism, bribery and money laundering. • All Kemira employees must recognize and avoid conflicts of interest, and always disclose any potential or actual conflicts of interest.
USE OF COMPANY RESOURCES AND INFORMATION	<ul style="list-style-type: none"> • All Kemira employees must comply with all applicable laws, rules and Kemira policies relating to inside information and insider trading. • All Kemira employees must properly protect Kemira's assets. • We safeguard the confidentiality, integrity and availability of our proprietary information.

KEMIRA COMPLIANCE PROGRAM

The Kemira Compliance Program was launched in 2014 to further develop compliance management at Kemira on a continuous basis. Key achievements during 2015 include the launch of new compliance training modules that include online training on human rights, competition law compliance, insider information and bribery. The program is managed by our Ethics and Compliance function, which forms part of our Legal function. The program aims to coordinate and enhance our compliance activities and promote the principles of ethical business behavior.

ETHICS AND COMPLIANCE HOTLINE

Kemira's Ethics and Compliance Hotline was launched in 2013 as a 24/7 service that enables employees to report any non-conformities with our Code of Conduct and other Kemira policies. Users can report anonymously by either calling the hotline or filling in a web form. Awareness of the hotline has been promoted through employee communications. The hotline is maintained by an external service provider to facilitate anonymity. Kemira employees can additionally report suspected non-conformities to their own line management or to Kemira's Ethics and Compliance or Internal Audit functions.

The email address [responsibility\(at\)kemira.com](mailto:responsibility(at)kemira.com) can also be used by non-employees to report cases of potential misconduct relating to Kemira or our business partners. This information is available on our website and in the Kemira Code of Conduct for Suppliers, Distributors and Agents.

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS

Anti-corruption (SO3, SO4, SO5)
Public policy (SO6)
Anti-competitive behaviour (SO7)
Compliance (SO8) (EN29 by EHSQ, PR9 by PSRA)
Grievance mechanism (EN34, LA16, HR12, SO11)
Non-discrimination (HR3)
Human rights assessments (HR9)

KEMIRA GROUP POLICIES

LEGAL

- Business Agreement Policy (2013)
- Competition Law Compliance Policy (updated 2014)
- Gifts, Entertainment and Anti-bribery Policy (2012)
- Policy for Issuing and Maintaining Policies (2012)
- Group Related Party Policy (2012)
- Kemira Subsidiary Governance Policy (2014)
- Kemira Oyj Procurement Policy (2013)

FINANCE & ADMINISTRATION

- Capital Investment Policy (2013)
- Cash Management Policy (2012)
- Credit Management Policy (updated 2014)
- Acquisition and Divestment Policy (2014)
- Approval Policy (2013)
- Inventory Policy (2012)
- Risk Management Policy (updated 2014)
- Tax Policy (updated 2014)
- Treasury Policy (updated 2014)
- Transfer Pricing Policy (updated 2014)
- Global Travel Policy (updated 2015)

ENVIRONMENT, HEALTH, SAFETY AND QUALITY

- EHSQ Policy (2013)

R&D AND INTELLECTUAL PROPERTY

- Employee Invention Policy (updated 2014)
- Intellectual Property Rights Policy (2014)

HUMAN RESOURCES

- Compensation Approval Policy (2013)
- Recruitment Policy (2013)

IT

- Information Management Policy (2013)
- IT Security Policies (2012)

COMMUNICATIONS

- Communications Policy (2013)
- Sponsorship and Donation Policy (2013)

SOURCING & SUPPLY CHAIN MANAGEMENT

- Logistics and Transportation Policy (2014)
- Sourcing & Procurement Policy (updated 2014)

CASE



BUILDING AWARENESS OF HUMAN RIGHTS

Kemira conducted a Human Rights Impact Assessment (HRIA) in 2014, in line with the requirements of the UN Guiding Principles on Business and Human Rights, so as to identify human rights risk areas in our value chain and potential gaps in our current management approach. To enable us to address identified risk areas linked to our business relationships, our product stewardship, and our expansion in emerging markets, we need to ensure that our employees have sufficient knowledge of human rights and understand how to address any possible violations of human rights.

In early 2015, we surveyed 1,000 of our employees to get a better understanding of the current level of awareness of human rights across Kemira. The survey asked employees how well Kemira addresses and shares information on human rights issues, while also asking them whether they have come across any situations that might relate to possible human rights violations. The survey results indicated that we do need to raise awareness about human rights issues. About 35% of the respondents said that their level of knowledge about human rights is not adequate, although 85% felt that Kemira does address human rights issues well, and 65% said that the company shares enough information on human rights.

In response to the findings of the HRIA and employee survey we created and launched an online training course to provide our employees with information on what human rights are, how they should be taken into account in our daily work, and how we should act if we have any concerns about possible violations.

This training is obligatory for all employees who could face human rights issues in their work. The completion rate is being tracked by Kemira's management, and by the end of 2015, it had been completed by approximately 80% of the employees concerned.

Human rights topics were also highlighted in several news items published internally for our employees during the year.

2.3 SUSTAINABLE PRODUCTS AND SOLUTIONS

Resource efficiency is at the heart of Kemira's innovation strategy and customer focus. Our innovation work has particularly enabled us to acquire extensive knowhow on the usage of secondary raw materials and bio-based materials. We innovate together with our customers to improve efficiency in the use of water, energy and raw materials.

ISSUE	KPI target value
Innovation sales	Share of innovation revenue of total revenue → 10% by the end of 2016

GROWTH FROM INNOVATION

We supply chemicals to the pulp and paper, oil&gas and mining industries, as well as chemicals used in various industries to treat water, wastewater and sludge.

The use of our products and solutions benefits our customers by:

- Optimizing product quality and yield
- Enhancing process and energy efficiency
- Ensuring that water quality meets end-use specifications and regulatory requirements

Our main product lines include polymers, bleaching and pulping chemicals, coagulants, sizing and strength chemicals, and process chemicals such as defoamers, dispersants and biocides. Most of our chemicals are used as process chemicals to enable the conversion, recovery or extraction of materials, or to facilitate other manufacturing processes. Chemicals that form part of end-products are used to enhance specific product features or to enable lower quality secondary materials or less virgin raw materials to be used without compromising product quality.

Kemira currently employs 250 R&D experts, and innovation sales accounted for 8% of Kemira's total revenue in 2015 (8% in 2014). Our objective is for this indicator to reach 10% by the end of 2016. Innovation sales include sales of new products or products sold for new applications launched within the past five years.

RESOURCE EFFICIENCY AS AN INNOVATION DRIVER

Innovation drivers for new products include improved product performance, a reduced environmental footprint in the value chain, and safety demands throughout the product life cycle. Our innovation work also focuses on the identification and testing of alternative, more sustainable raw materials, particularly including secondary or bio-based materials. Our open innovation approach has especially been applied to find ways to increase the use of biodegradable products.

CASE



KEMIRA FENNOCIDE TR44 – HIGHER EFFICACY AGAINST BIOFILMS

In early 2015, Kemira brought to market a new biocide, FennoCide TR44 that introduces a highly effective and safe control against microbes adhering to surfaces in paper machines. FennoCide TR44 destroys biofilms at lower total amount of active substance than by standard biocide products on market. The use of FennoCide TR44 offers improved safety of chemical handling in the paper mills and reduces corrosion risk of paper machines.

The uncontrolled growth of bacteria in the wet-end of a paper machine can cause significant build-up of biofilm on machine surfaces. This biofilm growth is problematic for the papermaking process, since it can result in operational failures, production losses or unacceptable paper quality defects. The increased

closure of paper mills' water circuits tends to worsen problems with biofilm growth.

Biocides are frequently added to paper process to control microbes in process water and on the surfaces of paper machines. Our FennoCide TR44 product contains a specially developed polymer to make the active substance with biocidal effect more tolerant to process water conditions. This means that a higher proportion of added biocidal substances will reach the machine surfaces and be able to combat microbial film effectively where it tends to grow. As a result, the biofilm growth is more effectively terminated.

The use of Fennocide TR44 provides either improved performance at a same cost or same performance at a lower cost.

Since the introduction FennoCide TR44 has been applied already in 11 paper machines.

SUSTAINABILITY REVIEWS IN NEW PRODUCT DEVELOPMENT

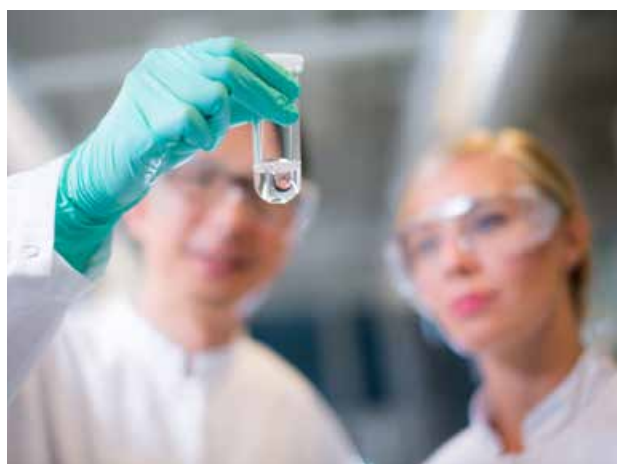
Sustainability reviews are conducted at every stage of the New Product Development (NPD) process. The NPD process starts with an idea generation and collection phase, and continues with five development stages and decision gates. Successful projects must demonstrate both improved sustainability and business benefits at each decision gate to justify the project's continuation and ultimately the product launch.

Our sustainability evaluations examine the economic, environmental and social impacts of any new product both

on Kemira's operations and on our customers' operations. The NPD process also aims to identify more sustainable alternatives for raw materials in terms of safety and source.

The NPD process includes activities across functions and geographical regions. Each NPD project is supported by cross-functional teams to ensure that sustainability and business related factors are considered at every stage of the NPD process. R&D has ownership of the project execution whereas the business segments own their individual projects. In 2015, we updated our NPD process governance model to improve the throughput time of the innovation projects.

CASE



KEMIRA KEMCONNECT MAKES PROCESS MANAGEMENT SMARTER

Water intensive industries are facing growing pressures for cost-efficiency. At the same time, they need to meet strict environmental standards and monitor their emissions much more rigorously than before.

Digitalization facilitates new and innovative solutions, such as the Kemira KemConnect that combines Kemira's industry and diagnostics expertise with Internet of Things technologies. KemConnect is a full service package connecting smart devices with applications and proactive customer service. It stores, analyzes and manages process data in real-time within a highly secure infrastructure.

KemConnect covers multiple applications, including odor and corrosion control, fixation, pitch control, wastewater and raw water treatment, sludge handling, corrosion control, microbe control, as well as retention and drainage. It also offers solutions for the oil and mining industry through direct residual analysis of scale inhibitors in oilfield waters.

KemConnect is easy to use thanks to its robust monitoring interface with 24/7 data flow. Cost-efficiency is improved through more accurate dosing and smarter chemical management. More efficient process management allows better process runnability and improved end-product quality. KemConnect helps in identifying improvement opportunities that may have gone unnoticed before, and assists in troubleshooting and smarter decision-making.

With the help of KemConnect, paper mills have been able to lower their wastewater treatment costs, increase biodegradability of untreated wastewater, significantly decrease discharge values (measured from wastewater), make sludge handling more cost-efficient, and to improve paper machine runnability.

KEY INNOVATION MANAGEMENT ACHIEVEMENTS IN 2015

- Our project portfolio has been reviewed to better reflect the drivers for resource efficiency, safety, alternative raw material base and business growth potential.
- Our NPD process has been improved by adding further sustainability criteria and introducing quantitative evaluations in addition to qualitative assessments.
- NPD projects are now implemented with stronger cross-functional engagement and shorter time-to-market.
- The governance model of the NPD process was updated to enhance the throughput of innovation projects.

PRODUCT STEWARDSHIP AT KEMIRA

Kemira Oyj is a signatory to Responsible Care, a voluntary initiative of the global chemical industry that aims to continuously improve the environmental, health, safety and security performance of chemical products and processes. Product stewardship is one of the cornerstones of the Responsible Care initiative.

Through our Product Stewardship work we strive to ensure that our products can be safely used by our stakeholders, and that chemical risks and their impacts are duly incorporated into our decision making and operations throughout product life cycle management.

Product stewardship goes beyond regulatory compliance, which itself sets tight controls on the manufacture and sale of chemicals. Product Stewardship involves the responsible and proactive management of the health, safety and environmental aspects of a product throughout its life cycle. It covers activities related to the initial introduction of a product, its evaluation and modification during the product lifetime, and eventually the product's withdrawal from our product portfolio.

One of the key principles of product stewardship for chemicals relates to efficient risk assessment. It is vital to identify the intrinsic properties of a substance, the use conditions and the potential exposure to that chemical. This analysis helps us to focus our product and process development efforts in areas where our positive impacts on safety and sustainability along the value chain will be greatest.

Kemira's customers have their own sustainability targets and follow several voluntary certification schemes, including ecolabelling schemes, which set further expectations on our product offerings. Public discussion and concerns relating to specific chemicals and their hazards also affect our approach to product stewardship and chemical management. Kemira follows all such developments closely, and we take an active approach to fulfilling the expectations of different stakeholders.

PRODUCT STEWARDSHIP COMMUNITY ESTABLISHED

We launched Product Stewardship Community in 2015, aiming to increase our organizational awareness of any regulatory and stakeholder requirements which may impact our product portfolio, so that we can develop our capabilities to react promptly in response to any new

requirements. The Community is also responsible for developing and executing management plans for substances associated with particular concerns and/or future regulatory restrictions that are relevant to our current portfolio. Management plans are prepared for all substances on the Kemira Priority Substance List which is drawn up by the Community and approved by our Operational Excellence Management Board.

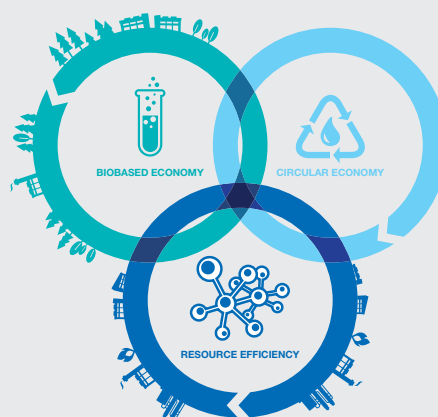
PRODUCT REGULATORY COMPLIANCE

The manufacturing and sale of chemicals is widely regulated around the world. Chemicals are regulated at multiple levels, including:

- 1) Regional and country specific inventories and substance registrations e.g. the Toxic Substances Control Act (TSCA) in the USA, the China Existing Chemical Inventory (IECSC), and the EU's REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals).
- 2) Regulations related to hazard communication: including chemical classification, labeling and safety data sheet requirements.
- 3) End use or application specific regulations such as food contact regulations, biocide regulations and off-shore chemicals notification schemes.
- 4) Operational and site specific requirements related to rules and procedures such as environmental permits for operations and workplace health and safety regulations.

Key activities relating to regulatory compliance in 2015:

- We have continued to prepare for the remaining REACH registrations in the European Union, in order to meet our obligations before the end of the third and final transitional registration deadline in 2018.
- The Korean REACH regulation entered into force in 2015, and we have initiated preparations for the relevant registrations in Korea.
- We have continued to prepare registrations required under the EU Biocidal Products Regulation.
- Actions in relation to the United Nations' Globally Harmonized System (GHS) for classification and labeling of chemicals included: due implementation of new classifications with new safety data sheets and labels in the EU (by 1 June 2015 under Classification, Labelling and Packaging Regulations for chemical mixtures), in the US (for single substances and mixtures), and in Brazil (for chemical mixtures).
- We have fully implemented our own global labelling system, which is integrated with Kemira's Enterprise Resource Planning (ERP) system, and has been designed to harmonize labelling practices across our global operations.



KEMIRA'S APPROACH TO CIRCULAR ECONOMY

The European Commission presented its Circular Economy Strategy in late 2015 with the aim of transforming Europe into a more competitive resource-efficient economy. As part of the related process the Commission conducted a public consultation to survey stakeholders' views on barriers and enablers for the circular economy. Kemira participated in this consultation, and we have now also defined our position on the circular economy concept.

Our position paper demonstrates Kemira's current contribution to the circular economy, as evidenced in our customer offerings focusing on driving resource efficiency, our own operations, and our sourcing. Some 25% of the raw materials we procure for our operations originate from recycled sources or are industrial by-products obtained from external partners. The position paper provides examples of the need for policies to drive resource efficiency in three specific customer solutions: water recycling and reuse, fiber recovery and reuse, and phosphorus recovery and reuse. Kemira has also identified other challenges related to the realization of the circular economy in Europe, both in terms of removing obstacles for reusing and recycling raw materials, and with regard to the use of industrial by-products as raw materials.

Our Circular economy position paper is available at www.kemira.com.

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS

Products and services (EN27, EN28)
 Customer health and safety (PR1, PR2)
 Product and service labelling (PR3, PR4)
 Marketing communication (PR6)
 Product compliance (PR9)

2.4 RESPONSIBILITY TOWARDS OUR EMPLOYEES

Safety in the workplace and strong employee engagement form the cornerstones of our people management approach. Performance management, competence development and leadership development are key elements of our employee engagement work, enabling us to successfully execute our strategy. In addition to structured development programs on-the-job leadership development opportunities have been available to our employees through job-rotation and acquisition integration project.

ISSUES	Key performance indicators (KPIs) and related targets
Occupational health and safety	Number of total recordable injuries (TRI) (per million hours worked, Kemira + contractors, 1 year rolling average) → Zero injuries
Leadership development	People managers participating in global leadership programs at least once during the period 2013–2015, cumulative % → > 95% by the end of 2015
Employee engagement	Employee Engagement Index → Index at or above the industry norm by the end of 2015 Participation rate in Voices@Kemira → 75–85% by the end of 2015

SAFETY IN THE WORKPLACE

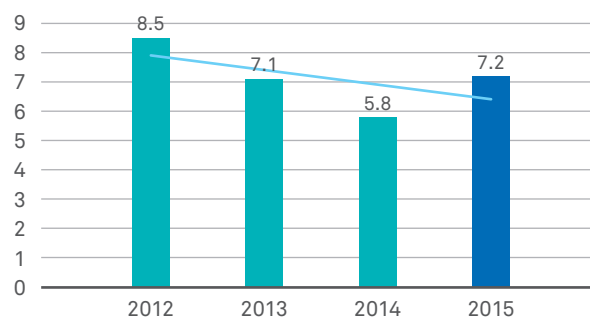
Kemira's long-term vision for safety is "Zero harm to people". We are committed to develop a strong safety culture through committed management, by having skilled and well-trained employees, and by ensuring that incidents and observations are consistently reported, with improvement actions taken to address the root causes of incidents.

Our Environmental, Health, Safety and Quality (EHSQ) Policy requires that all manufacturing sites are certified in accordance with OHSAS 18001 management system standards for Occupational Health and Safety (OHS). By the end of 2015, 86% (75% in 2014) of Kemira's manufacturing sites were covered by OHSAS 18001 certification.

We measure our safety performance with the help of the TRI indicator (Total Recordable Injuries per million hours worked) which includes fatalities, lost time injuries, restricted work cases and medical treatment cases involving both Kemira employees and contractors working at our sites and facilities. Contractors' injuries and working hours have been included in our TRI figures since 2014.

TRI RATE

Total recordable injuries per million hours worked, covering Kemira's employees and contractors



By the end of 2015, we reported 7.2 injuries per million work hours.

No fatalities have been associated with Kemira employees since 2005.

Severity from 2012 to 2015 has decreased. In 2015, one case caused permanent injury to one employee. However, the number of small incidents and near misses has increased partly due to more active reporting.

Our safety performance improved from 2012 until 2014 but in 2015 there was a decline in safety performance. We have made a lot of efforts to improve our safety management system including new standards and compliance auditing. However, the speed and the effectiveness of implementation was slower than expected. Our measures to improve safety culture have been on activities which are aimed to prevent incidents and mitigate risks, e.g. to encourage near miss reporting, to share lessons learnt from incident reporting and safety training. In 2016, the focus will expand to improving behaviour based safety and safety will be an obligatory bonus KPI for all Kemira employees.

EMPLOYEE ENGAGEMENT

To achieve high standards of organizational performance we need both highly engaged employees and effective performance-enabling factors such as clear targets, structures and processes. Kemira regularly conducts employee surveys to gather feedback and further develop our culture and ways of working.

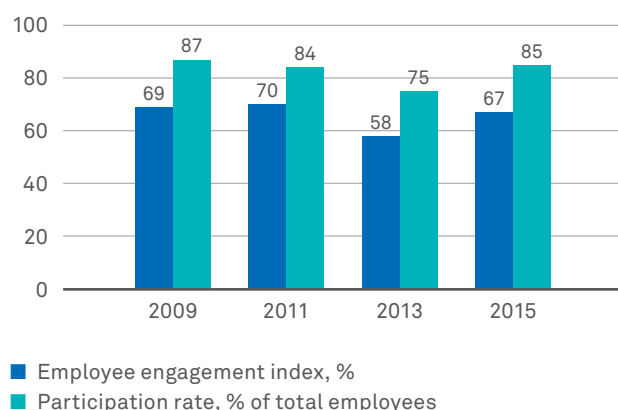
- **The Voices@Kemira people survey** is a comprehensive survey conducted biennially, most recently in spring 2015, to measure employee engagement factors and other performance-enablers. Engagement factors measure employees' emotional connections to their jobs, their colleagues, their managers and our whole organisation. Other performance enablers measure the extent of employees' commitment to customer service, product quality and the continuous improvement practices we have in place to achieve exceptional organizational results.
- **The Pulse survey** is a "quick" survey organized twice a year with a focus on engagement factors and aiming to gather feedback on current topics at Kemira. These surveys also help us to monitor our progress on action

plans resulting from the findings of Voices@Kemira people surveys.

VOICES@KEMIRA PEOPLE SURVEY RESULTS IN 2015

The Voices@Kemira results in 2015 met our target to have an employee engagement index at or above the industry norm, and a participation rate of 75–85%. Improved employee engagement was achieved by carefully creating, implementing and monitoring action plans designed to address areas for improvement identified in 2013.

EMPLOYEE ENGAGEMENT INDEX



In 2015, improved employee engagement continued to be a bonus-generating target for selected members of our Management Board, who had all been set such targets in 2014.

The survey results for 2015 indicate that the topics that most strongly engage our employees relate to sustainability, Kemira's strategy, the future of Kemira, and recognition. It is noteworthy that Kemira's values are also among the most important engagement drivers. Continued efforts are needed to improve communication on actions based on the survey results, and on role modelling of Kemira's values throughout the organisation. Performance management of employees with low performance was also recognized as a development area.

During the rest of the year we continued to work on the basis of the survey results. Action plans have duly been prepared and their implementation has started in all organizational units, aiming to address identified development areas and build on identified strengths.

PERFORMANCE MANAGEMENT

Kemira's performance management process aligns our strategic targets with each employees' personal targets, performance evaluation, competency requirements and development plans. This process is now well established in Kemira as part of our leadership culture, and it forms the backbone of our management system. The process consists of formal Performance and Development Discus-

sions (PDD) and Performance Evaluations, which are also linked with our Talent Management process and our Annual Salary Review Process. An online tool is used to document and follow-up on our Performance Management Process globally.

- **PDD discussions** are formal discussions between managers and individual employees. They focus on setting, following-up and evaluating performance targets, while also identifying and agreeing upon professional development needs and related actions. Formal PDD discussions provide a valuable structure, process and tool for documenting and following-up on these issues for each employee. PDD discussions are conducted twice a year with white collar employees, and once a year with blue collar personnel.
- **Performance Evaluations** form part of the PDD discussions held with white collar employees. They aim to assess the overall performance of individual employees consistently and fairly. The outcomes of performance evaluations provide input for employees' personal development planning as well as our Annual Salary Review process.

The performance management process is facilitated and supported by our Human Resources function while its ownership is a business responsibility, and all of our people managers have the responsibility to have the individual discussions with people reporting to them. The process covers all Kemira employees globally, and provides transparent, fair and consistent performance management independent of their location or organisational position.

Other global people processes and the respective online tools enable efficient people management, encompassing talent management, learning management, recruitment and compensation. Continuous improvements in our people processes and the respective online tools aim to enhance our operational efficiency and enables the consistent application of employment practices across Kemira.

COMPETENCE DEVELOPMENT AND LEADERSHIP DEVELOPMENT

The key principle behind competence development at Kemira is that every employee has the right to develop. Managers are responsible for providing their employees with opportunities to develop, while the company creates related opportunities and supports competence development. We expect all of our employees to take an active approach when developing their competencies.

Our aim is to have a strong leadership bench to meet our business needs in relation to executing our strategy and driving our long-term growth. Our global Talent Management process provides a structured way to identify employees that have potential to develop for leadership positions. The process also ensures that these employees have robust development plans to support their leadership development. Key leadership development methods include job-rotation, leadership programs, coaching, mentoring and leadership assessment centers. The Talent

Management process is conducted every year, with documentation and follow-up realised in our online tool.

Our approach to develop competencies and leadership capabilities emphasizes on-the-job learning, as this is one of the most effective ways for employees to develop. We encourage job rotation across the organization through our open job market, which means that all job positions are globally announced. Job rotation across Kemira's functions and regions increased during 2015.

Another widely used on-the-job learning opportunity involves participation in business projects.

Our leadership development target has been to have 95% of our people managers participating in one or more of our globally offered development programs at least once during the period 2013–2015. However, the cumulative participation rate remained at 71% by the end of 2015. The reason for our failure to achieve the target relates to a deliberate decision to postpone a significant number of planned leadership programs beyond 2015, due to new business priorities arising from the integration project for the paper chemicals business acquired from AkzoNobel, which represented a significant development opportunity for many of our leaders. Participation in cross-functional and company-wide integration workstreams offered extensive and unique leadership development opportunities for close to hundred managers during 2015.

CASE



WORKING CONTINUOUSLY TO IMPROVE SAFETY CULTURE

Ensuring the safety of our operations is a top priority at Kemira. We aim to achieve a zero-injury level across the company. Seventeen of our sites have now operated for more than five years without any injuries. Three of these sites share their experiences below.

In 2015, our ferric sulphate plant in **Prerov** in the Czech Republic reached a milestone by operating for ten years without any recorded injuries. The plant's safety team has put in a lot of hard work to improve safety – starting by finding ways to learn from mistakes and sharing ideas from other people on how to improve safety. The plant then obtained OHSAS 18001 certification, through a process involving strict risk assessments and improved near miss incident reporting. Quarterly safety monitoring sessions are additionally organised at Prerov together with a team of consultants with expertise on safety, environmental matters, fire prevention, electricity, pressure vessels, lifting devices and transport safety.

Our paper chemicals plant in **Vancouver** has not experienced any lost time accidents since 1995 or any recordable injuries since 2009. The plant's safety

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS

Employment (LA1, LA2)
Labor/management Relations (LA4)
Occupational health and safety (LA6)
Training and education (LA9, LA10, LA11)
Diversity and equal operation (LA12)
Equal remuneration for women and men (LA13)
Freedom of association and collective bargaining (HR4)



culture is based on open communication, which is a feature typical to all of our sites with successful safety results. The plant's safety team actively strive to focus everyone's attention on safety issues, make everyone aware of risks, and continuously look for safety improvements. There is also a strong emphasis on empowering employees to initiate safety improvements themselves. Related practices include morning safety meetings, behavioural observations and monthly workplace inspections by employees.

Our water treatment plant at **Ellesmere Port** in the UK has worked without any accidents for seven years. Safety awareness is prioritised throughout the site – also when working with customers and contractors. This is important, since an average of 50 tankers or trucks belonging to the plant's customers or contractors visit the plant every week.

Open communications regarding safety issues are encouraged among the plant's staff, with managers taking time to explain to their teams how safety initiatives can reduce risks when they are effectively adopted as part of everyone's daily work. Managers also highlight the potential impacts of unsafe practices.

All of the three sites treat improving safety as a continuous mission that starts again at the beginning of every shift.

2.5 RESPONSIBLE SUPPLY CHAIN

Kemira is committed to manage relationships with our suppliers in a responsible way. We expect our suppliers to comply with our Code of Conduct for Suppliers, Distributors and Agents. Our management approach aims to build a culture of responsibility in our supply chain management, develop responsible business practices along our supply chains, and minimize business disruptions due to potential environmental or social issues. Supplier relationship management is the key management activity we realize to integrate sustainability practices along our supply chain.

ISSUE	Key performance indicator (KPI) and related target
Code of Conduct for Suppliers, Distributors and Agents to be signed by our suppliers	Supplier contracts with signed CoC-SDAs as attachments → 90% by the end of 2015

SOURCING AND SUPPLY CHAIN MANAGEMENT (G4-12)

Our Sourcing is globally responsible for strategic spend management, which is organized independently from our operational Supply Chain Management services.

- Sourcing activities cover the identification and selection of suppliers, the consequent negotiations and contract management, and the management of supplier relationships. Our supplier selection criteria are based on cost competitiveness, short-term operational excellence and long-term business stability. The selection criteria will be complemented with sustainability aspects in 2016.
- Our Supply Chain Management provides related services to all of our business segments, once the supplier relationships are established by Sourcing. Supply Chain Management services include customer service, logistics, supply chain planning, and procurement. Supply Chain Management is organized in four regional units each providing all the services needed within their respective regions.

The total spend of Kemira's sourcing amounted to about EUR 1.8 billion in 2015, including the sourcing categories direct materials, energy and logistics, and indirect goods and services. The total number of suppliers in all of our sourcing categories globally is about 13,000. Geographically about 80% of these suppliers are from Europe, the Middle East, Africa and North America. Kemira has about 650 direct material and logistics suppliers, of which about 160 core suppliers account for 80% of our total direct spend.

SUPPLIER RELATIONSHIP MANAGEMENT

Supplier relationship management at Kemira is built on four pillars: supplier segmentation, commitment to

responsible business conduct, supplier performance evaluation, and our Vendor Value Program.

- **Supplier segmentation** involves prioritizing our suppliers into categories for strategic, critical, volume and base suppliers with regard to supplier value, criticality and risk levels.
- Our work to ensure **commitment to responsible business** conduct is based on the principle that any activities of any Sourcing personnel or anyone within Kemira committing to any spend are governed by the Kemira Code of Conduct. Suppliers are expected to commit to adhere to responsible business conduct by signing our Code of Conduct for Suppliers, Distributors and Agents.
- Our **Supplier Performance Evaluation (SPE)** program was launched in 2012. We conduct supplier performance evaluations and rate our suppliers for the accuracy of price and quantity, delivery compliance and quality claims, in order to identify any issues needing improvement. **Supplier Sustainability Assessments (SSA)** also form part of the SPE program as a tool for supplier evaluation.
- Our new **Vendor Value Program** was launched in 2015 to support our strategic management of supplier relationships. The program aims to develop capabilities that will enable the identification, partnering and management of strategic and critical suppliers along the various value chains associated with Kemira's product lines.

CODE OF CONDUCT FOR SUPPLIERS, DISTRIBUTORS AND AGENTS (COC-SDA)

All our suppliers must follow our Code of Conduct for Suppliers, Distributors and Agents in relation to all of their dealings with Kemira. The CoC-SDA contains requirements on issues including responsible business conduct, respect for human rights, and environmental responsibility. Kemira's Sourcing and Procurement policy emphasizes that adherence to these principles is to be confirmed in writing by all repeat suppliers with an annual spend value of at least EUR 200,000 for indirect materials or at least EUR 500,000 for direct materials. Should a supplier refuse to give such a confirmation, and if Kemira cannot otherwise confirm that the supplier adheres to acceptable ethical principles, an evaluation is performed by our Sourcing personnel to assess whether we need to cease all purchases from such a supplier. Signed CoC-SDAs are registered in Kemira's contract archive.

Our target has been that by the end of 2015 at least 90% of repeat suppliers should have signed the CoC-SDA when agreeing purchase contracts. By the end of 2015, 93% of Kemira's repeat suppliers had signed such CoC-SDAs.

SUPPLIER SUSTAINABILITY ASSESSMENT

Supplier Sustainability Assessments are conducted as part of our Supplier Performance Evaluation program. These assessments focus on the most critical and risky suppliers

as defined with regard to several criteria, including total spend, technology and capability fit with Kemira's needs, and an additional set of risk factors.

Supplier Sustainability Assessments are conducted by an external third party company specialized in standardized supplier evaluation and auditing, based on the principles of the UN Global Compact and the Responsible Care program. Based on these assessments, suppliers are classified into high risk, medium risk or low risk categories. The suppliers invited to participate in such assessments have mainly been direct material suppliers, but some service and logistics providers have also been assessed. We have implemented improvement plans together with certain suppliers who were rated in the high risk category. Suppliers with ongoing improvement plans are reassessed the following year. A total of 76 supplier sustainability assessments have been completed since 2014, including 27 in 2015 and 49 in 2014.

LOGISTICS OPERATIONS AND TRANSPORTATION SAFETY

Our environmental impacts from transport relate mainly to greenhouse gas emissions to air. We take an active approach to influence downstream emissions from the transportation and distribution of our products. Kemira transports about 6 million tons of cargo per annum. We can reduce the related emissions by optimizing our logistic operations, by selecting favorable transportation modes, through contract negotiations and by auditing our logistics service providers. Long-distance transportation of goods by train or ship typically results in lower emissions per transported ton than short distance transportation by road vehicles. Favorable multimodal transport solutions are also used whenever possible.

We choose to use logistics service providers who are committed to use vehicles that comply with the latest emission standards and load optimization guidelines. We annually audit our most important Logistic Service Providers (LSP) for each transport mode. Auditing criteria cover issues including transport safety and the usage of low emission vehicles. Some LSPs are also assessed for supplier sustainability as part of our Supplier Performance Evaluation (SPE) program.

It is crucial to actively manage transportation safety to prevent any environmental and social impacts that could result from spills and traffic accidents. Kemira has established a cross-functional task force team to improve transport safety practices. We also monitor all such incidents along our supply chains.

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS

Supplier assessment (EN32, LA14, HR10, SO9)
Emissions (EN17) – Scope 3 (supply chain)
Transport (EN30)

CASE



TRANSPORTATION SAFETY – A SHARED RESPONSIBILITY

Kemira introduced its global EHS (Environment, Health and Safety) Transportation Standard in 2014. It was co-created by Kemira's regional EHS and transportation teams to make sure that it covers different local, regional, national and international regulations. It also includes the best practices that existed in each region.

The purpose of the global EHS Transportation Standard is to ensure that materials and products are safely moved independent from the mode of transport being used. This way the company also wants to avoid damage or injury and minimize the effects of danger, when its materials and products – dangerous goods in particular – are involved in an incident or accident during transportation.

Based on our Global EHS Transportation Standard Kemira's regional Transport Safety Programs were developed. These provide detailed guidance to develop and improve local procedures or work instructions on transport safety and security. The team created standardized processes, self-assessment documents and checklists for the local use. With these, the practices and reporting are aligned across regions.

Besides the introduction of the Global EHS Transportation Standard and the regional transport safety programs, a number of initiatives started that make it a shared responsibility and a development area.

- Transportation safety is one focus area to the regional management team. The topic is a regular item in the regional management meetings, where local KPI progress is monitored and new safety initiatives are discussed and agreed on.
- To ensure that the Global EHS Transportation Standard and the transport safety program is widely recognized at Kemira, the team trained employees in Americas and EMEA in 2014–2015. The local EHS people, plant managers, supply chain managers as well as the key leaders in R&D, customer service and sales attended the training sessions.
- Each Kemira site/plant was tasked together with the EHS transport safety team to make initial gap assessments to identify key areas for improvements. The gap closing is an ongoing process and monitored at the site.
- The EHS transport safety team visits local sites regularly. During these visits the team performs transportation safety assessments, but even more important is the counsel and practical support that they provide to the local teams. These visits also help build bridges between different functions and regions.
- Overall the daily communications between different teams, sites, and regions has improved significantly. Best practices from regions are shared more actively than before.

2.6 RESPONSIBLE MANUFACTURING

The main environmental and societal impacts of Kemira's manufacturing operations relate to greenhouse gas emissions and safety issues. During 2015 we further enhanced our management system for Environment, Health, Safety and Quality (EHSQ). Ensuring the safety of our operations is permanent top priority for Kemira. We have also started to upgrade our Energy Efficiency Enhancement program from E3 to E3plus.

ISSUE	Key performance indicator (KPI) and related target
Climate change	Kemira Carbon Index → an index score of at least 80 by the end of 2020 (baseline year 2012 = 100)

EHSQ MANAGEMENT SYSTEM

Effective Environmental, Health, Safety and Quality management systems are among the highest priorities in all Kemira's operations, since they represent a fundamental prerequisite for conducting our business. Kemira's EHSQ Policy requires all Kemira companies and operations to implement and maintain certified EHSQ management systems. Our goal is to continuously improve customer satisfaction levels, enhance our safety performance, improve our energy efficiency, and reduce harmful environmental impacts and quality failures.

OUR EHSQ VISION IS:

- Zero environmental harm through Environmental Excellence
- Zero harm to people through Health & Safety Excellence
- Customer Satisfaction through Operational Excellence

We aim to have all Kemira sites certified to the ISO 9001, ISO 14001 and OHSAS 18001 standards by the end of Q1 2017. Major energy consuming sites in the European Union will be certified under ISO 50001 to meet the requirements of the EU's Energy Efficiency Regulation.

MAIN SCOPE OF MANAGEMENT SYSTEMS

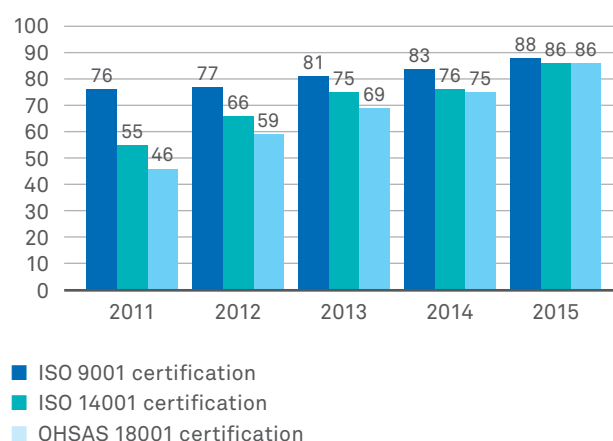
Customer satisfaction	ISO 9001
Environmental impact	ISO 14001
Energy efficiency	ISO 50001
Health and safety	OHSAS 18001

Kemira's EHSQ management systems cover our value chain processes all the way from our suppliers to our customers, to ensure that all of the environmental, health and safety and quality aspects of our work are well managed. We define KPIs and annual improvement targets at global, regional and site level, and conduct monthly KPI monitoring and quarterly management reviews on a regional basis.

During 2015 we reviewed the criteria applied in our management reviews and audit program. Our global audit program has a three-year scheme for internal and external auditing.

In 2015, audit program covered 77 site locations, which included manufacturing sites, major office locations and R&D centers. Certification rate for site locations were 88% for ISO 9001 and 86% for ISO 14001 and OHSAS 18001.

CERTIFIED MANUFACTURING SITES, %



Total number of manufacturing sites 64 at the end of 2015. Our Helsingborg site in Sweden is additionally certified under ISO 50001.

Our management system approach is supported by our LEAN manufacturing culture, which aims to achieve continuous improvements and create more from less, while providing increasing value to our customers. Its measures include the optimization of value chains and flows of information, and improvements in production efficiency.

SAFETY AT MANUFACTURING SITES

Our safety management work at our manufacturing sites focuses on workplace safety, process safety, transportation safety, and industrial risk assessment. Our management systems are certified in line with the OHSAS 18001 standard, Kemira's EHSQ policy, and our internal safety standards. During 2015 we upgraded our incident and non-conformity management tool, complemented our set of internal safety standards, and provided training for our employees on new EHS standards.

Minimum requirements related to safety, environment and health protection, incident reporting and EHS management are set out in the official Kemira EHS standards approved by our Management Board. Local procedures are developed based on local legislation, regulations and

culture, as well as our own standards. Training on standards is an important part of our safety work.

We regularly evaluate environmental and safety risks related to our activities in the vicinity of our manufacturing sites. We conduct industrial risk assessments and emission monitoring at every manufacturing site, as defined in regulatory requirements, the ISO 14001 management system and Kemira's own internal standards

RESPONSIBLE ENERGY MANAGEMENT

Managing improvements in our energy efficiency and energy sourcing is the best way for us to reduce our energy usage and related costs. Energy costs amount to about 15% of our total operating spend.

In 2015, 12 of our 64 sites together consumed 90% of the energy we use, and accounted for 95% of our carbon dioxide emissions. A substantial proportion of our energy management activities is focused on these most energy intensive sites which include six sodium chlorate manufacturing plants in Finland, USA and Uruguay. Sodium chlorate plants are using more than 50% of the electricity we purchase. Electricity prices consequently play an important role in the capacity utilization rates of our chlorate plants.

OUR UPGRADED ENERGY EFFICIENCY ENHANCEMENT PROGRAM – E3PLUS

During 2015 we initiated the upgrading of our Energy Efficiency Enhancement Program which is now named E3plus. This upgraded program will continue the energy efficiency improvement work and activities started in 2010. The program aims to reduce the overall specific energy consumption of all our sites (measured as kWh per ton of product) and thereby reducing our energy cost.

The key focus areas of E3plus program are:

- global alignment of energy efficiency management across all Kemira sites
- energy efficiency reviews conducted to identify improvement projects and support their implementation
- further development of our energy efficiency management system facilitating ISO 50001 certification

Our energy efficiency and emission reduction measures focus on our most energy intensive sites. Based on energy consumption data collected in 2015, our aim is to set ambitious energy efficiency targets for our largest energy consuming sites during 2016.

During 2015 we enhanced our energy efficiency and technology management by creating a new global level position for an expert who will lead energy efficiency operations and activities.

Since the start of the E3 program in 2010, energy efficiency improvement measures have been continuously implemented across Kemira's operations. Energy efficiency improvement measures realised during 2015 continued to focus on manufacturing processes, with investments made in more energy efficient equipment and production lines. The modernization of the process equipment used in our two highly energy intensive chlorate plants in Finland, Joutseno and Sastamala, continued in 2015. Further energy

efficiency improvements have been achieved as part of the upgrade projects realised in other production plants.

Energy savings achieved through 30 projects realised across Kemira's operations during 2015 totaled 7,664 MWh (1,855 MWh) leading to cost savings of EUR 0.3 million (EUR 1.2 million). Cumulative cost savings achieved through about 430 initiatives completed globally since 2010 now total EUR 8.7 million.

CASE



NEW INNOVATIONS TO IMPROVE ENERGY EFFICIENCY IN CHLORATE PRODUCTION

Kemira is one of the largest global producers of sodium chlorate, which is used in the forest industry to bleach pulp. Our production sites in Finland, USA, Uruguay and the new one in Brazil, use manufacturing processes based on our own patented electrolysis cell technology. In Finland, Kemira produces sodium chlorate in Sastamala, Joutseno and Kuusankoski.

The sodium chlorate production process is highly energy intensive. In order to improve efficiency and extend the service life of electrolysis cells, Kemira has carried out intensive technology and process development work at Joutseno and Sastamala over several decades.

Our facilities in Sastamala include a workshop dedicated to the manufacture, upgrade and maintenance of electrolysis cells. Our latest technology is based on tailored titanium cells, which consume less electricity and have lower operational and maintenance costs than the technology we used previously.

Every step taken to improve efficiency in such energy intensive manufacturing processes can easily result in savings corresponding to the amounts of electricity used to heat hundreds of homes. Kemira will adopt the new technologies in all new sodium chlorate manufacturing sites, and wherever feasible in existing sites.

RESPONSIBLE ENERGY SOURCING

The Kemira facilities using the highest shares of the electricity we purchase are our three energy intensive chlorate manufacturing sites in Finland. Electricity price risks are mitigated through strategic investments in energy-generating companies, and by hedging a portion of our energy and electricity spend. Kemira owns shares in the Finnish energy companies PVO (Pohjolan Voima Oy) and TVO (Teollisuuden Voima Oyj).

During 2015 Kemira received 'Guarantee of Origin' certificates for 105,895 MWh relating to purchased electricity from hydro power and wind energy. All the certificates granted to Kemira were cancelled i.e. they were made non-tradable and their benefits were redeemed by Kemira.

We purchase the rest of the electricity we use in Finland from Nord Pool Spot.

In other countries, energy is purchased from local suppliers taking into account the favorability of the energy source.

TARGETED REDUCTIONS IN GREENHOUSE GAS EMISSIONS

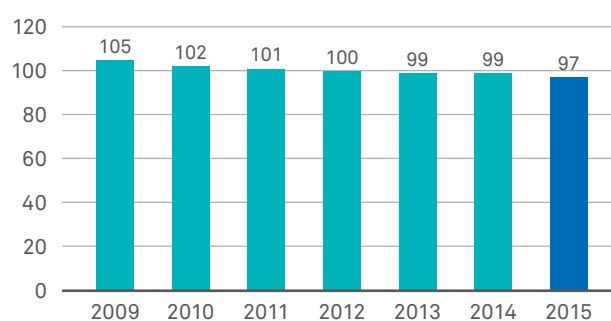
Kemira introduced a climate change target in 2014 to reduce the Kemira Carbon Index by 20 percentage points by the end of 2020 compared to the baseline year 2012. Our key measures to reduce greenhouse gas emissions include:

- Improving energy efficiency in manufacturing processes
- Purchasing energy and primary fuels with a lower carbon footprint
- Reducing the share of fossil fuels in our energy mix, especially in Finland

Kemira Carbon Index value in 2014–2015 is not decreasing due to increased share of carbon-intensive feedstock required by our product mix.

In 2015, we initiated the process to establish site specific energy efficiency improvement and emission reduction targets.

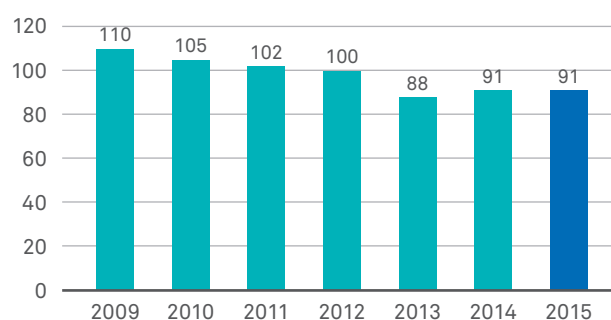
KEMIRA ENERGY EFFICIENCY INDEX



The Energy Efficiency index is the ratio of energy use and production normalized to 2012 for the top sites using 90% of energy. The index is calculated for major sites (12 sites in 2015 vs 10 in 2014) that cover > 90% of Kemira's total energy use. The index is independent of the impact of changes in the production volumes but can be affected of product mix. The index enables us to monitor energy efficiency from the consolidated perspective as well as locally at each site, reflecting the actual improvements we have achieved.

KEMIRA CARBON INDEX

Based on Scope 1 and Scope 2 emissions

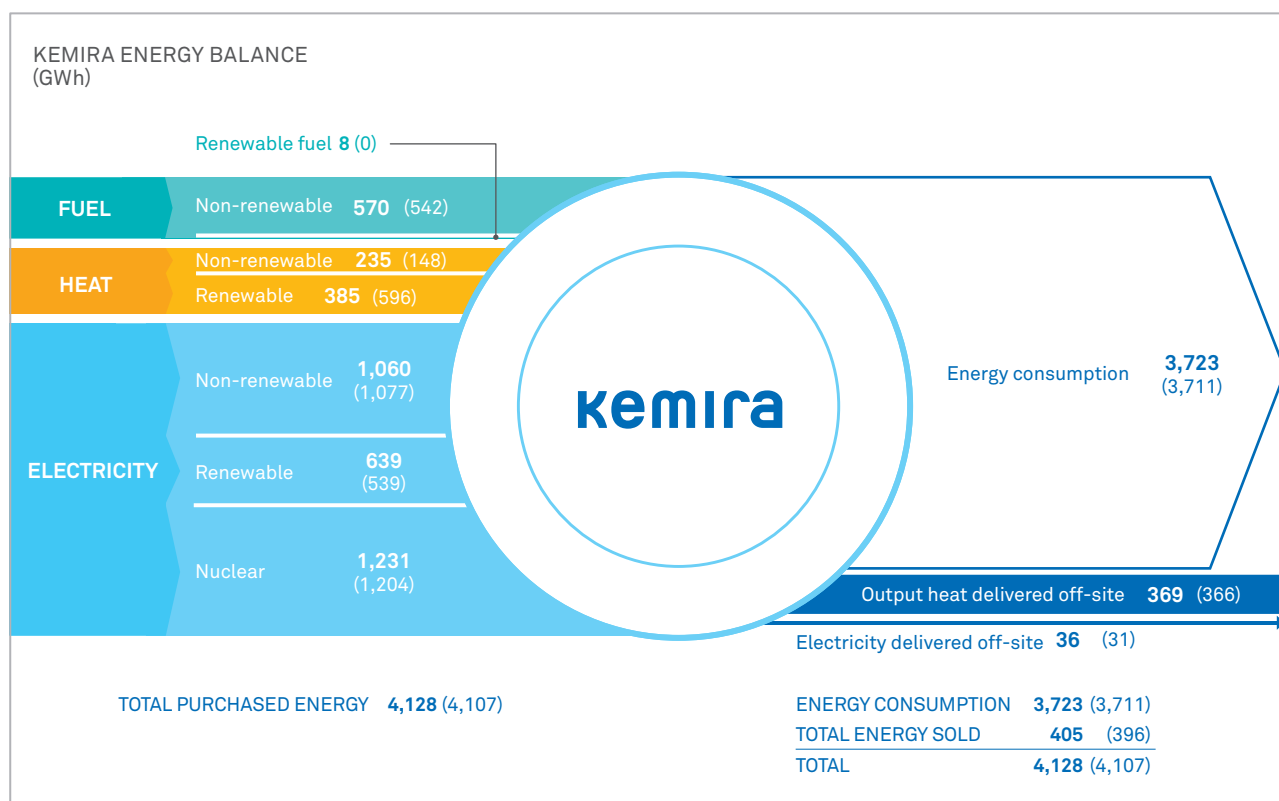


Kemira Carbon Index was defined to monitor our CO₂ performance from both consolidated and individual manufacturing site perspective. The Kemira Carbon Index covers CO₂ emissions of Scope 1 and Scope 2 excluding direct emissions from chemical processing, and is not dependent on production volumes but can be affected of product mix.

In 2015, the figures for 2013–2014 were restated due to more accurate site specific information available.

REMARKS ON ENERGY EFFICIENCY INDEX AND CARBON INDEX CALCULATION LOGIC

In 2015, two new sites were included in the energy efficiency and carbon indices. Data from the sites that come into the index are introduced the year they come in. We do not back-calculate data for these or update the 2012 baseline. Feedstock fuels are included in the energy calculations, as they indirectly contribute to energy production at some of our sites. For consistency purposes, feedstock fuels for all sites are included.



Non-renewable energy sources: coal, natural gas, oil and by-product hydrogen.

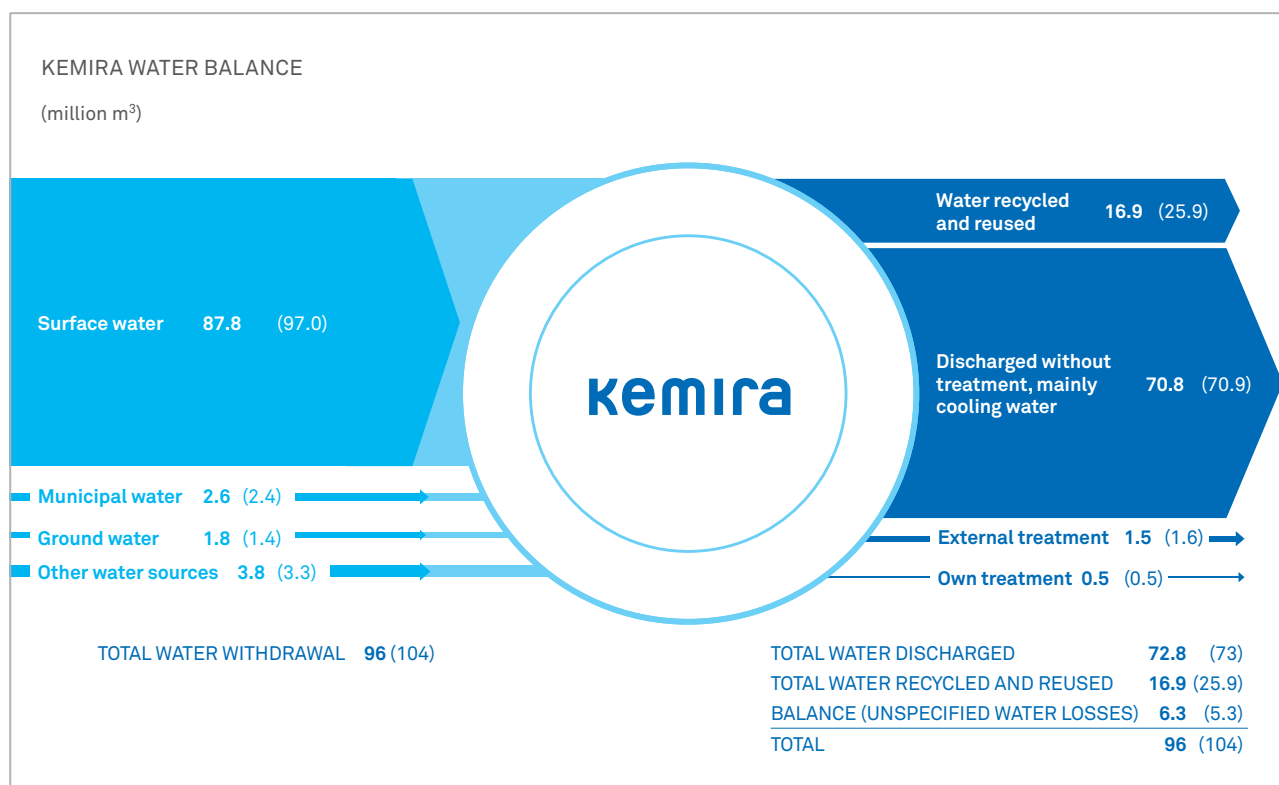
Renewable energy sources: solar, wind, ocean, hydropower, biomass, geothermal resources, biofuels, and hydrogen derived from renewable resources.

WATER MANAGEMENT

In Kemira's manufacturing facilities water is mainly used as process water and cooling water. Water efficiency management forms part of our wider environmental management system.

A water risk assessment was conducted in 2014 to define potential risks related to Kemira's operations with regard to local water resources and the environment, as

well as potential water scarcity risks that could affect our business. The assessment concluded that water risks are not material for Kemira on a global level, but four sites were selected for more detailed risk assessments. These assessments were completed in 2015, and their conclusions indicated that no specific management plans are currently needed.



Kemira aims to have minimum 90% accuracy on the water balance.

For more details on water balance, see page 33.

2.7 RESPONSIBILITY TOWARDS THE LOCAL COMMUNITIES

Kemira is committed to create positive social impacts in communities close to our operations. Key priorities include transparency on safety and environmental impacts in the vicinity of our manufacturing sites, promoting chemistry and our industry as an educational and employment opportunity, and maintaining open dialogues with local authorities and other stakeholders.

ISSUE	Key performance indicator (KPI) and related target
Participation in local community involvement activities	Kemira sites with over 50 employees participating in local community involvement initiatives at least once in the period 2013–2015, cumulative % → 100% by the end of 2015

We regularly evaluate environmental and safety risks related to our activities in the vicinity of our manufacturing sites. We conduct industrial risk assessments and emission monitoring at every manufacturing site, as defined in regulatory requirements, the ISO 14001 management system and Kemira's own internal standards.

In our dealings with local stakeholders our goals include transparency, trust and continuous dialogue. We also encourage our employees to engage with local community initiatives and activities on a voluntary basis.

Kemira has global guidelines covering the planning of local community events. Our Sponsorship and Donation Policy provides guidance on the permissible extent, suitable purposes and general acceptability of cash donations, sponsorships, contributions to community involvement initiatives and other donations made on behalf of or in the name of any Kemira company.

Our target for community involvement has been to ensure that all Kemira sites with more than 50 employees (26 sites in 2014, 26 sites in 2015) would engage in local community initiatives at least once in the period 2013–2015. By the end of 2015 all the Kemira sites of this size (92% by the end of 2014) had duly organized local events and activities, with some sites hosting multiple activities.

All our community involvement activities are locally selected, planned and implemented. Examples of local activities include open house days for local residents at our manufacturing sites, cooperation with local schools and universities, and local charity work, including suitable donations.

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS

Materials (EN1, EN2)
Energy (EN3, EN5, EN6)
Water (EN8, EN10)
Emissions (EN15, EN16, EN17, EN18, EN19, EN20, EN21)
Effluents and waste (EN22, EN23, EN24, EN25)
Environmental expenditures and investments (EN31)
Environmental compliance (EN 29)
Local communities (SO2)

CASE



WATER STEWARDSHIP INITIATIVE IN GUANGXI PROVINCE, SOUTHERN CHINA

In 2013, Kemira and Stora Enso launched a water stewardship initiative in the Guangxi Province of Southern China, where Stora Enso holds tree plantations. The goal of the joined initiative was to find new solutions for responsible water management in collaboration with the local communities. The initiative was successfully completed in 2015.

As a starting point, a study of water use, supply and quality was conducted in 2014. Close to 1,100 people – representing villagers, authorities and local NGOs – participated in the interviews. Pilot projects were launched in the rural villages of Nahupo, Shengping and Baimei, addressing the villagers' concerns regarding sewage treatment, drinking water supply and livelihood support. From the very beginning, the initiative was based on active stakeholder engagement and local community work. Awareness-raising campaigns and trainings were conducted among local residents to ensure long-term benefits to the community.

As part of the capacity-building, a water treatment plant was renovated, wetlands, wells and water storage tanks were built and a total of 12.7 km of water and sewage piping were laid. The systems were designed to suit the specific need of each village and special attention was paid to easy maintenance.

The initiative has been received well in the local communities, judging from the positive feedback received from satisfaction surveys. Also the project auditors, Bureau Veritas China, credited Stora Enso and Kemira, stating that the companies took the needs and concerns of the villagers into account.

Thanks to the water stewardship initiative, nearly 2,600 villagers now have better access to clean water and are able to handle wastewater in a more responsible way.

EXAMPLES OF COMMUNITY INVOLVEMENT

USA

Participation in the Atlanta Food bank's Food drive for the people in need. Donations to the Children's Health Care/ Holiday toy drive for the hospitalized teenagers. The packs were delivered to the hospital before Christmas.

Sweden, Helsingborg

Donations by employees and management to Plan International to aid the Syrian refugee children.

Netherlands, Botlek

Active co-operation with local schools and engagement with the local community by hosting several events during the year and supporting education, knowledge on chemistry and safety.

Brazil, Sao Paulo and Telemaco Borba:

Active charity work by the local Kemira workers' association (AFK), especially towards local children in need.

China, Nanjing

Active participation in the local community by joint safety trainings and open house events for local students.

In 2015, approximately 50 community involvement activities were organized at 26 major Kemira sites. Between 2013 and 2015 approximately 240 activities were organized.

FOR MORE INFORMATION, SEE THE RESPECTIVE MATERIAL ASPECTS AND GRI-G4 INDICATORS
Local communities (S01, S02)

3 PERFORMANCE DISCLOSURES

3.1 ECONOMIC PERFORMANCE INDICATORS

MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-EC1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Sustainable organic growth, financial stability and long-term profitability are material to Kemira in order to be a trusted business partner for customers and suppliers, a reliable employer, an attractive long-term investment, and a responsible taxpayer.

Kemira generates economic value from expertise, products and solutions that help customers to improve their water, energy and raw material efficiency. Kemira distributes the generated economic value to various stakeholders. This includes suppliers and service providers through payments for raw materials and services, employees through compensation and benefits, capital providers through dividends and interest payments, public sector through taxes, and society through local community projects, sponsorship and donations. The economic value retained is reinvested in the company for capital investments, R&D and technology development. The economic value retained increased to EUR 161.0 million (-11.7) due to improved cash flow from operating activities.

Stakeholder	Economic value, EUR million	2015	2014	2013	2012	2011
Direct economic value generated						
Customers	Income from customers on the basis of products and services sold, and financial income	2,350	2,100	2,268	2,312	2,192
Direct economic value distributed						
Suppliers	Payments to suppliers of raw materials, goods and services	1,709	1,684	1,686	1,737	1,654
Employees	Employee wages and benefits	356	283	327	340	299
Investors & lenders	Dividends, interests paid and financial expenses	113	112	113	114	101
Government & Public sector	Corporate income taxes	12	33	27	30	37
Economic value retained		160	-12	115	91	100

Community investments were EUR 0.17 million in 2015 (EUR 0.1 million) through sponsoring and local community participation.

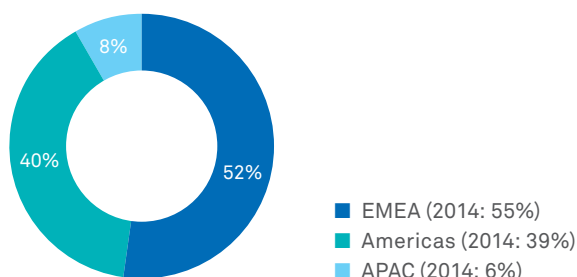
Kemira has defined its midterm financial targets as a revenue target EUR 2.7 billion and operative EBITDA margin of 15% in 2017. These group level financial targets are translated into business goals and performance measures for each business segment and further down to individual performance targets for employees.

The management approach to economic value generated and distributed is based on the Finnish Corporate Governance Code and the Limited Liability Companies Act, which states that the purpose of a company is to generate profits for its shareholders, unless otherwise provided in

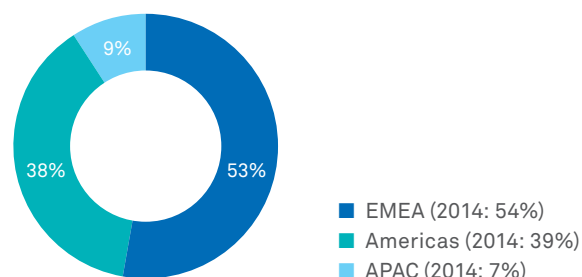
the Articles of Association. The overall responsibility for financial performance at group level belongs to the Board of Directors and CEO. Kemira has organized its global activities by three business segments, which bear full profit and loss responsibility. The segment heads are members of the Management Board. Kemira reports and discloses its financial statements in accordance with the International Financial Reporting Standards (IFRS). For detailed information, see the Kemira Corporate Governance Statement and the Financial Statement.

ECONOMIC VALUE DISTRIBUTED BY REGIONS

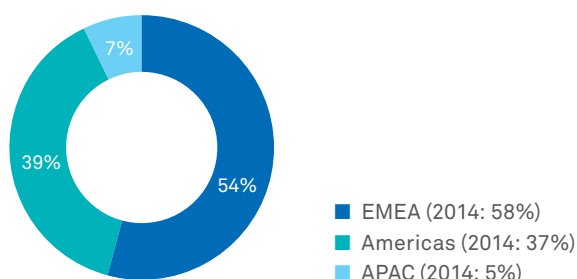
REVENUE BY CUSTOMER LOCATION



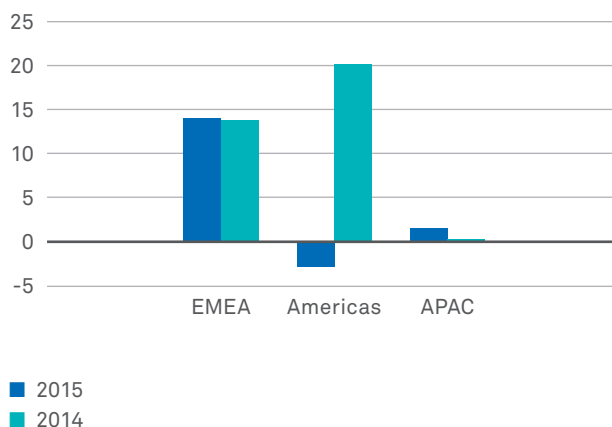
PAYMENTS TO SUPPLIERS OF RAW MATERIALS, GOODS AND SERVICES



EMPLOYEE WAGES AND BENEFITS



CORPORATE INCOME TAXES, MILLION EUR



In 2015, Americas was refunded the overpaid taxes of 2014.

OUR APPROACH TO TAX

Business rationale: We are a responsible corporate citizen in all our operating countries. Kemira's tax approach supports responsible business performance. Our tax approach is based on our corporate strategy, values, the Kemira Code of Conduct and our tax policies. We target upfront certainty on our tax positions. We do not operate in tax haven countries for tax reasons.

Compliance: Our principle is to strictly follow and pay taxes in accordance with all relevant tax rules and regulations as well as international best practices in all regions where we operate. In addition to corporate income taxes, Kemira pays other taxes, including payroll taxes, social security contributions, property taxes, value added taxes, customs duties, etc.

Transparency and relationship with tax authorities: We are transparent about our approach to tax. We seek to develop and maintain good working relationships with the tax authorities and aim at open and constructive dialogue with them. Disclosures are made by observing applicable disclosure, documentation and reporting requirements such as IFRS.

Transfer pricing: Kemira applies the arm's length principle and targets an appropriate remuneration of the activities amongst related parties in accordance with internationally accepted standards, such as the OECD Guidelines.

OECD BEPS action plan: Kemira is currently evaluating and preparing for the implications of the OECD BEPS (Base Erosion and Profit Shifting) package for its business models and operating structures. Kemira monitors closely the BEPS related legislative changes and documentation requirement developments (e.g. Country-by-Country Reporting) as well as the response of the tax authorities in the states where it operates.

G4-EC3: COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

The coverage of Kemira's defined benefit plans are reported in the Notes to the Consolidated Financial Statements: Note 23 Defined benefit plans. Kemira has various pension plans in accordance with local conditions and practices. The percentage of salary contributed by

employee or employer to the benefit plan, and the level of participation in retirement plans are defined according to local legislation and practices.

G4-EC4: FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Financial assistance received from governments is reported in the Notes to the Consolidated Financial Statements: Note 4 Operating expenses. Kemira received EUR 1.2 million (EUR 2.1million) in government grants for R&D in 2015 in Finland.

3.2 ENVIRONMENTAL PERFORMANCE INDICATORS

MATERIAL ASPECT: MATERIALS

G4-EN1: MATERIALS USED BY WEIGHT OR VOLUME

The main share of Kemira's raw materials are non-renewable materials. The renewable materials used include mainly starches, tall oil, and fatty acid derivatives.

Materials used by weight	2015	2014	2013
Total materials purchased, million tons	3.293	3.276*	3.521*
Renewable materials used, million tons	0.071	0.059	0.059
Non-renewable materials used, million tons	3.222	3.217	3.462
Share of renewable materials, %	2.2%	1.8%	1.7%

* Data for 2013 and 2014 is corrected due to exclusion of purchased water from total raw materials purchased.

G4-EN2: PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

In 2015, 27.5% of raw materials across all Kemira business segments were secondary raw materials which were recycled materials and industrial by-products mainly from smelters, steel and metal manufacturing. The secondary raw materials used included inorganic materials such as scrap iron, ferrous sulphate, pickling liquor bath, and organic materials such as tall oil or by-product fatty alcohols. In the production of coagulants, the product group used in water treatment, secondary raw materials make about 80% of all raw materials.

Percentage of materials used that are recycled input materials	2015	2014	2013
Total materials purchased, million tons	3.293	3.276*	3.521*
Industrial by-product and recycled material from external partners, million tons	0.904	0.897	0.911
Share of by-product and recycled materials, %	27.5%	27.4%	25.9%

* Data for 2013 and 2014 is corrected due to exclusion of purchased water from total raw materials purchased.

FOR SECONDARY RAW MATERIALS, WE RELY FOR LOCAL SUPPLIERS OR EVEN OPERATE IN INDUSTRIAL SYMBIOSIS WITH THOSE SUPPLIERS.

MATERIAL ASPECT: ENERGY

G4-EN3: ENERGY CONSUMPTION WITHIN THE ORGANIZATION

G4-EN5: ENERGY INTENSITY

G4-EN6: REDUCTION OF ENERGY CONSUMPTION

Energy balance	GRI-G4 indicator	2015	2014	2013	2012	2011
Purchased fuel as energy source, GWh	EN3a-b	578	542	491	563	651
Non-Renewable		570	542	491	563	0
Renewable		8	0	0	0	0
Purchased electricity, GWh	EN3c	2,930	2,820	2,799	2,672	2,960
Non-Renewable		1,060	1,077	1,069	964	0
Renewable		639	539	550	384	0
Nuclear		1,231	1,204	1,179	1,323	0
Purchased heat, GWh	EN3c	620	745	1,265	1,213	1,337
Non-Renewable		235	148	1,048	992	0
Renewable		385	596	217	221	0
Total energy purchased, GWh	EN3c	4,128	4,107	4,555	4,449	4,949
Total energy sold	EN3d	405	396	429	450	516
Output heat delivered off-site		369	366	384	422	496
Electricity delivered off-site		36	31	44	28	20
Total energy consumption, GWh ¹	EN3e	3,723	3,711	4,127	3,983	4,432
Energy intensity, GWh/1,000 t²	EN5	0.8	0.8	0.9	0.8	0.9
Reduction of energy consumption, GWh³	EN6	12	-416	144	-449	4,432

¹ The amount of energy Kemira uses through the purchase of electricity, steam and heat, excluding total energy sold.

² Kemira has calculated the energy intensity by dividing total energy consumption with the annual production volume. The total energy consumption includes fuel used for energy, electricity, heating, cooling and steam.

³ The types of energy included in the reductions include: fuel used for energy, electricity, heating, cooling and steam. The basis for the energy reduction is energy consumption in one year period.

The calculations have been made according to GRI G4 reporting guidelines. The source for conversion factors used is the International Energy Agency (IEA). Where specific information has not been published on production efficiencies by energy source, expert estimates have been made based on historical data.

MATERIAL ASPECT: WATER

Water balance, million m ³	GRI-G4 indicator	2015	2014
WATER WITHDRAWAL	EN10	96,0	104,2
Incoming process water		8,4	7,5
Surface water		4,2	3,7
Ground water		1,3	1,1
Rainwater		0,0	0,0
Waste water from another organization		0,0	0,0
Municipal water supplies		2,4	2,2
Other		0,5	0,5
Incoming cooling water		87,6	96,7
Surface water		83,6	93,3
Ground water		0,5	0,3
Rainwater		0,0	0,0
Waste water from another organization		0,0	0,0
Municipal water supplies		0,2	0,2
Other		3,3	2,9
WATER REUSED OR RECYCLED	EN8	16,9	25,9
Water recycled back in the same process		13,8	23,0
Water recycled into a different process, but within the same facility		3,1	2,9
Water reused in another facility		0,06	0,0
WATER DISCHARGES	EN22	72,8	73,0
External treatment		1,5	1,6
Own treatment		0,5	0,5
Discharged with no treatment, mainly cooling water		70,8	70,9
Balance¹		6,3	5,3

¹ Balance = Water withdrawal minus water discharged minus water reused and recycled (unspecified water losses). Kemira aims to have minimum 90% accuracy on the water balance.

G4-EN8: TOTAL WATER WITHDRAWAL BY SOURCE

Water withdrawal by source	2015	2014	2013	2012	2011
Total water withdrawal used as a process water, million m³	8.4	7.5	6.3	6.7	7.8
Surface water	4.2	3.7	1.5	1.8	
Ground water	1.3	1.1	0.4	0.8	
Rainwater	0.0	0.0	0.1	0.0	
Waste water from another organization	0.0	0.0	0.1	0.0	
Municipal water supplies	2.4	2.2	2.2	3.5	
Other	0.5	0.5	2.0	0.6	
Total water withdrawal used as a cooling water, million m³	87.6	96.7	151	138	161
Surface water	83.6	93.3	146	131	
Ground water	0.5	0.3	2	3	
Rainwater	0.0	0.0	0	0	
Waste water from another organization	0.0	0.0	0	0	
Municipal water supplies	0.2	0.2	1	0	
Other	3.3	2.9	3	4	
Total water withdrawal, million m³	96	104	157	144	169

The calculations have been made according to GRI G4 reporting guidelines. The figures presented are based on data collected from Kemira's sites.

G4-EN10: PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED

All recycled and reused water was used within Kemira's manufacturing locations. See also graph Kemira water balance in the section Water efficiency. Changes in 2015 are due to reduced water use at one site.

Water recycled and reused	2015	2014	2013	2012	2011
Total volume of water recycled and reused by the organization, million m³	16.9	25.9	74.6	59.6	-
Water recycled back in the same process	13.8	23.0	74.5	59.5	-
Water recycled in a different process, but within the same facility	3.1	2.9	0.1	0.1	-
Water reused in another facility	0.1	0.0	0.0	0.1	-
Total volume of water recycled and reused as a percentage of the total water withdrawal as reported under Indicator G4-EN8.	18%	25%	47%	41%	-

The calculations have been made according to GRI G4 reporting guidelines.
The figures presented are based on data collected from Kemira's sites.

MATERIAL ASPECT: EMISSIONS

G4-EN15: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1),
G4-EN16: INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2),
G4-EN17: OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)
G4-EN18: GREENHOUSE GAS (GHG) EMISSIONS INTENSITY
G4-EN19: REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS

SUMMARY OF GREENHOUSE GAS EMISSIONS, EMISSION INTENSITY AND ANNUAL CHANGE IN EMISSIONS

Greenhouse gas emissions, CO ₂ eq 1,000 tonnes	GRI-G4 indicator	2015	2014	2013	2012	2011
Direct greenhouse gas emissions (Scope 1) ¹	EN-15	169	144	137	147	180
Indirect greenhouse gas emissions (Scope 2 market-based) ²	EN-16	757	771	904	950	1,054
Indirect greenhouse gas emissions (Scope 2 locations-based) ²		907				-
Other indirect greenhouse gas emissions (Scope 3) ³	EN-17	1,710*	1,581*	1,609*	1,594*	-
Total greenhouse gas emissions ⁴		2,638	2,496	2,651	2,692	-
Greenhouse gas emissions intensity per 1,000 tons of production ⁵	EN-18	0.5	0.5	0.6	0.6	-
Change in greenhouse gas emissions	EN-19	142	-155	-41		-

In 2013 and 2014, all greenhouse gases are included in the calculation. In previous years, only CO₂ emissions were reported.

* Scope 3 has been restated due to more accurate information available in 2015. See Note 3.

¹ Greenhouse gas emissions from sources that are owned or controlled by Kemira (scope 1 of the WRI/WBCSD GHG Protocol). Data covers all of Kemira's production sites according to Kemira consolidation rules.

² Greenhouse gas emissions from the generation of purchased electricity, steam and heat that is consumed by Kemira (Revised Scope 2 of the WRI/WBCSD GHG Protocol). Market-based emissions are used for target setting and following progress. Location-based emissions are also shown, but these are not used for other indicators.

GHG emissions are calculated as CO₂ equivalents which includes CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.

The sources for the emission factors used are the International Energy Agency (IEA), the UK government's Department for Environment, Food and Rural Affairs (DEFRA), Motiva Ltd. and energy utility companies. As many utility companies often publish their specific emissions factors during Q2 or Q3 of each reporting year, previous years' factors have been used.

Data covers all of Kemira's production sites according to Kemira consolidation rules.

³ Greenhouse gas emissions from Kemira's value chain (Scope 3 of WRI/WBCSD GHG Protocol). Major changes have occurred for all years as a more detailed calculation was carried out for this report and among others, end-of-life treatment of sold products changed significantly and previous years' data was corrected.

The calculation is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and a supporting guidance document Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. Scope 3 emissions have been calculated since 2012.

GHG emissions are calculated as CO₂ equivalents which includes CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.

The sources for the emission factors used include the guidance document for the Chemical Sector, the UK government's Department for Environment, Food and Rural Affairs (DEFRA), the International Energy Agency (IEA), Ecoinvent, CEFIC and ECTA.

Data covers all of Kemira's production sites according to Kemira consolidation rules.

⁴ Total greenhouse emissions including Scope 1, Scope 2 (market-based) and Scope 3.

⁵ Kemira has calculated the GHG emissions intensity ratio per production volume (1,000 tons).

Direct GHG emissions (Scope 1), indirect GHG emissions from energy consumption (Scope 2) and other indirect GHG emissions (Scope 3) are included.

G4-EN17: SCOPE 3 EMISSIONS BY CATEGORIES

Scope 3 emissions by categories, CO ₂ eq, 1,000 tonnes	2015	2014	2013	2012
Category 1 Purchased goods and services	870	760	770	770
Category 2 Capital goods	*	*	*	*
Category 3 Fuel and energy related activities	230	240	220	220
Category 4 Upstream transportation and distribution	200	200	220	210
Category 5 Waste generated in operations	20	20	20	20
Category 6 Business travel	10	10	10	10
Category 7 Employee commuting	10	10	10	10
Category 8 Upstream leased assets (leased offices)	10	10	10	20
Category 9 Downstream transportation and distribution	350	330	340	340
Category 11 Use of sold products	0	0	0	0
Category 12 End-of-life treatment of sold products	0	0	0	0
Total¹	1,710	1,580	1,610	1,590

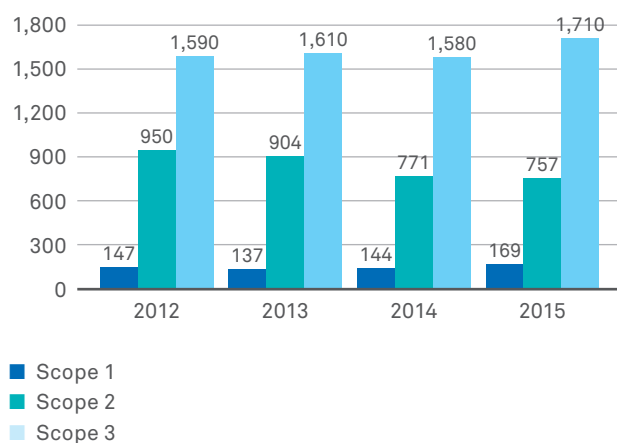
* Emissions of Category 2: Capital goods are included in Category 1: Purchased goods and services.

¹ Scope 3 has been restated due to more accurate information available in 2015. Major changes have occurred for all years as a more detailed calculation was carried out for this report and among others, Category 12 End-of-life treatment of sold products changed significantly and previous years' data was corrected. Category 12 covers all products sold. If a product is not known to have a new lifecycle, it is always classified as waste. Category 11 emissions were estimated to be zero or close to zero, as Kemira does not sell combustible fuels, products that form greenhouse gas emissions during use, or products that contain greenhouse gases.

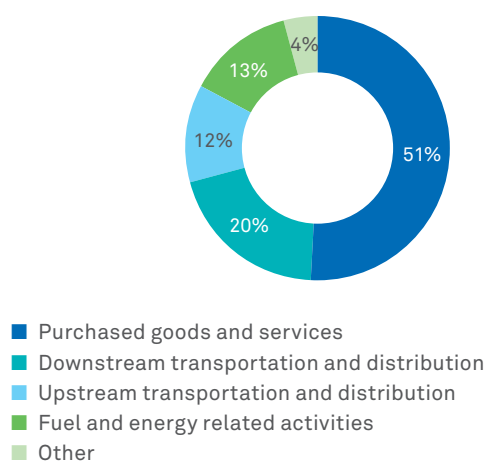
The calculation is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and a supporting guidance document Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. Scope 3 emissions have been calculated since 2012. GHG emission are calculated as CO₂ equivalents which includes CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. The sources for the emission factors used include the guidance document for the Chemical Sector, the UK government's Department for Environment, Food and Rural Affairs (DEFRA), the International Energy Agency (IEA), Ecoinvent, CEFIC and ECTA. Data covers all of Kemira's production sites according to Kemira consolidation rules.

NOTE: Category 10 Processing of sold products not calculated because it cannot be reasonable tracked; Category 13 Downstream leased assets is not relevant to chemical sector; Category 14 Franchises is not relevant to chemical sector; Category 15 Investments: No information available.

The margin of error for Scope 3 calculations is +/- 16%.

GREENHOUSE GAS EMISSIONS, CO₂ EQ, 1,000 TONNES

SCOPE 3 BY LARGEST GREENHOUSE GAS EMISSION SOURCES IN THE VALUE CHAIN (%)



Greenhouse gas emissions from Kemira's value chain (Scope 3) have been calculated since 2012.

G4-EN20: EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

Releases into air, tonnes	2015	2014	2013	2012
Ozone-depleting substances ¹	0	0	0	-

¹ The data collection on ozone-depleting substances (ODS) from Kemira's sites was made for the first time for the year 2013.

G4-EN21: NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS

Releases into air, tonnes	2015	2014	2013	2012	2011
Nitrogen oxides (NO ₂) ¹	194	206	185	190	242
Sulphur dioxide (SO ₂) ²	83	86	122	116	153
Volatile organic compounds (VOC) ³	430*	661	682	742	665
Volatile inorganic compounds (VIC) ⁴	36**	59	65	94	100
Particulates	14	16	16	21	23

* Reduction of VOC due to changed process at one site.

** Reduction of VIC due to improvement at one site.

¹ Nitric oxide and nitrogen dioxide calculated as NO₂.

² All sulphur compounds are calculated as SO₂.

³ VOC is a sum of volatile organic compounds as defined in EU Directive 1999/13/EC.

⁴ Sum of ammonia, hydrogen chloride and six other simple inorganic compounds.

The figures presented are based on data collected directly from Kemira's sites.

MATERIAL ASPECT: EFFLUENTS AND WASTE

G4-EN22: TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

Water discharged, million m ³	2015	2014	2013	2012	2011
Wastewater volume	72.8	73.1	2.1	2.4	2.5
External treatment	1.5	1.6	1.7	1.8	2.0
Own treatment	0.5	0.5	0.4	0.6	0.5
Discharged without treatment, mainly cooling water	70.8	70.9	-	-	-

The calculations have been made according to GRI G4 reporting guidelines.

The figures presented are based on data collected from Kemira's sites.

Releases into water, tonnes	2015	2014	2013	2012	2011
Chemical Oxygen Demand (COD), tonnes	43*	15	16	21	28
Nitrogen (N), tonnes	2	2	2	2	3
Phosphorus (P), tonnes	1	0.5	0.5	0.7	0.7
Suspended solids, tonnes	2	5.3**	1.8	7	33

* Increase of COD due to new sites.

** Data corrected due to more correct data available at one site in 2015.

The calculations have been made according to GRI G4 reporting guidelines. The figures presented are based on data collected from Kemira's sites. Data covers all of Kemira's production sites according to Kemira consolidation rules.

G4-EN23: TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

Increase in other off-site treatment of hazardous waste is due to lost capabilities to treat wastewater onsite at one of our sites. Increase of non-hazardous waste is mainly due to demolition work at one site and increased waste from production. The weight data of disposed waste is based on internal company records.

Waste, tonnes	2015	2014	2013	2012	2011
Hazardous wastes, total	75,250	41,686	41,296	48,436	55,304
Off-site landfill	1,298	1,247	1,359	1,024	10,037
Off-site incineration	2,565	1,719	3,858	1,933	2,343
Off-site recycling*	9,625	6,578	3,032	2,652	2,145
Other off-site treatment*	61,718	31,670	33,018	42,826	40,681
On-site incineration	44	473	29	1	99
On-site landfill	0	0	0	0	0
Non-hazardous wastes, total	35,381	27,687	26,559	31,755	33,393
Off-site landfill	10,649	11,568*	13,691*	11,107	12,238
Off-site incineration	1,310	810	5,674	1,482	1,451
Off-site recycling	14,896	11,798*	4,556	14,286	14,866
Other off-site treatment	8,211	3,068	2,538	2,422	2,617
On-site incineration	35	405	30	21	25
On-site landfill	281	37	70	2,437	2,197
Total waste disposal	110,632	69,373	67,855	80,191	88,697

* Data corrected due to more comprehensive data available in 2015.

G4-EN24: TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

There were two significant spills during 2015 with a total volume of 10 tonnes. These spills were not reported in Kemira's Financial Statements. The two spills had no permanent or significant impact on the environment beyond the remediated soil.

G4-EN25: WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION (2) ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY

There were no hazardous waste treated outside the country (shipped internationally) in 2015 (0,001% in 2014).

MATERIAL ASPECT: PRODUCTS AND SERVICES**G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES**

Kemira's business purpose is to enable customers to improve their water, energy and raw material efficiency.

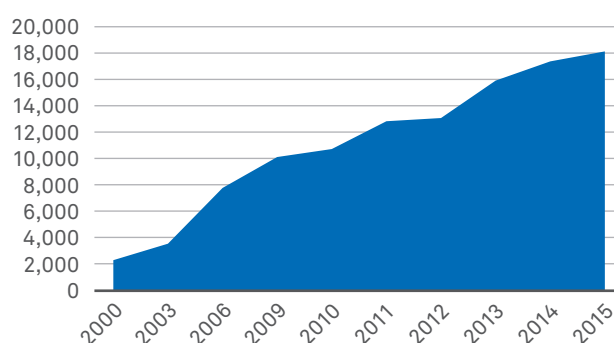
The extent of the environmental impacts of our products is mitigated by developing products that reduce our customers' environmental impacts, deploying product stewardship programs throughout the product lifecycle, and by ensuring safe transportation, handling, storage and disposal of our products in the value chain. We apply sustainability checks at every stage of the New Product Development (NPD) process. The NPD process also aims to identify less hazardous and more sustainable alternatives for raw materials.

The use of our products and solutions benefits our customers by:

- Optimizing product quality and yield
- Enhancing process and energy efficiency
- Ensuring that water quality meets end-use specifications and regulatory requirements

Our business model is business-to-business, and we sell products that are used in industrial scale processes mainly as processing aids. Only in few cases, namely in paper and packaging board and in wastewater sludge, our products end-up as part of the end-product.

For more details on product stewardship see the Chapter Sustainable products and solutions and the performance indicators PR1-PR4, PR6 and PR9. For transportation safety see indicator EN30.

WATER PURIFIED WITH KEMIRA PRODUCTS, million m³

The volume of water purified with Kemira products is based on the share of product sales to water purification applications and using an experience based average chemicals dosage.

G4-EN28: PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY

Kemira does not reclaim any sold products, whereas we reclaim packaging material when possible. Kemira's liquid products are mainly transported in bulk units, i.e. ISO-tank containers, tank trucks, and tank railroad wagons, which are owned by logistics service providers or leased by Kemira. When small volume packaging is used we work to optimize packaging where it saves packaging and transportation cost and also reclaim packaging materials when possible.

When plastic or other reusable material is used in packaging, Kemira strives to reclaim the material. We are also using a third party service provider to return packaging from the customers' sites for reuse. Packaging that is returned to Kemira or to a third party is either reused or processed for recycling. The reclaimed packaging materials are Reconditioned Intermediate Bulk Container (IBC's) and Recycled liquid packages.

Reclaimed packaging materials	2015	2014	2013	2012
Share of reconditioned IBC's of total purchased IBC's *	12%	12%	20%	22%
Recycled liquid packages (includes IBC's)	4%	3%	5%	4%

* IBC=Intermediate Bulk Container

MATERIAL ASPECT: ENVIRONMENTAL COMPLIANCE

G4-EN29: MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

The monetary value of fines for non-compliance with environmental laws or regulations totalled EUR 59,000. One single event took place in 2013 but the fine was paid in 2015. There were no non-monetary sanctions in 2015.

MATERIAL ASPECT: TRANSPORT

G4-EN30: SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE

Our management approach to mitigate the environmental impacts of transporting products is based on reducing the greenhouse gas emissions from transportation activities and improving transportation safety management to avoid any accidental spills into environment.

SCOPE 3 EMISSIONS FROM TRANSPORTATION

Emissions from the downstream and upstream transportation of materials and goods are 33% of our total Scope 3 emissions, while emissions from business travel and employee commuting are non-significant (<1%). See indicator EN17 for more details.

Our approach in reducing environmental impacts through greenhouse gas emissions is based on disciplined management of logistics activities. Our key measures to mitigate greenhouse gas emissions from downstream transportation and distribution are logistics and load optimization and commitment to logistics service providers that use vehicles compliant with latest emission standards. Kemira uses in longer transports train and ocean transports or multimodal transports to avoid higher emissions if only road transports were used. Load optimization and full truck loads are preferred to optimize transportation cost and lower emissions. Furthermore, our tendering process guides the logistics service providers to look for backhaul arrangements.

Guidelines for reducing the environmental impact from business travel are defined in the Kemira travel policy. Internal traveling between Kemira locations has reduced through the use of online meeting and collaboration tools.

Scope 3 emissions related to transporting, tCO ₂ e, 1,000 tonnes	2015	2014	2013	2012
Total Scope 3 emissions ¹	1,710	1,580	1,610	1,590
Total Scope 3 transport emissions	570	550	580	570
Upstream transportation and distribution	200	200	220	210
Downstream transportation and distribution	350	330	340	340
Business travel	10	10	10	10
Employee commuting	10	10	10	10
Share of transport emissions, %	33%	35%	36%	36%

¹ Scope 3 emissions have been calculated according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and a supporting guidance document Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. See Table G4-EN17 for more details.

Sources for emissions factors used include: Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain, the UK government's Department for Environment, Food and Rural Affairs (DEFRA), CEFIC and ECTA.

TRANSPORTATION SAFETY

Transportation incidents decreased by 27% compared to last year (87 vs 120 in 2014).

Kemira is fully committed to transportation safety and the development of transportation safety culture to prevent chemical leakages into environment. Our EHS Transportation Standard applies globally to all Kemira operations that are involved in the transportation of bulk and packaged goods. All facilities need to comply with the requirements of the standard but also with any local/regional regulations as applicable. Employees involved in the handling and carriage of dangerous goods are trained

regularly. Our logistics service providers are expected to commit to the Kemira Code of Conduct for Suppliers, Distributors and Agents. We also hold regular safety discussions with them and carefully inspect accidents and near misses.

Our regional EHSQ is responsible for the training and monitoring of the implementation of the transportation standard, while our logistics services and plant operations are responsible for the safety program implementation and performance monitoring. Every transportation incident is analyzed for root causes and actions are taken to prevent re-occurrence.

MATERIAL ASPECT: ENVIRONMENTAL EXPENDITURES AND INVESTMENTS**G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE**

Kemira reports environmental protection costs by environmental capital expenditure and by environmental operating costs. In 2015, our main investments were made in air and water treatment units.

G4-EN31: Total environmental protection expenditures and investments, EUR million	2015	2014	2013	2012	2011
Environmental capital expenditure	4.8	2.4	1.4	3.4	3.6
Environmental operating costs	14.9	11.7	11.8	14.2	12.7
Total	19.7	14.1	13.2	17.6	16.3
Environmental protection expenditures and investments, % of net sales	0.8%	0.7%	0.6%	0.8%	0.7%

MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT**G4-EN32: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA**

At the screening phase of new suppliers, the vendor is asked to accept Kemira's Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in alignment with our New vendor creation process. Kemira's CoC-SDA sets requirements for responsible business conduct, respect for human rights and appropriate working conditions, and environmental responsibility.

Kemira Group Sourcing & Procurement policy (2014) requires that all Kemira suppliers must follow our CoC-SDA in their supply activities relating to Kemira. Adherence to these principles is to be confirmed in writing by all repeat suppliers with an annual spend value exceeding EUR 200,000 for indirect and EUR 500,000 for direct materials. If a supplier refuses to give such a confirmation and if Kemira cannot otherwise confirm that the supplier adheres to acceptable ethical principles, an evaluation is performed

by our Sourcing personnel to potentially cease all purchases from such supplier.

By the end of 2015, 93% of Kemira's repeat suppliers had signed the CoC-SDA. About 100% of new suppliers within the threshold limits defined in the Sourcing & Procurement policy were screened using social and environmental criteria. See complementary information in the section Responsible supply chain.

MATERIAL ASPECT: GRIEVANCE MECHANISMS**G4-EN34: NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS**

In 2015, there were public complaints on five Kemira sites about environmental impacts filed through formal grievance mechanisms, all of which were addressed and resolved during the reporting period. The complaints related mainly to smell, spills on the road and through-passage of trucks.

3.3 SOCIAL PERFORMANCE INDICATORS

3.3.1 LABOR PRACTICES AND DECENT WORK

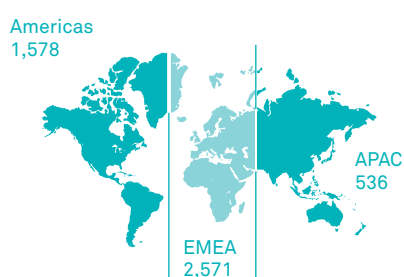
GENERIC DISCLOSURES: EMPLOYMENT STRUCTURE G4-10: STRUCTURE OF EMPLOYMENT

At the end of 2015, Kemira employed 4,685 people (4,248). This figure includes employees who entered the Group through acquisitions and excludes employees of divested assets.

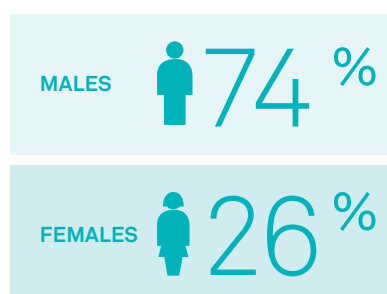
The employee distribution by region shows that 55% (57%) of Kemira's total workforce are employed in EMEA, and 35% (31%) in Americas. The number of employees has increased by 437 (compared to decrease by 205 during 2014), of which 184 in APAC, resulting mainly from the acquisition of AkzoNobel Paper Chemicals business. The share of employees that have been classified as white collars has slightly increased due to re-classification and acquisition employee structure.

Workers who are legally recognized as self-employed, or individuals other than the ones in Kemira payroll are not counted on these numbers.

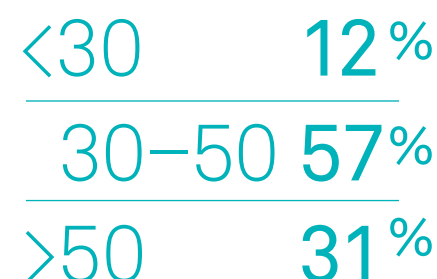
TOTAL NUMBER OF EMPLOYEES BY REGION 2015



EMPLOYEES BY GENDER



EMPLOYEES BY AGE GROUP 2015



G4-10: TOTAL NUMBER OF EMPLOYEES

	2015	2014	2013	2012	2011
Total number of employees*	4,685	4,248	4,453	4,857	5,006
Females, %	26%	26%	26%	25%	24%
Males, %	74%	74%	74%	75%	76%
White collar, %	62%	58%	58%		
Blue collar, %	38%	42%	42%		

* at year end

G4-10A: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER

	2015	2014	2013	% 2015	%, 2014	%, 2013
Total number of employees	4,685	4,248	4,453			
Total permanent	4,559	4,133	4,350	97.3%	97.3%	97.7%
Total fixed-term	126	115	103	2.7%	2.7%	2.3%
Females total	1,220	1,110	1,164			
Permanent	1,171	1,064	1,127	96%	95.9%	96.8%
Fixed term	49	46	37	4.0%	4.1%	3.2%
Males total	3,465	3,138	3,289			
Permanent	3,388	3,069	3,223	97.8%	97.8%	98.0%
Fixed term	77	69	66	2.2%	2.2%	2.0%

G4-10B: TOTAL NUMBER OF PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	2015	2014	2013	% 2015	%, 2014	%, 2013
Total permanent employees	4,559	4,133	4,350			
Total full-time	4,481	4,099	4,314	98.3%	99.2%	99.2%
Total part-time	78	34	36	1.7%	0.8%	0.8%
Females total permanent	1,171	1,064	1,127			
Full-time	1,106	1,037	1,102	94.4%	97.5%	97.8%
Part-time	65	27	25	5.6%	2.5%	2.2%
Males total permanent	3,388	3,069	3,223			
Full-time	3,375	3,062	3,212	99.6%	99.8%	99.7%
Part-time	13	7	11	0.4%	0.2%	0.3%

G4-10D: TOTAL NUMBER OF EMPLOYEES BY REGION AND GENDER

	2015	2014	2013	% 2015	%, 2014	%, 2013
Total number of employees	4,685	4,248	4,453			
APAC	536	352	340	11.4%	8.3%	7.6%
EMEA	2,571	2,413	2,595	54.9%	56.8%	58.3%
Americas	1,578	1,483	1,518	33.7%	34.9%	34.1%
Females total	1,220	1,110	1,164			
APAC	146	99	93	12.0%	8.9%	8.0%
EMEA	736	687	739	60.3%	61.9%	63.5%
Americas	338	324	332	27.7%	29.2%	28.5%
Males total	3,465	3,138	3,289			
APAC	390	253	247	11.2%	8.1%	7.5%
EMEA	1,835	1,726	1,856	53.0%	55.0%	56.4%
Americas	1,240	1,159	1,186	35.8%	36.9%	36.1%

G4-11: EMPLOYEES COVERED BY BARGAINING AGREEMENTS

The percentage of employees covered by collective bargaining agreements by 'significant locations of operation' varies widely between regions, being lowest in North America (USA 5%, Canada 12%), which is characteristic to the region.

In APAC, collective bargaining agreements are practice in the chemical industry only in few countries, Indonesia having 73%, and Korea and Thailand 100% of employees covered with collective bargaining agreements.

In many European countries all employees are covered by collective bargaining agreements, especially in Northern Europe (Finland, Sweden) and Southern Europe (Spain, France, Italy). In Central and Eastern Europe the percentage varies (UK 30%, the Netherlands 65%, Germany 40%, Austria 100%, Slovenia 80%, Czech Republic 49%), and for example in Poland there are no collective bargaining agreements.

In Brazil all employees are covered by a collective agreement, and in Uruguay, blue-collar employees and administrative clerks are covered, representing 66% of employees.

The definition used for 'significant locations of operation' refers to countries where we have 10 or more employees, and which counted together 99% of all employees. In Kemira's case there are 26 countries with 10 or more employees.

SPECIFIC DISCLOSURES: LABOR PRACTICES AND DECENT WORK**MATERIAL ASPECT: EMPLOYMENT****G4-LA1: TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION**

Total number of new hires in 2015 was 673 (710), out of which 31% (33%) were female and 69% (67%) male. The new hires include summer trainee positions. Kemira's new hiring reflects the similar degree of diversity as in previous years.

Kemira is reporting the employee turnover rate by total and voluntary turnover.

The total turnover rate was 10.5% in 2015 compared to 17.3% in 2014. The total turnover includes divestments, which created bigger part of turnover during 2014. Some small organizational changes driven by market and business situation and integrating acquired business impacted turnover, but there were no organization-wide changes implemented during 2015. The turnover rate in EMEA was 8.8% (19.2%), which was lowest of the regions. The highest turnover rate was in Americas 13.2% vs. 15.4% in 2014.

The voluntary turnover rate was 5.5% (5.1%) in 2015 being highest below the age of 30 years (10.8% vs. 8.2% in 2014) and females (8.2% vs. 7.1% in 2014). Total and voluntary turnover doesn't include fixed-term contracts.

G4-LA1A: NEW EMPLOYEE HIRES W/O ACQUISITIONS BY AGE GROUP, GENDER AND REGION

	Number of new hires			% of total new hires		
	2015	2014	2013	2015	2014	2013
Total new hires	673	710	431	100.0%	100.0%	100.0%
New hires by age group						
<30	293	291	201	43.5%	41.0%	46.6%
30–50	312	348	196	46.4%	49.0%	45.5%
>50	68	71	34	10.1%	10.0%	7.9%
New hires by gender						
Females	208	236	141	30.9%	33.2%	32.7%
Males	465	474	290	69.1%	66.8%	67.3%
New hires by region						
APAC	60	60	42	8.9%	8.5%	9.7%
EMEA	373	418	239	55.4%	58.9%	55.5%
Americas	240	232	150	35.7%	32.7%	34.8%

G4-LA1B: TOTAL TURNOVER BY AGE GROUP, GENDER AND REGION

	Turnover			Turnover, %		
	2015	2014	2013	2015	2014	2013
Total turnover	490	736	715	10.5%	17.3%	16.1%
Turnover by age group						
<30	78	96	77	13.6%	18.6%	11.9%
30–50	263	428	357	9.8%	17.6%	14.6%
>50	149	212	281	10.4%	16.3%	20.8%
Turnover by gender						
Females	144	242	198	11.80%	21.8%	17.0%
Males	346	494	517	10.0%	15.7%	15.7%
Turnover by region						
APAC	56	44	62	10.4%	12.5%	18.2%
EMEA	225	464	445	8.8%	19.2%	17.1%
Americas	209	228	208	13.2%	15.4%	13.7%

G4-LA1C: VOLUNTARY TURNOVER BY AGE GROUP, GENDER AND REGION

	Voluntary turnover			Voluntary turnover, %		
	2015	2014	2013	2015	2014	2013
Total voluntary turnover	258	218	205	5.5%	5.1%	4.6%
Voluntary turnover by age group						
<30	62	42	35	10.8%	8.2%	5.4%
30–50	168	144	147	6.3%	5.9%	6.0%
>50	28	32	23	1.9%	2.5%	1.7%
Voluntary turnover by gender						
Females	100	79	64	8.2%	7.1%	5.5%
Males	158	139	141	4.6%	4.4%	4.3%
Voluntary turnover by region						
APAC	39	34	34	7.3%	9.7%	10.0%
EMEA	139	101	96	5.4%	4.2%	3.7%
Americas	80	83	75	5.1%	5.6%	4.9%

G4-LA2: BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

Benefit programs in Kemira differ depending on regional and country specific practices, and there are no major changes to the practices since 2014. In most countries the same benefits are offered to full-time and part-time employees, and for temporary employees hired directly by Kemira, if the temporary contract exceeds certain length. Some exceptions apply, for example the sickness fund in Finland is available to full-time employees with more than a one year contract, and some countries offer broader insurance and/or retirement benefits for permanent full-time employees. In North America, the eligibility for benefits varies, in USA employees are eligible if they work at minimum 20 hrs per week. Benefit practices are country specific and are not related to individual locations of operations.

The definition used for 'significant locations of operation' refers to countries where we have 10 or more employees, and which counted together 99% of all employees. In Kemira's case there are 26 countries with 10 or more employees.

MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS

G4-LA4: MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

Kemira follows all local laws and regulations and other agreements regarding notice periods. Notice periods and the time period for the consultation process relating to operational changes varies by country and region, starting from 14 days for smaller changes to up to three months in some countries and for major changes.

MEASURES TO IMPROVE SAFETY CULTURE FOCUS ON INCIDENT PREVENTION AND RISK MITIGATION.

MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-LA6: TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

Kemira reports workplace safety both for own employees and contractors working at Kemira sites. Since 2013, Kemira is reporting only TRI (Total Recordable Injuries per million working hours). The TRI frequency includes fatalities, lost time injuries, restricted work cases and medical treatment cases of both Kemira employees and contractors working for Kemira. Kemira does not collect Incident data by gender. All injuries are treated in a similar way independent of gender. In 2015, there has been no fatalities but one permanent injury to the hand. No fatalities have been associated with Kemira employees since 2005. Information regarding absenteeism is collected locally and not consolidated on Group level.

G4-LA6: OCCUPATIONAL HEALTH AND SAFETY INDICATORS

	2015	2014	2013	2012	2011
Total Recordable Injuries per million working hours, TRI ¹	7.2	5.8	7.1	8.5	
APAC	0.6	0	0		
EMEA	10.6	6.1	9.2		
Americas	5.7	6.4	5.1		
Number of Lost Time Injuries per million working hours, LTA1 ²		-	-	2.3	2.7

¹ TRI per million work hours = Lost Time Injuries (LTA1) + Restricted work cases + Medical treatment cases, 1 year rolling average. Injury numbers include Kemira personnel and Contractors. The Contractor work hours have been included in 2014. As of 2013, Kemira reports only TRI.

² LTA1: Injuries causing an employee absence at least one day, Kemira personnel. This figure was reported for the last time in 2012.

MATERIAL ASPECT: TRAINING AND EDUCATION

G4-LA9: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

Kemira continued the implementation of a global Learning Management System including a training register during 2015 for new countries and functional areas. Training register does not yet cover 100% of the organization, thus distribution of training hours does not cover gender and

employee categories. In 2015, appr. 36,100 (14,700) training hours were registered in the Learning Management system, which now covers eLearnings, global training programs, and part of the local trainings. Implementation to cover all regions will continue in 2016. Parts of external trainings are not yet included in the hours. Training hours for biggest countries currently registered in the system are e.g. Finland 6,800 (5,800) hrs, UK 5,800 (3,200) hrs, Sweden 9,500 (1,000) hrs, USA 4,800 hrs, and Netherlands 4,000 hrs. The average hours of training do not differ by gender.

G4-LA10: PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

Competence development and training programs as well as leadership development programs (internal and external) are provided to all employees in order to support employee development. Leadership development is planned and organized globally by the Human Resources function, while segments and functions are responsible for the professional skills development.

Our development portfolio consists of:

- On-the-job training to enhance technical/professional competencies
- External and internal coaching and mentoring
- Training aiming at validated certificates and diplomas in manufacturing
- External trainings for professional skills and leadership development. Employees can also be reimbursed for further education costs partly or fully, and study leaves are available in many countries.
- Leadership development programs and on-the-job learning opportunities for leaders e.g. in business projects.
- Lean management related training in basic and advanced level in variety of methodologies to support continued implementation of lean principles and tools.
- Customer claim process training for contributors and stakeholders in all segments and regions, including training for advanced capabilities for resolution owners and investigators.
- Management system auditor trainings for lead auditors and internal auditors in accordance with ISO 19011.
- eLearning programs in variety of topics to ensure global compliance and knowledge development, e.g. Human rights and business, Anti-Corruption, Communicating on Chemical Hazards – Globally Harmonized System, PPE: Personal protective equipment (Kemira Safety eLearning).
- Induction and training programs in all regions for employees that joined Kemira with the AkzoNobel Paper Chemicals acquisition.
- In 2015, approximately 95% of employees had completed Kemira's Code of Conduct training.

Examples of global or regional programs offered during 2015:

- Implementation of Project Management Framework and Project Execution Manual in order to harmonize internal processes, improve cross-functional communication and introduce Kemira Engineering Standards. Key persons in Manufacturing, Site Engineering, and related functions (Engineering&Technology, Lean and Sourcing) trained in global guidelines.

G4-LA11: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY

All permanent employees, who are not absent for an extended time period because of leaves, for example, are covered by our global performance and development discussion (PDD) process. The global PDD process covers both white collar and blue collar employees. Temporary employees' inclusion in the PDD process is evaluated case-by-case, depending on the length of the contract.

G4-LA11: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER REVIEWS BY GENDER AND BY EMPLOYEE CATEGORY

Performance and Development Discussion (PDD)	Employees			PDD Coverage, %		
	2015	2014	2013	2015	2014	2013
Total permanent employees not absent*	4,440	4,019	4,281			
PDD's by gender						
Employees covered in Global PDD process	4,147	3,803	2,382	93%	95%	56%
Females covered in Global PDD process	1,030	977	816	96%	95%	77%
Males covered in Global PDD process	3,117	2,826	1,566	93%	94%	49%
PDD's by employee category						
White collars covered in Global PDD process	2,730	2,317		97%	98%	
Blue collars covered in Global PDD process	1,417	1,486		88%	89%	

* All permanent employees, who are not absent for an extended time period, because of leaves, for example, are covered by global performance and development discussion process.

MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-LA12 COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

The number of females in the Management Board and Board of Directors has remained the same in 2015 as in 2014. The percentage share of females (26%) in the total number of employees has remained the same in 2015 as in 2014. The number of females in executive positions (Directors and above) has remained approximately at the same level (22% vs. 21% in 2014).

G4-LA12A: COMPOSITION OF GOVERNANCE BODIES BY GENDER AND AGE GROUP

	Total			%		
	2015	2014	2013	2015	2014	2013
Management Board						
Total	9	9	11			
Females	2	2	2	22%	22%	18%
Males	7	7	9	78%	78%	82%
By age group						
<30	0	0	0	0%	0%	0%
30–50	5	6	5	56%	67%	45%
>50	4	3	6	44%	33%	55%
Board of Directors						
Total	6	6	5			
Females	2	2	2	33%	33%	40%
Males	4	4	3	67%	67%	60%
By age group						
<30	0	0	0	0%	0%	0%
30–50	0	0	0	0%	0%	0%
>50	6	6	5	100%	100%	100%

EQUAL OPPORTUNITY

Women in executive and other positions	2015	2014
Management Board	22%	22%
Executive positions excluding Management Board*	22%	21%
White collars	39%	37%
Blue collars	5%	11%
Total employees	26%	26%

* Positions from Director to Senior Vice-President

G4-LA12B: BREAKDOWN OF EMPLOYEES BY GENDER AND AGE GROUP

	Total			%		
	2015	2014	2013	2015	2014	2013
Total employees	4,685	4,248	4,453	100%	100%	100%
<30	575	515	646	12%	12%	15%
30–50	2,672	2,435	2,453	57%	57%	55%
>50	1,438	1,298	1,354	31%	31%	30%
Females in total	1,220	1,110	1,164	26%	26%	26%
<30	188	172	205	15%	15%	18%
30–50	773	705	710	63%	64%	61%
>50	259	233	249	21%	21%	21%
Males in total	3,465	3,138	3,289	74%	74%	74%
<30	387	343	441	11%	11%	13%
30–50	1,899	1,730	1,743	55%	55%	53%
>50	1,179	1,065	1,105	34%	34%	34%

MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-LA13: RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

Kemira operates a global job structure that is applied to all white collar employees. The job structure describes job families and the respective job roles with required qualifications and main responsibilities. The job structure links to job grades, which define the salary range and the incentive opportunity for a specific job role. Factors impacting salary increases include country-specific salary budgets, the position of an employee in the salary range and employee performance evaluated as part of the performance management process. Incentive payouts are based on measured achievement for pre-defined targets on the company, unit and individual levels.

The job grade and salary data information allows Kemira to evaluate, analyse and implement equal remuneration.

AVERAGE RATIO OF BASIC SALARY OF WOMEN TO MEN BY COUNTRY¹

Country	2015	2014
Finland	93%	93%
USA	91%	94%
Sweden	96%	103%
Poland	91%	93%
Canada	86%	94%
UK	96%	96%
China	94%	93%
Netherlands	97%	(N/A)

¹ White collar employees, calculated as average of all job grades' average ratio. The table covers the data from the largest countries of operation.

The table above covers the data from the largest countries of operations.

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-LA14: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA

At the screening phase of new suppliers, the vendor is asked to accept Kemira's Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in alignment with our New vendor creation process. Kemira's CoC-SDA sets requirements for responsible business conduct, respect for human rights and appropriate working conditions, and environmental responsibility.

Kemira Group Sourcing & Procurement policy (2014) requires that all Kemira suppliers must follow our CoC-SDA in their supply activities relating to Kemira. Adherence to these principles is to be confirmed in writing by all repeat suppliers with an annual spend value exceeding EUR 200,000 for indirect and EUR 500,000 for direct materials. If a supplier refuses to give such a confirmation and if Kemira cannot otherwise confirm that the supplier adheres to acceptable ethical principles, an evaluation is performed by our Sourcing personnel to potentially cease all purchases from such supplier.

By the end of 2015, 93% of Kemira's repeat suppliers had signed the CoC-SDA. About 100% of new suppliers within the threshold limits defined in the Sourcing & Procurement policy were screened using social and environmental criteria. See complementary information in the section Responsible supply chain.

MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-LA16: NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

There were no grievances about labour practices filed through formal grievance mechanisms during the reporting period, nor filed prior to the reporting period and resolved during the reporting period.

3.3.2 HUMAN RIGHTS

MATERIAL ASPECT: NON-DISCRIMINATION

G4-HR3: TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

There were no confirmed incidents of discrimination in 2015.

MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-HR4: OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS

Kemira respects the right of all employees to establish or join trade unions and other representative organizations.

We are committed to respecting the International Labour Organization's Declaration on Fundamental Principles and Rights at Work as stated in the Kemira Code of Conduct. Kemira is also a signatory of the UN Global Compact since March 2014. We expect our suppliers to respect these principles and commit to the Kemira Code of Conduct for Suppliers, Agents and Distributors when conducting business with us. Kemira employees' awareness on their rights for freedom of association and collective bargaining is enhanced by training on the Code of Conduct, which is provided to all Kemira employees. In 2015, Kemira did not identify any violations of freedom of association or collective bargaining in our own operations. We also evaluated supplier related risks on labor rights, and no evidence was found on suppliers restricting their employees' opportunities to exercise freedom of association and collective bargaining. As no risks for violations were identified, no support measures were taken. For additional information, see focus area Responsible business practices for the Code of Conduct training and for Kemira Ethics and Compliance Hotline as an internal reporting channel for any violations on employee rights, and G4-11 for Employees covered by collective bargaining agreements.

MATERIAL ASPECT: ASSESSMENT

G4-HR9: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS

Kemira is committed to respecting and supporting fundamental human rights as defined by the United Nations Universal Declaration of Human Rights and stated in the Kemira Code of Conduct. Kemira became a signatory of the United Nations Global Compact in March 2014. Our employees' awareness on human rights is enhanced by providing all Kemira employees with training on the Code of Conduct. Kemira expects its suppliers to respect these principles and to commit to the Kemira Code of Conduct for

IN 2015, THE HUMAN RIGHTS TRAINING WAS TARGETED TO 2,850 EMPLOYEES WITH COMPLETION RATE 80%.

Suppliers, Agents and Distributors when conducting business with Kemira.

In 2014, Kemira conducted a Group level Human Rights Impact Assessment to identify key areas of human rights risks in our value chain and gaps in our current management approach for human rights. Our current management approach was assessed against the Operational Principles of the UN Guiding Principles of Business and Human Rights. No evidence of infringing human rights was found. High risk areas in our value chain arise from our business relationships, product stewardship, and emerging market expansion. Kemira's greatest human rights risk lies in our upstream and downstream business relationships, especially where our power of influence is limited. Our human rights risk exposure is high due to our operations with hazardous substances, which impact rights to health and workplace safety. Kemira's expansion into emerging markets may increase exposure to human rights risk.

In 2015, we organized Human Rights training to all who in their job positions are responsible for ensuring that Human rights are respected in our business relationships and in our own operations. The training was targeted to 2,850 persons, and the training was completed by 80% of the target group.

MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-HR10: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

At the screening phase of new suppliers, the vendor is asked to accept Kemira's Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in alignment with our New vendor creation process. Kemira's CoC-SDA sets requirements for responsible business conduct, respect for human rights and appropriate working conditions, and environmental responsibility.

Kemira Group Sourcing & Procurement policy (2014) requires that all Kemira suppliers must follow our CoC-SDA in their supply activities relating to Kemira. Adherence to these principles is to be confirmed in writing by all repeat suppliers with an annual spend value exceeding EUR 200,000 for indirect and EUR 500,000 for direct materials. If a supplier refuses to give such a confirmation and if Kemira cannot otherwise confirm that the supplier adheres to acceptable ethical principles, an evaluation is performed by our Sourcing personnel to potentially cease all purchases from such supplier.

By the end of 2015, 93% of Kemira's repeat suppliers had signed the CoC-SDA. About 100% of new suppliers within the threshold limits defined in the Sourcing & Procurement policy were screened using social and environmental criteria. See complementary information in the section Responsible supply chain.

MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-HR12: NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

No grievances regarding human rights impacts were filed in 2015. One grievance about human rights, which was filed in 2014, was addressed and resolved through formal grievance mechanisms in 2015.

3.3.3 SOCIETY

MATERIAL ASPECT: LOCAL COMMUNITIES

G4-S01: PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

Kemira encourages initiatives at local level to support positive interaction with the communities where we operate. Our community involvement target is to engage all Kemira sites with over 50 employees (26 sites in 2015; 26 sites in 2014) in local community initiatives at least once in the period 2013- 2015 (cumulative %). By the end of 2015, 100% of Kemira's sites had organized local events and activities, with some sites hosting multiple activities over the year.

Globally, Kemira concentrates its sponsorships and donations to education related programs in chemistry and technology, mainly addressed to children and youth.

Locally, Kemira participates in the local communities in many ways that relate to safety in the vicinity of our manufacturing sites, people safety and wellbeing, and education related to water and chemistry.

See complementary information in the section Responsibility towards the local communities.

G4-S02: OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

Most of Kemira's manufacturing sites are located outside residential areas in industrial parks that are designed for the purpose of industrial development.

A potential negative impact on the safety and environment of local communities could take place in case of accidental incidents involving a leakage of chemicals.

Kemira's EHSQ management approach includes assessments and emission monitoring at every manufacturing site as defined by the regulatory requirements, ISO 14001 and OHSAS 18001 management systems and Kemira internal EHS standards. Each Kemira site has programs and contingency plans in place to ensure the safety of surrounding communities. This is done in close cooperation with local environmental authorities. To enhance the safe use of chemicals, Kemira works in close cooperation with many local chemical agencies.

Each Kemira site is classified for actual and potential negative impacts of operations (at the end of 2015, Kemira had 64 sites).

A three-level ranking system defines our internal environmental requirements and audit frequency for each site: higher ranking meaning higher requirements.

Environmental classification results 2015:

- High-ranking sites: 30%
- Medium-ranking sites: 30%
- Low-ranking sites: 40%

We proactively take preventive actions and mitigation measures for the operations that involve potential negative impacts on the local communities. In addition to continuous safety and risk management work, Kemira focuses on a continuous dialogue with local communities to understand and implement activities that respond to their needs, concerns and expectations, and to provide opportunities for our own employees to participate in local community initiatives.

For complementary information, see Safety at manufacturing sites.

MATERIAL ASPECT: ANTI-CORRUPTION

G4-S03: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED

In 2015, corruption risk at Kemira was evaluated through risk assessment questionnaire, interviews with key management and the rolling audit plan. No material risks related to corruption were identified through the risk assessment. Based on the revenue generated in locations subject to audit in 2015, about 90% of the operations were assessed for risks related to corruption.

G4-S04: COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Kemira's principles for anti-corruption are included in the Kemira Code of Conduct and in the Kemira Group Gifts, Entertainment and Anti-Bribery Policy. Both documents are available to all employees on Kemira intranet, and the Code of Conduct is also publicly available at www.kemira.com.

We expect our suppliers and other business partners to conduct their business with integrity and commit to Kemira Code of Conduct for Suppliers, Agents and Distributors (CoC-SDA) in their business activities with Kemira. The CoC-SDA states that Kemira expects its business partners to adhere to local legislation and avoid corruption in all its forms.

In 2015, Anti-Bribery eLearning was introduced at Kemira to selected personnel groups, which needs to have comprehensive understanding on Kemira anti-corruption principles. Employee awareness on anti-corruption matters is also employed through our Code of Conduct training, which is mandatory to all of our employees.

G4-S05: CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

There were no confirmed incidents of corruption or public legal cases regarding corruption in 2015.

MATERIAL ASPECT: PUBLIC POLICY

G4-S06: TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY

The Kemira Code of Conduct and the Kemira Group Gifts, Entertainment and Anti-Bribery Policy prohibit any financial support to politicians, political parties or political organizations. No financial or in-kind political contributions paid by Kemira have come to Kemira's attention during 2015.

MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR

G4-S07: TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTITRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES

Kemira was a defendant in two legal proceedings in which damages were sought for violations of competition law, on the basis of events which occurred before year 2000. These proceedings are described in the Note 30 to the Consolidated Financial Statements: Commitments and contingent liabilities, under heading Litigation.

In late 2015, several class action suits were filed in the United States based on alleged violation of antitrust laws relating to sale of certain water treatment chemicals. In some of those claims, Kemira was named as a defendant among other defendants. According to Kemira's preliminary assessment, these law suits against Kemira lack merits.

In 2015, Kemira had no other pending or completed legal actions initiated under national or international laws designed for regulating anti-competitive behavior, anti-trust, or monopoly practices.

MATERIAL ASPECT: COMPLIANCE

G4-S08: MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

No significant fines or non-monetary sanctions for non-compliance with laws and regulations came to Kemira's attention in 2015. This is based on the information available through our Group legal department, Group Finance and Administration and the Environmental, Health, Safety and Quality organization.

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-S09: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY

At the screening phase of new suppliers, the vendor is asked to accept Kemira's Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in alignment with our New vendor creation process. Kemira's CoC-SDA sets requirements for responsible business conduct, respect for human rights and appropriate working conditions, and environmental responsibility.

Kemira Group Sourcing & Procurement policy (2014) requires that all Kemira suppliers must follow our CoC-SDA in their supply activities relating to Kemira. Adherence to these principles is to be confirmed in writing by all repeat suppliers with an annual spend value exceeding EUR 200,000 for indirect and EUR 500,000 for direct materials. If a supplier refuses to give such a confirmation and if Kemira cannot otherwise confirm that the supplier adheres to acceptable ethical principles, an evaluation is performed by our Sourcing personnel to potentially cease all purchases from such supplier.

By the end of 2015, 93% of Kemira's repeat suppliers had signed the CoC-SDA. About 100% of new suppliers within the threshold limits defined in the Sourcing & Procurement policy were screened using social and environmental criteria. See complementary information in the section Responsible supply chain.

BY THE END OF 2015,
93% OF KEMIRA'S
SUPPLIERS HAVE SIGNED
THE CODE OF CONDUCT FOR
SUPPLIERS, DISTRIBUTORS
AND AGENTS.

MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-SO11: NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

There were no grievances about impacts on society filed through formal grievance mechanisms in 2015, nor grievances filed prior and resolved in 2015.

3.3.4 PRODUCT RESPONSIBILITY

MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY

G4-PR1: PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

Product stewardship is the key pillar in the Responsible Care program, a voluntary initiative of the global chemical industry (International Council of Chemical Associations, ICCA) and signed by Kemira. Product stewardship aims to make health, safety and environmental protection an integral part of the life cycle of chemical products. For us this is a platform to identify risks at an early stage and manage those risks along the value chain, thereby enabling adequate protection of human health and the environment.

All our products are evaluated for product safety and regulatory compliance aspects prior to market launch. Our New Product Development (NPD) process has regular sustainability, product safety and regulatory compliance reviews included at every stage of the process. When a new product is introduced to the portfolio it undergoes a product stewardship and compliance review. Product regulatory compliance audits are conducted regularly at our manufacturing sites.

Proactive measures are in place for the reduction of potential health hazards and relating to anticipated future legislation. For example, management plans are defined for those substances in the portfolio that have properties that may pose an unacceptable risk to human health, safety or environment. The management measures may include replacement for a safer alternative, discontinuation of using the substance and/or risk management measures to ensure the safe use of the substance.

In 2015, a Product Stewardship Community was launched in Kemira. The purpose is to increase knowledge and awareness on the areas of the safe use of chemicals, risks related to chemicals across the Kemira organization. Furthermore, the community aims to further improve Kemira's ability to be prepared and to react timely to changing requirements such as regulatory changes, changes in customer requirements, voluntary schemes, developments in the Responsible Care initiative, or public opinion. Kemira's Operational Excellence Board has endorsed the need and purpose for the Product Stewardship Community.

Our overall management approach to improve the safety and quality of our operations is based on the systematic implementation of certified Environmental, Health, Safety and Quality management systems. In 2015, audit program covered 77 site locations, which included manufacturing sites, major office locations and R&D centers. Certification rate for site locations were 88% for ISO 9001 and 86% for ISO 14001 and OHSAS 18001.

G4-PR2: TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES

In 2015, Kemira did not record any cases of non-compliance with regulations and voluntary codes resulting in a fine, penalty or warning. The six incidents of non-compliance with voluntary codes that were reported in 2013 have all been resolved during 2014–2015.

MATERIAL ASPECT: PRODUCT AND SERVICE LABELING

G4-PR3: TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS

Kemira's product portfolio contains 7 major product lines and approximately 2,400 different products. All of them are documented and labeled according to legal requirements, including the identification of hazardous components and safe use information. Kemira provides Safety Data Sheets for all products, although in most jurisdictions Safety Data Sheets are mandatory only for hazardous products. In addition to Label and Safety Data Sheet information, more detailed information about the products and their raw materials is provided upon request.

In 2015, the Kemira Product Stewardship & Regulatory Affairs team responded to approximately 8,770 (5,400 in 2014) customer requests on product safety and/or regulatory compliance on a global scale.

KEMIRA'S PRODUCT PORTFOLIO
CONTAINS 7 PRODUCT LINES
AND APPROXIMATELY 2,400
DIFFERENT PRODUCTS.

G4-PR3: PRODUCT AND SERVICE INFORMATION PROVIDED

Topic	Product and service information provided
The sourcing of components of the product or service	Only if requested by customers
Content, particularly with regard to substances that might produce an environmental or social impact	As required by law, always in Safety Data Sheets (SDS) and on the Labels. Additional information about chemicals in our products for voluntary certification/compliance schemes such as ecolabeling is also provided to customers upon request and when applicable.
Safe use of the product or service	Safe use of a product or service is communicated in the SDS's and on the Labels. Additional information about the use, dosage and application is provided to customers when applicable
Disposal of the product and environmental/social impacts	When legally required, disposal of a product and environmental/social impacts are communicated in the SDS's and on the Labels

G4-PR4: TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES

Customer complaints, claims or non-conformities are actively monitored, evaluated and corrected as required by the quality management system in use at Kemira.

In 2015, there were 72 (115 cases in 2014) customer complaints related to labeling of which 31 cases were found in EMEA region, 34 in Americas region and 7 in APAC region. The most typical incident was that a wrong label had been used in packaging. The corrective action planning for 4 cases was in the process at the year end.

In 2015, there were 4 (10 in 2014) incidents related to "non compliance with regulations". Investigation result have indicted that all four cases had different root causes. The handling of all cases was completed by year-end.

There were no incidents of non-compliance with regulations resulting in a fine, penalty or a warning.

MATERIAL ASPECT: MARKETING COMMUNICATIONS**G4-PR6: SALE OF BANNED OR DISPUTED PRODUCTS**

Kemira follows all relevant chemical laws and regulations, and thus does not sell any banned products. Kemira is proactive in mitigating health, safety, environment or image related risks. We are continuously screening substances with any regulatory restrictions, or with substitution requirements by non-regulatory stakeholders. For example, we closely follow the Endocrine disruptor definition development. In 2015, we screened our current portfolio and identified substances that may be problematic or subject to further restrictions in the future. Those substances will be subject to development of internal management plans. The management measures may include replacement for a safer alternative, discontinuation of using the substance and/or risk management measures to ensure the safe use of the substance.

MATERIAL ASPECT: PRODUCT COMPLIANCE**G4-PR9: MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES**

In 2015, Kemira did not record any regulatory non-compliances that would have resulted in fines.

4. REPORTING PRINCIPLES

The Kemira GRI report 2015 forms part of the Kemira Annual Report 2015, and has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines. Some of the General Standard Disclosures or Specific Standard Disclosures according to the GRI G4 Guidelines are reported in the other sections of the Kemira Annual Report 2015: i.e. in the Business Report, Corporate Governance Statement or Financial Statement. The Business Report also reflects the principles set out in the International Integrated Reporting <IR> Framework.

The contents of our Business and GRI reports have been reviewed and approved by Kemira's Board of Directors in February 2016. Contents related to our economic, environmental and social performance have been independently assured by Deloitte against the GRI principles for defining report content and quality.

4.1 REPORTING FRAMEWORK

FOLLOWING THE GRI SUSTAINABILITY REPORTING FRAMEWORK

The Global Reporting Initiative (GRI) is an international independent organization with a network-based structure, which also constitutes a Collaborating Centre of the United Nations Environment Programme (UNEP). GRI's Sustainability Reporting Framework enables companies and organizations to measure, understand and communicate information about the economic, environmental and social impacts caused by their everyday activities. The GRI Sustainability Reporting Guidelines are the world's most widely used comprehensive sustainability reporting standards. The fourth generation of the Guidelines, G4, represents a consolidated framework for reporting performance against various codes and norms for sustainability including the EU Directive for Non-Financial information (which will enter into force in 2017) and the UN Global Compact Principles. www.globalreporting.org.

COMMUNICATION ON PROGRESS (COP) FOR THE UN GLOBAL COMPACT

Kemira became a signatory of the United Nations Global Compact in 2014. The UN Global Compact is the world's largest voluntary corporate citizenship initiative designed to help businesses respect and promote human rights, implement decent work practices, reduce their environmental impacts and work against corruption. This Corporate Responsibility Report 2015 conveys our Communication on Progress (COP) in relation to the UN Global Compact's Ten Principles. GRI G4 indicators are used to report the actions taken to implement the Global Compact

Principles as well as the outcomes of such actions. GRI Content Index has a reference to the indicators relating to the UN Global Compact reporting, www.unglobalcompact.org.

4.2 REPORTING SCOPE

G4-13: SIGNIFICANT CHANGES DURING THE REPORTING PERIOD

At the end of 2015, Kemira operated 64 (59) manufacturing sites. Our environmental reporting scope included 67 (63) sites according to Kemira's consolidation rules. During 2015, Kemira integrated five new sites due to the acquisition of AkzoNobel's paper chemicals business, while we closed one of the purchased manufacturing sites and additionally one site in North America.

There were no significant changes in our share capital structure or other capital formation, maintenance, and alteration operations. For further information, please see the Consolidated Financial Statements: Note 33.

There were no significant changes along our supply chains in terms of the locations of material and service suppliers, or our selection or termination of suppliers.

G4-17: ENTITIES INCLUDED IN THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS

The reporting boundaries of this GRI report mainly follow the reporting boundaries of Kemira's Consolidated Financial Statements. A more detailed description of the reporting boundaries and the completeness of the information is provided in the table Reporting scope (G4-19, G4-20, and G4-21). The entities included in Kemira's Consolidated Financial Statements are listed in the Consolidated Financial Statement: Note 34; Group companies.

G4-18: PROCESS FOR DEFINING GRI REPORT CONTENT AND ASPECT BOUNDARIES

The definition of material aspects for Kemira's GRI reporting in the section Performance disclosures was carried out in accordance with the GRI G4 Principles for defining report content.

1. IDENTIFICATION

Material aspects relevant to Kemira have been identified on the basis of the topics and concerns raised by our stakeholders. Our stakeholder expectations were most recently reviewed in spring 2015. All of our stakeholders continue to highlight the importance of topics such as sustainable products, safety, employee development, business ethics and compliance, responsibility along the supply chain, and reductions in environmental impacts both in our own operations and in the value chain.

2. PRIORITIZATION

The identified topics and the related material aspects were prioritized with reference to the relative importance to stakeholders, and to the relevance to Kemira's value creation model as well as the relevance of topics to the global chemical sector as a whole (GRI 2013, Sustainability Topics for Sectors: What do stakeholders want to know?). This prioritization procedure identified 36 material aspects out of the 46 aspects in the GRI subject list as duly meeting these criteria, and these aspects were selected as material aspects for our reporting purposes.

3. VALIDATION

Data collection practices for the identified material aspects were reviewed and defined. These aspects are listed together with a detailed description of the respective aspect boundaries and data collection practices in table

G4-19–21. Aspect boundaries for the identified material aspects were defined to reflect whether the impacts occur within or outside of entities owned by Kemira. According to Kemira's consolidation rules, all entities owned by the company for at least 6 months are included.

The identified material aspects provide a balanced representation of Kemira's corporate responsibility focus areas, which are: Responsible business practices; Sustainable products and solutions; Responsibility towards our employees; Responsible supply chain; Responsible manufacturing; and Responsibility towards the local communities where we operate.

4. REVIEW

Our Management Board annually discusses and approves our corporate responsibility performance and targets.

G4-19–21 IDENTIFIED MATERIAL ASPECTS AND ASPECT BOUNDARIES

G4-19: Identified material aspects	G4-20: Aspect boundaries within Kemira	G4-21: Aspect boundaries outside Kemira	Data collection practices
CATEGORY: ECONOMIC			
• Economic performance	Kemira's operations*		Data is extracted from Kemira's Enterprise Resource Planning (ERP) system and collected from Kemira consolidated companies. Consolidation on the Group level.
CATEGORY: ENVIRONMENT			
• Materials • Products and services • Transport	Kemira's operations as covered by our ERP**		Data is extracted from Kemira's ERP system and from R&D New Product Development process documentation.
• Energy (Scope 1 and 2) • Water • Emissions (Scope 1 and 2) • Effluents and waste • Compliance • Environmental expenses and investments	Kemira's manufacturing sites***		Data is collected from each production site and consolidated on the Group level.
• Emissions (Scope 3)		Kemira value chain from suppliers to customers	Data is collected from Kemira's ERP system and the relevant organizational units. Default data and assumptions are as in the WBCSD Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain.
• Supplier Environmental Assessments		Suppliers	Harmony Contract Management Tool used to track suppliers' signing of Code of Conduct for Suppliers, Agents and Distributors. Ecovadis database for supplier sustainability assessment.
• Environmental Grievance Mechanism	Kemira's operations*	External stakeholders	Kemira's Compliance and Ethics Hotline. External notifications collected from Sustainability@Kemira.com
CATEGORY: SOCIAL			
Labor practices and decent work			
• Employment • Labor/management relations • Occupational health and safety**** • Training and education • Diversity and equal opportunity • Equal remuneration for women and men	Kemira's operations*		HR data management system. To some extent Kemira uses workers and employees who are supervised by our contractors, but the related information is managed locally at respective sites and not collected and consolidated globally
• Supplier Assessments for Labor Practices		Suppliers	Harmony Contract Management Tool used to track suppliers' signing of Code of Conduct for SDA
• Labor Practices Grievance Mechanism	Kemira's operations*	External stakeholders	Kemira's Compliance and Ethics Hotline.
Human rights			
• Non-discrimination • Freedom of association and collective bargaining • Human Rights Assessments	Kemira's operations*		Notifications through Compliance & Ethics Hotline and sustainability@kemira.com
• Supplier Human Rights Assessments		Suppliers	Harmony Contract Management Tool used to track suppliers' signing of Code of Conduct for SDA.
• Human Rights Grievance Mechanism	Kemira's operations*	External stakeholders	Kemira's Compliance and Ethics Hotline. External notifications collected from Sustainability@Kemira.com
Society			
• Local communities • Anti-corruption • Public policy • Anti-competitive behavior • Compliance	Kemira's operations*		Data is collected from each region, from Kemira's legal archive, and through notifications from Kemira's Compliance and Ethics Hotline.
• Supplier Assessment for Impacts on Society		Suppliers	Harmony Contract Management Tool used to track suppliers' signing of Code of Conduct for SDA.
• Grievance Mechanism for Impacts on Society	Kemira's operations*	External stakeholders	Kemira's Compliance and Ethics Hotline. External notifications collected from Sustainability@Kemira.com
Product responsibility			
• Customer health and safety • Product and service labeling • Marketing communication • Compliance	Kemira's operations covered by ERP		Data is extracted from Kemira's ERP system, from R&D New Product Development process documentation, and from Kemira's legal archives.

* Kemira's operations = All operations covered by Kemira's consolidation rules

** Kemira's operations covered by ERP = All operations covered by both Kemira's consolidation rules and the company's Enterprise Resource Planning (ERP)

*** Kemira's manufacturing sites = All manufacturing sites covered by Kemira's consolidation rules.

**** Occupational health & safety: total recordable incident (TRI) figures also cover contractors working at Kemira sites

G4-22: EFFECTS OF ANY RESTATEMENTS OF INFORMATION PROVIDED IN PREVIOUS REPORTS, AND THE REASONS FOR SUCH RESTATEMENTS

There is a major restatement for Scope 3 due to more accurate information available in 2015. For more detailed information see G4-EN17 footnote 1.

G4-23: SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE AND ASPECT BOUNDARIES

The integration of the paper chemicals business acquired from AkzoNobel to Kemira was the main change in 2015. Five of the six manufacturing sites acquired from AkzoNobel were consolidated with Kemira, one site was closed. Additionally one site in North America was closed.

4.3 REPORT PROFILE

G4-28: REPORTING PERIOD

The reporting period is from 1 January to 31 December 2015.

G4-29: DATE OF THE MOST RECENT PREVIOUS REPORT

Kemira's previous Corporate Responsibility Report 2014 was published on 26 February 2015.

We have reported on Kemira's environmental performance since the early 1990s. Prior to 2010, we used the Responsible Care Reporting Guidelines of the European Chemical Industry Council (CEFIC) as a reporting framework. The first sustainability report prepared according to the GRI guidelines was published for the reporting year 2011. Comparable reports for the years 2003–2014 are available on Kemira's website www.kemira.com.

G4-30: REPORTING CYCLE

Kemira's corporate responsibility report and financial statements are published annually by calendar year.

G4-31: CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

If you have any questions regarding this report or its contents, please do not hesitate to contact Kemira's Communications and Corporate Responsibility.

5 GOVERNANCE

Complementary information on Kemira's corporate governance is available in the Corporate Governance Statement of the Annual Report 2015.

GOVERNANCE STRUCTURE AND COMPOSITION

G4-34: GOVERNANCE STRUCTURE OF THE ORGANIZATION, INCLUDING COMMITTEES OF THE HIGHEST GOVERNANCE BODY

Kemira's governance structure is described in the Corporate Governance Statement of the Annual Report 2015.

G4-35: REPORT THE PROCESS FOR DELEGATING AUTHORITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS FROM THE HIGHEST GOVERNANCE BODY TO SENIOR EXECUTIVES AND OTHER EMPLOYEES.

Kemira's operative organization consist of segments and functions. While the segments have a strategic role, Kemira's global functions are responsible for developing policies, processes, guidelines and tools related to their respective functional areas on a global basis. They oversee that such policies and processes are adopted and implemented throughout the company. In particular, Finance & Administration function is responsible for economic topics, Projects & Manufacturing Technology function is responsible for environmental topics and Communications & Corporate Responsibility function is responsible for social topics. The heads of these three functions report to the CEO & President of Kemira who, in turn, reports to the Board of Directors, being the highest governance body.

G4-36: EXECUTIVE-LEVEL POSITIONS WITH RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

The CEO is ultimately accountable for sustainability and overall performance with regard to the corporate responsibility targets and reports directly to the Board of Directors.

Responsibilities for the individual targets are shared between the members of the Management Board (MB), as outlined below. Segments and functions are responsible for implementation and driving performance.

Areas of accountability	Title
<ul style="list-style-type: none"> Responsible business practices Ethics and compliance 	Group General Counsel (not a member of the MB, but reports directly to CEO and is a secretary of the Board of Directors and the MB)
<ul style="list-style-type: none"> Economic impact (Tax policy, Dividend policy) 	Chief Financial Officer
<ul style="list-style-type: none"> Responsible sourcing Climate Change (Scope 2) Sustainable products and solutions: Product stewardship 	EVP, Operational Excellence
<ul style="list-style-type: none"> Energy efficiency Climate Change (Scope 1) EHSQ – Safety related target 	EVP, Projects & Manufacturing Technology
<ul style="list-style-type: none"> Leadership and employee engagement related targets 	EVP, Human Resources
<ul style="list-style-type: none"> Sustainable products and solutions: Innovation 	Chief Technology Officer
<ul style="list-style-type: none"> Local community engagement Corporate responsibility function 	SVP, Communications & Corp. Responsibility (reporting directly to CEO, not a member of the Management Board)

G4-37: PROCESSES FOR CONSULTATION BETWEEN STAKEHOLDERS AND THE HIGHEST GOVERNANCE BODY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

As a listed company, Kemira can disclose information to the market in alignment with Kemira Oyj's corporate governance, which is based on the rules of the Articles of Association, the Finnish Limited Liability Companies Act (in Finnish: osakeyhtiölaki) and the rules and regulations applicable to companies listed on the NASDAQ OMX Nordic. Furthermore, Kemira complies with the Finnish Corporate Governance Code which is publicly available at www.cgfinland.fi. All information that is likely to materially influence the valuation of a listed company must be published in such a manner that the information reaches all market participants simultaneously.

Kemira's general meeting of shareholders is held at least once a year. Shareholders have the right to demand a matter that falls within the competence of the general meeting by virtue of the Limited Liability Companies Act to be included in the agenda. The shareholders also have the right to ask questions from the members of the Board of Directors, the CEO and the auditor during the general meeting.

Institutional and private shareholders engage directly with the CEO, CFO and Kemira's Investor Relations. The Head of Investor Relations reports to the Chief Financial Officer. In 2015, Kemira's Investor Relations hosted approximately 32 roadshow days and 200 individual meetings with portfolio managers and other representatives in several countries.

The employee survey results are reported to the Board of Directors' Committee Personnel and Remuneration and to the Board of Directors. Other topics relating to stakeholder relations are reported to the Board of Directors only when material issues are revealed.

G4-38: COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES

The composition of Kemira's highest governance body and its committees is described in the Corporate Governance Statement of the Annual Report 2015 in the Board of Directors section. Diversity matters regarding the Board of Directors are reported in indicator G4-LA12.

G4-39: STATUS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The tasks and duties of the Chairman are laid out in the Kemira Oyj's Charter of the Board of Directors. The Chairman of the Board of Directors is a non-executive officer. The Charter of the Board of Directors is available online at www.kemira.com -> Investors -> Corporate Governance -> Group Management -> Board of Directors -> Kemira Board of Directors Charter.

G4-40: NOMINATION AND SELECTION PROCESSES FOR THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES, AND THE CRITERIA USED FOR NOMINATING AND SELECTING HIGHEST GOVERNANCE BODY MEMBERS

The 2012 Annual General Meeting (AGM) decided to establish a Nomination Board, consisting of shareholders or representatives of shareholders, to prepare an annual proposal for the next AGM regarding the composition and remuneration of the Board of Directors.

The Nomination Board consists of representatives of Kemira Oyj's four largest shareholders, based on the situation on August 31 preceding the AGM. The Chairman of Kemira Oyj's Board of Directors acts as an expert member. The authority, composition and responsibilities of the Nomination Board are laid out in the Kemira Nomination Board Charter. The Charter of the Nomination Board is available on-line at www.kemira.com -> Investors -> Corporate governance -> Group Management -> Nomination Board -> Kemira Nomination Board Charter.

Kemira complies with the Finnish Corporate Governance Code (www.cgfinland.fi) and follows its recommendations for criteria used in selecting the members of the Board, including independence, competence and diversity.

G4-41: PROCESSES IN PLACE TO AVOID AND MANAGE CONFLICTS OF INTEREST

The main tasks and duties of the Board of Directors and Board Committees are defined in the Kemira Oyj's Charter of the Board of Directors.

The Finnish Corporate Governance Code defines the evaluation of the independence of the Board of Directors and obliges the directors to provide the Board with sufficient information that allows the Board to evaluate their qualifications and independence, and notify the Board of any changes in such information.

The Finnish Corporate Governance Code and Kemira Oyj's Charter of the Board of Directors define that the members of the Audit Committee are non-executive directors who are independent of the company and at least one member shall be independent of significant shareholders and the members of the Personnel and Remuneration Committee are non-executive directors the majority of which shall be independent of the company.

All Board members are independent of the company except Dr. Wolfgang Büchele who is the former CEO of Kemira. The Board members are also independent of the major shareholders of the company, except Chairman Jari Paasikivi. Jari Paasikivi is the CEO of Oras Invest Oy, which owns 18.2% of Kemira Oyj's shares.

The related parties, transactions and disclosure of related parties and transactions are defined in the Kemira Group Related Party Policy. Related party information is disclosed in the Consolidated Financial Statements, Note 32, as required by the International Financial Reporting Standards (IFRS). As stated in the company's Code of Conduct, all Kemira employees, as well as the Board of Directors, must recognize and avoid conflicts of interest and must always disclose any potential or actual conflict of interest in accordance with applicable Kemira policies.

ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY

G4-42: THE HIGHEST GOVERNANCE BODY'S AND SENIOR EXECUTIVES' ROLES IN THE DEVELOPMENT, APPROVAL, AND UPDATING OF THE ORGANIZATION'S PURPOSE, VALUE OR MISSION STATEMENTS, STRATEGIES, POLICIES, AND GOALS RELATED TO ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS

The general meeting of shareholders, the Board of Directors and the Managing Director (President & CEO) are responsible for Kemira's management and operations. Their tasks are defined based on the Finnish Limited Liability Companies Act and Kemira Oyj's Articles of Association. Kemira Oyj's Charter of the Board of Directors lays out that the Board of Directors shall establish the long-term goals of the company and the main strategies for achieving them, approve the Annual Business Plan/Budget and define and approve key corporate policies in key management control areas like risk management, financial control, financing, internal control, information security, corporate communications, human resources, ethical values and environment. The Board of Directors approves the interim reports and financial statements as well as the corporate responsibility report.

The Managing Director (President & CEO) is responsible for managing and developing the company and the Kemira Group in accordance with the instructions and rules issued by the Board of Directors.

The Management Board is responsible for securing the long-term strategic development of the company. The

Management Board also approves the company's policies and corporate responsibility targets.

COMPETENCIES AND PERFORMANCE EVALUATION

G4-43: REPORT THE MEASURES TAKEN TO DEVELOP AND ENHANCE THE HIGHEST GOVERNANCE BODY'S COLLECTIVE KNOWLEDGE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

The Board of Directors approves interim reports, including quarterly status updates on corporate responsibility targets, as well as the corporate responsibility report. The Board is also informed about the results of the employee surveys, and regularly reviews Kemira's EHSQ updates.

G4-44: PROCESSES AND ACTIONS TAKEN WITH REGARD TO HIGHEST GOVERNANCE BODY'S PERFORMANCE

Annual self-assessment of Board work and performance is laid out in the Kemira Oyj's Charter of the Board of Directors. The assessment covers issues and trends affecting the company, including governance of economic topics. The resulting action plans are presented to the Nomination Board.

ROLE IN RISK MANAGEMENT

G4-45: HIGHEST GOVERNANCE BODY'S ROLE IN THE IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS, AND OPPORTUNITIES

Risks and opportunities are identified in Kemira's strategy approved by the Board of Directors. Strategy review is a continuous process at Kemira. Early warning signals are presented to the Board of Directors once a month, covering information on the markets relevant to the company. A risk report based on the findings of the annual Enterprise Risk Management (ERM) process is annually presented to the Board of Directors.

G4-46: THE HIGHEST GOVERNANCE BODY'S ROLE IN REVIEWING THE EFFECTIVENESS OF THE ORGANIZATION'S RISK MANAGEMENT PROCESSES FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

Board of Directors/Audit Committee has the oversight responsibility for risk management and approves the Kemira Group Risk Management Policy and supervises the implementation of risk management.

Kemira's Internal Audit function reviews the results of the risk assessment processes annually for audit planning purposes. The risk management process is evaluated by the Internal Audit every three years.

G4-47: THE FREQUENCY OF THE HIGHEST GOVERNANCE BODY'S REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS, AND OPPORTUNITIES

The tasks and duties of the highest governance body are laid out in the Kemira Oyj's Charter of the Board of Directors. In 2015, the Board of Directors met 12 times.

ROLE IN SUSTAINABILITY REPORTING

G4-48: THE HIGHEST COMMITTEE OR POSITION THAT FORMALLY REVIEWS AND APPROVES THE ORGANIZATION'S SUSTAINABILITY REPORT AND ENSURES THAT ALL MATERIAL ASPECTS ARE COVERED

Kemira's corporate responsibility targets are approved by the Management Board and discussed annually with the Board of Directors. Performance against targets is publicly reported in Kemira's interim reports and the corporate responsibility report, which is part of the Annual report.

Kemira's corporate responsibility report is approved by the Board of Directors and assured by an external partner.

ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

G4-49: THE PROCESS FOR COMMUNICATING CRITICAL CONCERNS TO THE HIGHEST GOVERNANCE BODY

Critical concerns are communicated either directly to the Board of Directors or through the Audit Committee, which reviews the effectiveness of internal controls and risk

management. The CEO is responsible for risk management reporting to the Board of Directors.

Our employees have an obligation to raise concerns about possible misconduct against our Code of Conduct or policies. The first point of contact is the direct or relevant line manager or the Kemira Ethics & Compliance function.

We also have an Ethics and Compliance Hotline operated by an external service provider. It is available 24/7 for all Kemira employees to report suspected misconduct in their mother tongue, either by phone or an online form. The reported non-compliance issues are handled by Compliance Committee, which consists of Kemira Group General Counsel, Head of Internal Audit and Director, Ethics & Compliance. Compliance Committee may escalate critical concerns to the Audit Committee of the Board of Directors. Internal Audit reports all violations of Code of Conduct to the Audit Committee.

G4-50: NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS THAT WERE COMMUNICATED TO THE HIGHEST GOVERNANCE BODY AND THE MECHANISMS USED TO ADDRESS THEM

Litigations, if material, are reported in the Financial Statements in Note 30: Commitments and contingent liabilities, section "Litigation". Litigation cases above the threshold value EUR 100,000 are periodically reported to the Audit Committee.

All material violations against the Code of Conduct are reported to the Audit Committee. There were six reported cases in 2015. The Audit Committee reports the litigation and violation cases to the Board of Directors in each meeting. Non-compliance issues reported by Kemira employees are treated by the Compliance Committee, which reports to the Audit Committee.

REMUNERATION AND INCENTIVES

G4-51: EXECUTIVE-LEVEL COMPENSATIONS

Kemira's management remuneration is described in the Management Remuneration Statement which is included in the Corporate Governance Statement and published pursuant to the Finnish Corporate Governance Code.

BOARD OF DIRECTORS

Kemira's Annual General Meeting decides on the remuneration of the Board of Directors for one term of office at a time. According to the decisions of the Annual General Meeting 2015, the members of the Board of Directors are paid an annual fee, a separate fee per meeting and travelling expenses. In addition, the 2015 Annual General Meeting decided that the annual fee shall be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the Kemira shares and 60% is paid in cash. The shares were trans-

ferred to the members of the Board of Directors within two weeks after the release of Kemira's interim report January 1 – March 31, 2015. The members of the Board of Directors are not eligible for any cash bonus plans, share-based incentive plans or supplementary pension plans of Kemira Oyj. The remuneration fees are documented in the Management Remuneration Statement.

MANAGING DIRECTOR AND THE MANAGEMENT BOARD

The remuneration of the Managing Director (President & CEO), his Deputy and other members of the Management Board comprises of a monthly salary, benefits and performance-based incentives. The performance-based incentives consist of an annual cash bonus plan and a long-term share-based incentive plan. Neither the Managing Director nor the other members of the Management Board have a separate supplementary pension arrangement. A mutual termination notice period of six months applies to the Managing Director. The Managing Director is entitled to a separate severance pay for 12 months if the company decides to terminate his/her service contract for reasons not depending on the Managing Director. The remuneration fees and main principles of the performance-based incentive plans are described in the Management Remuneration Statement.

MANAGEMENT AND KEY PERSONNEL

Kemira has a share-based incentive plan established by the Board of Directors and targeted to the management and other key personnel. The sharebased incentive plan aims to align the goals of the shareholders and the strategic management in order to increase the value of the company, to motivate the strategic management and to provide them with competitive equity based incentives.

G4-52: PROCESS FOR DETERMINING REMUNERATION

The Annual General Meeting decides on the remuneration of the Board of Directors based on a proposal presented by the Nomination Board.

The Board of Directors determines the salaries, other remuneration and employment terms of the Managing Director and other members of the Management Board.

The targets set out in the annual cash bonus plan and the long-term share-based incentive plan for the management are determined annually by the Board of Directors.

The Board of Directors may use external, independent remuneration consultants when needed. Consultants have been used for example for defining the incentive plans described above.

The process for determining remuneration is also described in the Management Remuneration Statement published pursuant to the Finnish Corporate Governance Code.

G4-53: PROCESS FOR SEEKING STAKEHOLDER VIEWS REGARDING REMUNERATION

Shareholders' views regarding remuneration are taken into account in Kemira Oyj's Annual General Meeting (AGM). The AGM decides on matters within its competence under the Limited Liabilities Companies Act and the Articles of Association, including the election of the Chairman, Vice Chairman and other members of the Board of Directors and their remuneration, and the election of the auditor and the auditor's fees.

6 ASSURANCE REPORT

INDEPENDENT LIMITED ASSURANCE REPORT

G4-33: POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING EXTERNAL ASSURANCE FOR THE REPORT

Information on the organization's policy and current practice with regard to external assurance can be found in the Assurance statement.

TO THE BOARD OF DIRECTORS OF KEMIRA OYJ

We have been engaged by Kemira Oyj (hereafter Kemira) to provide a limited assurance on Kemira's corporate responsibility information for the reporting period of January 1, 2015 to December 31, 2015. The information subject to the assurance engagement is the Kemira GRI Report and pages 2-L9 of the Kemira Business Report (hereafter: Responsibility Information).

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation of the Responsibility Information in accordance with the reporting criteria as set out in Kemira's reporting principles and the Sustainability Reporting Guidelines (G4 Core) of the Global Reporting Initiative. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Responsibility Information that are free from material misstatement, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. The scope of the Responsibility Information depends on Kemira's Corporate Responsibility focus areas and as well as the reporting principles which are set out on pages 54–55 of the GRI Report.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Responsibility Information based on our engagement. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) to provide limited assurance on performance data and statements within the Responsibility 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 Responsibility Information has not been prepared, in all material respects, in accordance with the Reporting criteria.

We did not perform any assurance procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Responsibility Information. Consequently, we draw no conclusion on the prospective information. Our assurance report is made in accordance with the terms of our engagement with Kemira. We do not accept or assume responsibility to anyone other than Kemira for our work, for this assurance report, or for the conclusions we have reached.

A limited assurance engagement with respect to responsibility related data involves performing procedures to obtain evidence about the Responsibility Information. The procedures performed depend on the practitioner's judgment, but their nature is different from, and their extent is less than, a reasonable assurance engagement. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our procedures on this engagement included:

- Conducting interviews with senior management responsible for corporate responsibility at Kemira to gain an understanding of Kemira's targets for corporate responsibility as part of the business strategy and operations;
- Reviewing internal and external documentation to verify to what extent these documents and data support the information included in the Responsibility Information and evaluating whether the information presented in the Responsibility Information is in line with our overall knowledge of corporate responsibility at Kemira;
- Conducting interviews with employees responsible for the collection and reporting of the Responsibility Information and reviewing of the processes and systems for data gathering, including the aggregation of the data for the Responsibility Information;
- Performing analytical review procedures and testing data on a sample basis to assess the reasonability of the presented responsibility information;
- Performing site visits in Atlanta and Mobile in the U.S. and Dormagen in Germany to review compliance to reporting policies, to assess the reliability of the responsibility data reporting process as well as to test the data collected for responsibility reporting purposes on a sample basis; and
- Assessing that the Responsibility Information has been prepared in accordance with the Sustainability Reporting Guidelines (G4 Core) of the Global Reporting Initiative.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OUR INDEPENDENCE AND COMPETENCES IN PROVIDING ASSURANCE TO KEMIRA

We complied with Deloitte's independence policies which address and, in certain cases, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants in their role as independent auditors and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the report. We have maintained our independence and objectivity throughout the year and there were no events or prohibited services provided which could impair our independence and objectivity. This engagement was conducted by a multidisciplinary team including assurance and sustainability expertise with professional qualifications. Our team is experienced in providing sustainability reporting assurance.

CONCLUSION

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4 Core) of the Global Reporting Initiative or that the Responsibility Information is not reliable, in all material respects, with regard to the Reporting criteria.

Helsinki 11.2.2016
Deloitte & Touche Oy

Jukka Vattulainen
Authorized Public
Accountant

Lasse Ingström
Authorized Public
Accountant

7 GRI CONTENT INDEX

BR = Business Report

GRI = GRI report

GS = Corporate Governance Statement

FS = Financial Statements

- The report is prepared in accordance with the GRI-G4 Core option.
- Communication on Progress (COP) of the UN Global Compact at Global Compact Active level using the GRI G4 reporting principles.

GENERAL STANDARD DISCLOSURES

Standard disclosures		Location in the Annual Report (pp)	UN Global Compact Principles
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision maker of the organization about relevance of sustainability to the organization and its strategy	BR 4–6, 12	Commitment to GC
G4-2	Key impacts, risks and opportunities	BR 10–11 GRI 4–6, 54–56	
ORGANIZATIONAL PROFILE			
G4-3	Name of the reporting organization	Kemira Oyj	
G4-4	Primary brands, products and services	BR 20–31	
G4-5	Location of organization's headquarters	Helsinki, Finland	
G4-6	Countries of operation	BR 2–3, 18–19	
G4-7	Nature of ownership and legal form	BR 2–3	
G4-8	Markets served with geographic breakdown	BR 2–3	
G4-9	Scale of the reporting organization	BR 2–3, FS Balance Sheet	
G4-10	Workforce structure by employment type, gender and region	GRI 41	Principle 6
G4-11	Employees covered by collective bargaining agreements	GRI 42	Principle 3
G4-12	Description of organization's supply chain	GRI 19–20	
G4-13	Significant changes during the reporting period	GRI 54, FS Note 33	
G4-14	Position regarding the precautionary principle and its application	GS: Risk section	
G4-15	Adherence to charters, principles and other external initiatives	BR 6, GRI 6	
G4-16	Memberships of associations and advocacy organizations	GRI 5	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statements	GRI 54	
G4-18	Process for determining the report content	GRI 54–55	
G4-19	Material Aspects identified in the process for defining report content	GRI 56	
G4-20	Boundaries of material aspects within the organization	GRI 56	
G4-21	Boundaries of material aspects outside the organization	GRI 56	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	GRI 57	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	GRI 57	

GENERAL STANDARD DISCLOSURES

Standard disclosures		Location in the Annual Report (pp)	UN Global Compact Principles
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organization.	GRI 4–5	
G4-25	Basis for identification and selection of stakeholders	GRI 4–5	
G4-26	Organization's approach to stakeholder engagement	GRI 4–5	
G4-27	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns	GRI 4–5	
REPORT PROFILE			
G4-28	Reporting period for the information provided	GRI 57	
G4-29	Date of the most recent previous report	GRI 57	
G4-30	Reporting cycle	GRI 57	
G4-31	Contact point for questions regarding the report or its contents	GRI 57	
G4-32	GRI content index. Table identifying the location of the Standard Disclosures in the report	GRI 64–70	
G4-33	Policy and practice with regard to seeking external assurance for the report	GRI 62	
GOVERNANCE AND ETHICS			
GOVERNANCE			
Governance Structure and Composition			
G4-34	Governance structure of the organization	GRI 58	
G4-36	Executive-level position with responsibility for economic, environmental and social topics	GRI 58	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	GRI 58	
G4-38	Composition of the highest governance body and its committees	GRI 59	
G4-39	The role of the Chairman of the Board of Directors	GRI 59	
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	GRI 59	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	GRI 59	
Role in Setting Purpose, Values, and Strategy			
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impact	GRI 59	
Competencies and Performance Evaluation			
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	GRI 60	
G4-44	Process for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	GRI 60	
Role in Risk Management			
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	GRI 60	
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	GRI 60	
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	GRI 60	

GENERAL STANDARD DISCLOSURES

Standard disclosures		Location in the Annual Report (pp)	UN Global Compact Principles
Role in Sustainability Reporting			
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	GRI 60	
Role in Evaluating Economic, Environmental and Social Performance			
G4-49	Process for communicating critical concerns to the highest governance body	GRI 60	
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	GRI 61	
Remuneration and Incentives			
G4-51	The remuneration policies for the highest governance body and senior executives	GRI 61	
G4-52	The process for determining remuneration	GRI 61	
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	GRI 62	
ETHICS AND INTEGRITY			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	GRI 10–11	Principle 10
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	GRI 10–11	Principle 10
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	GRI 10–11	Principle 10

SPECIFIC STANDARD DISCLOSURES

GENERIC DISCLOSURES ON MANAGEMENT APPROACH

For Kemira's Description of Management Approach (DMA), please see:

- Corporate responsibility, GRI pp. 6–9
- Focus areas, GRI pp. 6–26
- Economic impact, GRI pp. 29–30
- Governance, GRI pp. 58–62

SPECIFIC STANDARD DISCLOSURES

Performance indicators		Location in the Annual Report (pp)	UN Global Compact Principles
ECONOMIC PERFORMANCE INDICATORS			
Material Aspect: Economic Performance			
G4-EC1	Direct economic value generated and distributed	GRI 29–30	
G4-EC3	Coverage of the organization's defined benefit plan obligations	GRI 30	
G4-EC4	Financial assistance received from government	GRI 30	
ENVIRONMENTAL PERFORMANCE INDICATORS			
Material Aspect: Materials			
G4-EN1	Materials used by weight or volume	GRI 31	Principle 7, 8
G4-EN2	Percentage of materials used that are recycled input materials	GRI 31	Principle 8
Material Aspect: Energy			
G4-EN3	Energy consumption within the organization	GRI 32	Principle 7, 8
G4-EN5	Energy intensity	GRI 32	Principle 8
G4-EN6	Reduction of energy consumption	GRI 32	Principle 8, 9
Material Aspect: Water			
G4-EN8	Total water withdrawal by source	GRI 33	Principle 7, 8
G4-EN10	Percentage and total volume of water recycled and reused	GRI 34	Principle 8
Material Aspect: Emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	GRI 34	Principle 7, 8
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	GRI 34	Principle 7, 8
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	GRI 34–35	Principle 7, 8
G4-EN18	Greenhouse gas (GHG) emissions intensity	GRI 34	Principle 8
G4-EN19	Reduction of greenhouse gas (GHG) emissions	GRI 34	Principle 8, 9
G4-EN20	Emissions of ozone-depleting substances (ODS)	GRI 36	Principle 7, 8
G4-EN21	NOX, SOX, and other significant air emissions	GRI 36	Principle 7, 8
Material Aspect: Effluents and Waste			
G4-EN22	Total water discharge by quality and destination	GRI 36	Principle 8
G4-EN23	Total weight of waste by type and disposal method	GRI 37	Principle 8
G4-EN24	Total number and volume of significant spills	GRI 37	Principle 8
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention (2) Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	GRI 37	Principle 8
Material Aspect: Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	GRI 38	Principle 7, 8, 9
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	GRI 38	Principle 8
Material Aspect: Environmental compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI 39	Principle 8
Material Aspect: Transport			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	GRI 39	Principle 8
Material Aspect: Overall environmental spend			
G4-EN31	Total environmental protection expenditures and investments by type	GRI 40	Principle 7, 8, 9
Material Aspect: Supplier Environmental Assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	GRI 40	Principle 8
Material Aspect: Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	GRI 40	Principle 8

SPECIFIC STANDARD DISCLOSURES

Performance indicators		Location in the Annual Report (pp)	UN Global Compact Principles
SOCIAL PERFORMANCE INDICATORS			
LABOR PRACTICES AND DECENT WORK			
Material Aspect: Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI 42	Principle 6
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	GRI 44	
Material Aspect: Labor/Management Relations			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	GRI 44	Principle 3
Material Aspect: Occupational Health and Safety			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	GRI 44	
Material Aspect: Training and Education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	GRI 44	Principle 6
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	GRI 45	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	GRI 45	Principle 6
Material Aspect: Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	GRI 46	Principle 6
Material Aspect: Equal Remuneration for Women and Men			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	GRI 47	Principle 6
Material Aspect: Supplier Assessment for Labor Practices			
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	GRI 47	
Material Aspect: Labor Practices Grievance Mechanisms			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	GRI 47	
HUMAN RIGHTS			
Material Aspect: Non-discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	GRI 48	Principle 6
Material Aspect: Freedom of Association and Collective Bargaining			
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	GRI 48	Principle 3
Material Aspect: Assessment			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	GRI 48	Principle 1
Material Aspect: Supplier Human Rights Assessment			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	GRI 48	Principle 2
Material Aspect: Human Rights Grievance Mechanisms			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	GRI 49	Principle 1

SPECIFIC STANDARD DISCLOSURES

Performance indicators		Location in the Annual Report (pp)	UN Global Compact Principles
SOCIETY			
Material Aspect: Local Communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	GRI 49	Principle 1
G4-SO2	Operations with significant actual and potential negative impacts on local communities	GRI 49	Principle 1
Material Aspect: Anti-corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	GRI 50	Principle 10
G4-SO4	Communication and training on anti-corruption policies and procedures	GRI 50	Principle 10
G4-SO5	Confirmed incidents of corruption and actions taken	GRI 50	Principle 10
Material Aspect: Public Policy			
G4-SO6	Total value of political contributions by country and recipient/beneficiary	GRI 50	Principle 10
Material Aspect: Anti-competitive Behavior			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	GRI 50	
Material Aspect: Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI 50	
Material Aspect: Supplier Assessment for Impacts on Society			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	GRI 50	
Material Aspect: Grievance Mechanisms for Impacts on Society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	GRI 51	
PRODUCT RESPONSIBILITY			
Material Aspect: Customer Health and Safety			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	GRI 52	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	GRI 52	
Material Aspect: Product and Service Labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	GRI 52	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	GRI 53	
Material Aspect: Marketing Communications			
G4-PR6	Sale of banned or disputed products	GRI 53	
Material Aspect: Product compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	GRI 53	