Corporate Responsibility

Kemıra

Where water
meets chemistry™

Contents

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Preparing for growth as a water pure-play

The year 2013 was an important milestone for us – we accomplished a significant repositioning of the company to become a profitable water pure-play. We sharpened our existing strategy, and made choices regarding the role of businesses, geographical reach, growth and innovation. All of the choices reflect and support our strategy. Kemira has a unique strategy to provide chemicals for businesses related to water quality and quantity management. We help our customers improve their water, energy and raw material efficiency.

Kemira's year 2013 was marked by launching the sharpened strategy followed by numerous actions to implement it. We divested several of our non-core businesses: our share in the Sachtleben joint venture, ChemSolutions' formic acid business and our coagulants business in Brazil. On the other hand, we acquired key polymer assets and competencies through the 3F acquisition as well as strengthened our position in the North American pulp and paper market by acquiring Soto industries. Towards the end of 2013, we also strengthened our asset footprint by finalizing our new Nanjing facility in China, and our Dormagen coagulant plant in Germany. These will help us to strengthen our position in the Chinese paper markets, and in sustaining our leadership position in the municipal and industrial water treatment market in EMEA.

EFFICIENCY IMPROVEMENTS REDUCING COMPLEXITY

We have worked hard on achieving a strong balance sheet and advancing towards the target profitability, and have made good progress due to a variety of efficiency measures. In 2012, we set a target of achieving EUR 60 million cost savings through the restructuring program Fit for Growth by the end of 2014, and we are progressing as planned. Fit for Growth measures have significantly reduced complexity, reduced our fixed cost base and strengthened our balance sheet in 2013. Beyond Fit for Growth, we improved our internal efficiency by

establishing a Business Service Center in Gdansk, Poland in order to benefit from process harmonization and centralization. In addition, we implemented a new business model based on customer segmentation in Municipal & Industrial.

We also continued implementing the Lean management philosophy, which drives us towards a learning organization. Through a Lean culture, we strive for continuous improvement through processes efficiency and waste reduction – waste in this context meaning unnecessary resources, bureaucracy and unproductive time. Furthermore, the optimization of our manufacturing network resulted in 18 site and 2 production plant closures or divestments.

SALES VOLUME GROWTH AND IMPROVED PROFITABILITY

In 2013, our organic revenue growth reached 3%, driven by higher sales volumes in the Paper segment. In Oil & Mining, revenue in local currencies remained flat as recovered polymer sales volumes, especially in North America, were offset by continued market softness, which was specifically related to process chemicals used in the mining industry. The revenue of Municipal & Industrial was partly impacted by the implementation of a new business model, targeting to improve the segment's profitability. Our operative EBIT increased 6% in 2013 driven by higher sales volumes and fixed costs savings related to the "Fit for

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Growth" restructuring program. Our operative ROCE (Return On Capital Employed) improved significantly to 11.9% (10.0%) during the year. In addition, we generated over EUR 200 million of cash flow from the operative activities and reduced net debt by some 15% to EUR 456 million (532).

Kemira will continue to focus on improving its profitability and reinforcing the positive cash flow. The company will also continue to invest in order to secure future growth in water quality and quantity management related businesses – a market where Kemira's R&D expertise provides differentiation capabilities. The need to increase operational efficiency in our customer industries creates opportunities for us to develop new products, and offer solutions for both existing and potential customers.

CORPORATE RESPONSIBILITY ADOPTED AS A CORE ELEMENT IN ALL AREAS OF BUSINESS

Corporate responsibility and transparency are vital for a global organization, which is also seen as increased stakeholder expectations. It has become an elemental part of our management discussions, touching upon all areas of business.

In September 2013, we reviewed our corporate responsibility focus areas by conducting a stakeholder survey, which was used as the basis for defining our future development areas. During the year, we also started to evaluate our corporate responsibility performance against set targets and reporting on the progress in quarterly interim reports, which increases the transparency and traceability of our efforts. We have also successfully developed our reporting according to international frameworks and standards, and achieved a top position this year in Carbon Disclosure Project's Nordic 260 Climate Disclosure Leadership Index. In addition, we decided to follow the Global Reporting Initiative's (GRI) G4 sustainability reporting guidelines as one of the first companies in Finland.

From a customer and product responsibility point of view, we have made good progress in creating even more sustainable products, which is increasingly a requirement from our customers. Furthermore, Kemira's products and solutions enable our customers to improve their own water, energy and raw material efficiency, which provides us with business opportunities as the environmental norms and standards continue to tighten globally.

As for Kemira, we follow the chemical industry legislation closely to stay on par with the most recent regulations, which is developing rapidly not only in the EU and North America, but in the emerging markets as well.

For 2014, we have revised our corporate responsibility targets and key performance indicators which will help us measure our progress and maintain our ambition for continuous improvement. We have set ourselves targets and KPIs for all defined focus areas, such as responsible business conduct, supply chain and our employees. This report provides insight into our progress on the defined focus areas as well as our commitment to creating shared value to our stakeholders.

FUTURE GROWTH ENABLED BY EMPLOYEE INPUT

From an organizational perspective, the repositioning of Kemira is now almost finished, and our concentration is once again turned on growth. However, achieving growth would not be possible without the invaluable input of our employees. It was a challenging year for all, bringing substantial changes. I would like to thank our employees of their great and dedicated contribution.

In addition to thanking all our employees, I would like to acknowledge our shareholders for their trust. Clearly, from a shareholder's perspective, we continue to be a reliable investment, and are striving to constantly increase our shareholder return. Our ambitious journey towards becoming an industry and technology leader in chosen target markets will continue also under the leadership of Kemira's next CEO, Jari Rosendahl.

Our business

Kemira is a global chemicals company serving customers in water-intensive industries. We provide expertise and chemicals that improve our customers' water, energy and raw material efficiency.

Kemira is a global company focusing on pulp & paper, oil & gas, mining and water treatment. Our objective is to achieve above-the-market growth through our competent employees, high-performing organization, product and service innovations and further strengthened presence in mature and selected emerging markets.

In 2013, Kemira had annual revenue of EUR 2,229 million and 4,453 employees. Headquartered in Helsinki, we have operations in approximately 40 countries and sales to more than 120 countries. Kemira shares are listed on the NASDAQ OMX Helsinki Stock Exchange.

KEMIRA'S SEGMENTS

Kemira's business is organized into three customer based segments operating in the Water Quality and Quantity Management (WQQM) market: Paper, Oil & Mining and Municipal & Industrial. In 2013, Kemira divested the core assets of its fourth segment ChemSolutions, and the closing is expected in the first quarter of 2014. After closing the transaction, the ChemSolutions segment will be discontinued.

Paper

Kemira's Paper segment has unique expertise in applying chemicals and supporting pulp & paper producers to innovate and constantly improve their operational efficiency. We develop and commercialize new products to fulfil customer needs and to ensure the leading portfolio of products and services for paper wet-end, focusing on growth especially in packaging and board as well as tissue. We leverage our strong pulp & paper application portfolio

in North America and EMEA and increase focus on China, Indonesia and Brazil.

Kemira is a technology and market leader in paper wet-end chemistry. The demand for chemicals, especially sizing and strength chemicals, is growing, which is partly due to pulp and paper industry trends: increased use of recycled fibers, lightweighting of packaging and board and using hardwood instead of softwood in virgin pulp. Reducing water and energy consumption in production continues to be an industry trend, for which we can provide expertise and chemistry that improves the customers' process efficiency.

Oil & Mining

Kemira's Oil & Mining segment provides a unique combination of innovative chemicals and application knowledge that improves process efficiency and yield in oil, gas and metals recovery. We use our in-depth understanding of extraction processes to tailor solutions for water management and re-use. Expanding from our position in North America and EMEA, we continue to build a strong base for growth in selected countries in South America, Middle East and Africa.

We target growth across all our main differentiated product lines: high oil price spurres demand for identifying new sources, and increased wet and dry shale fracking increases demand for our polymer products, especially in North America. At the same time, declining ore assays require improved processing and the increasing environmental demands are accelerating demand for wastewater treatment.

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Municipal & Industrial

Municipal & Industrial aims to be a leading water chemicals supplier for raw and waste water applications as well as for sludge treatment in EMEA and North America, and is capturing selected growth opportunities in the emerging markets. We enable our municipal and industrial customers to improve their water treatment efficiency by supplying them with competitive, high-performing products and value adding application support.

Kemira is a technology and market leader in raw and waste water as well as sludge treatment. Water reuse remains the most efficient solution to meet the increasing water demand, which is an important driver of business. The other main driver for raw, wastewater and sludge treatment chemicals is legislation and regulatory enforcements that determine the quality standards for treated water and sludge.

A GLOBAL 2.2 B€ WATER CHEMISTRY COMPANY

NAFTA
Revenue: 675.5 MEUR (30%)
Personnel: 1,281

Europe, Middle East and Africa
Revenue: 1,271.1 MEUR (57%)
Personnel: 2,595

South America
Revenue: 152.5 MEUR (7%)
Personnel: 237

Asia Pacific
Revenue: 130.0 MEUR (6%)
Personnel: 340
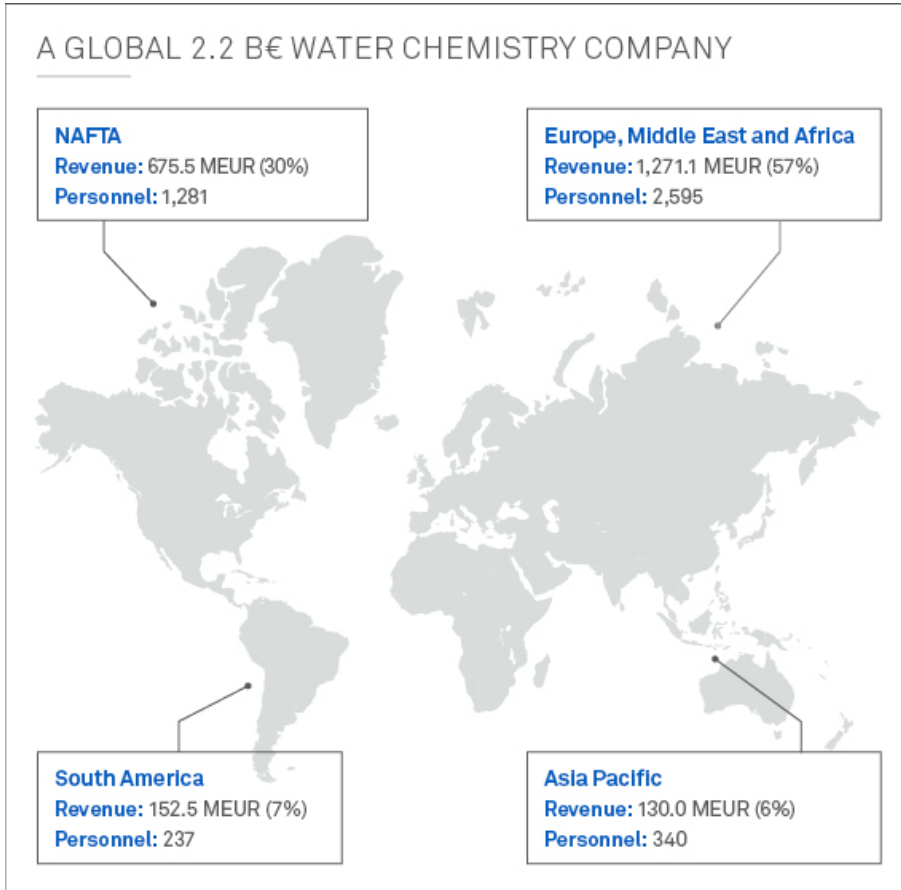
Note: As announced on January 30, 2014, Kemira's South America region will be consolidated into the North America region. The combined region will be renamed 'The Americas'.

Information about Kemira's R&D activities can be found in Our focus areas: Sustainable products and solutions.

Visit Kemira.com – Fennosan PFA, Kemira's microbiological control system for tissue paper making, was awarded at the Paper Industry Technical Association's innovation contest.

Visit Kemira.com – Kemira's Paper segment furnishes General Electric (GE) boiler and cooling water chemical product technologies to the pulp and paper industry.

Visit Kemira.com – Oil & Mining segment generates environmental benefits for customers through tailored solutions.

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– Municipal & Industrial segment's DesinFix chosen as the wastewater treatment solution in Berlin, Germany.

Kemira in 2013 > Our business > Economic responsibility

Economic responsibility

Sustainable organic growth, financial stability and target-oriented corporate responsibility work are the key elements in Kemira's management of economic responsibility.

Through all our operations we aim to secure Kemira's financial success and thus long-term value creation to our stakeholders. This can be achieved through implementing our long-term strategy, recognizing and managing risks and opportunities, as well as providing transparent information to our stakeholders.

VALUE DISTRIBUTED TO STAKEHOLDERS IN 2013

(EUR million)

2,268 (2,312)
Sales
Customers

Kemira

1,686 (1,736)
Purchases
Suppliers

327 (340)
Wages, salaries and social expenses
Employees

27 (30)
Taxes*
Public sector

113 (114)
Dividends and interests
Capital markets

* Income taxes paid.

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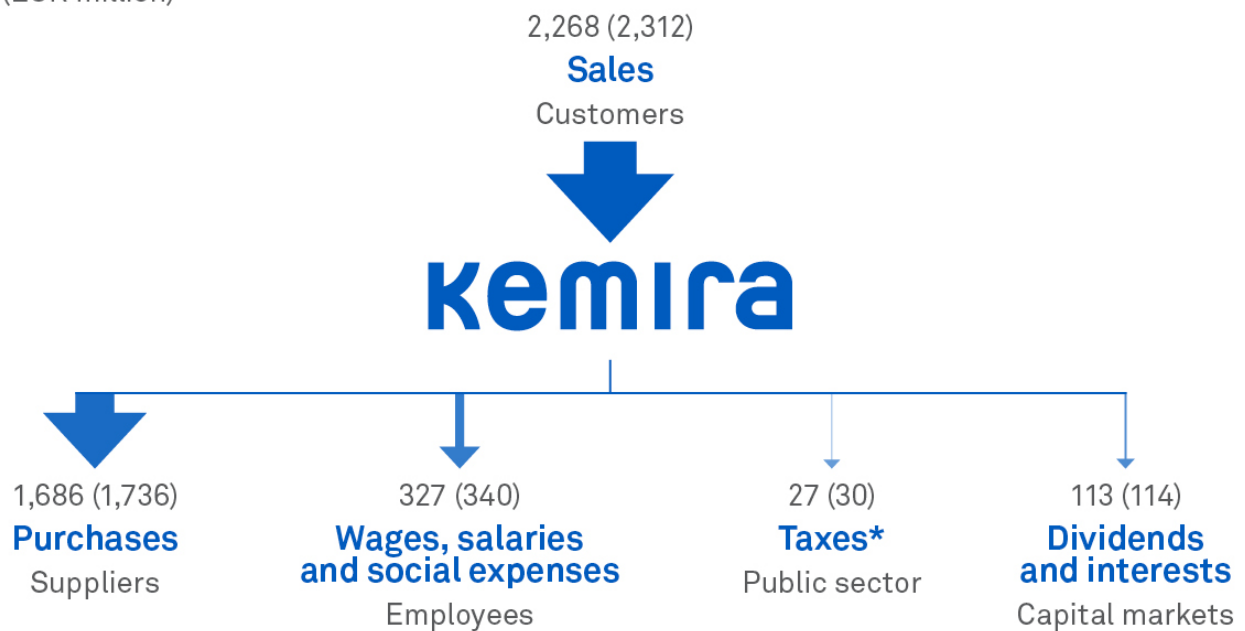
Kemira's economic impact			
EUR million	2013	2012	2011
Customers • Income from customers on the basis of products and services sold, and financial income	2,267.8	2.312.1	2,192.0
Suppliers • Payments to suppliers of raw materials, goods and services	-1,686.2	-1,736.5	-1.654.0
Employees • Wages, salaries and social expenses	-327.1	-340.4	-299.3
Investors • Interest paid and financial expenses, dividends	-112.8	-113.8	-101.4
Taxes*	-26.5	-30.2	-37.4
Capital expenditure on maintenance and improvement	-65.3	-75.6	-184.3
Deficit/Surplus	49.9	15.6	-84.4
Income from divesting assets	192.9	29.5	138.7
Capital expenditure on expansion and acquisitions	-132.2	-58.5	-16.9
Repayment of capital • Repayment of loans (-) and new loans (+)	-128.8	-37.4	66.9
Purchase of non-controlling interests		0	-13.2
Net change in cash	-18.2	-50.8	91

* Income taxes paid

RESPONSIBILITY THROUGH TAX MANAGEMENT

Through our long-term strategic tax approach we aim at being a responsible corporate citizen in all of our operating countries. Our tax management culture is based on our corporate values, Code of Conduct (.pdf) and tax policies. Our objective is to contribute to the company's strategic development and growth by taking into account the uncertainty and effects of tax legislation and its interpretations. The tax approach is applied to Kemira Oyj as well as all its subsidiaries in which Kemira has over 50% direct or indirect interest. With our tax approach, we aim at achieving a fair balance between tax optimization and risk management. Our principle is to strictly follow local tax practices and legislation in all regions where we have a tax status. One of our tax management objectives is to communicate the general tax related principles within the company in order to harmonize our practices and working methods for tax planning, transfer pricing, tax compliance, tax reporting and documentation requirements in order to reach the most optimal tax position.

We do not operate in tax haven countries as defined by the OECD for taxation reasons. Our limited operations in tax havens are due to business reasons, e.g. raw material sourcing and key customer's locations.

Kemira's principle is to apply the arm's length transfer pricing principles according to OECD recommendations in all intra-group product, service, IPR and financing transactions.

Income taxes paid by region	
EMEA	68.9%
NA	27.7%
SA	2.1%
APAC	1.3%
Total	100%

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Strategy

In April 2013, Kemira presented its sharpened strategy in conjunction with the new financial targets for 2016. We focus on seeking growth particularly in the pulp, paper, oil, gas, and mining industries by developing chemical products and innovations differentiating Kemira against the competition. By the end of 2020, Kemira aims to become a leader in the industry and technology in the chosen target markets. Our vision is to provide the most valuable expertise and chemicals for water-intensive industries, which is also crystallized in our promise, "Where water meets chemistry".

Our strategy has four key focus areas; business focus, growth, geographical focus, and innovation.

Business focus: Kemira provides expertise and tailored combinations of chemicals for water-intensive industries. We focus on pulp & paper, oil & gas, mining and water treatment to improve our customers' water, energy and raw material efficiency.

Growth: Paper and Oil & Mining segments are targeting profitable, above-the-market revenue growth through differentiated product lines, e.g. polymers, sizing and other process chemicals. Municipal & Industrial segment focuses on profitability improvement and on maximizing cash flow generation. We increase the share of capital expenditure used for differentiated product lines in order to support the targeted growth. With commodity products, such as coagulants and bleaching chemicals, the focus is on maximizing profitability and cash flow.

Geographical focus: Mature markets continue to be important for all segments, whereas the focus in the emerging markets is on selective expansion. In the emerging markets, China and Indonesia are the key markets for the paper wet-end chemistry. Brazil and Uruguay will remain important markets for the bleaching chemicals used in the pulp industry. In addition to the mature markets, the Oil & Mining segment will focus largely on Argentina, Brazil and Middle East when it comes to oil and gas, and on Chile, Peru and Africa when it comes to mining. Municipal & Industrial remains mostly on the mature markets for the time being, but we monitor the development of legislation and business opportunities in the emerging markets closely.

Innovation: Research and Development is a critical enabler for organic growth in Kemira and provides differentiation capabilities in water quality and quantity markets. Kemira's R&D spend will be increased for process improvement innovations in paper, oil & gas and mining industries, as well as in the related product lines. We aim at achieving 10% of our revenue from innovation sales in 2016, that is sales from new products or products to new applications launched within the past five years.

Continuous efficiency improvement will remain the key enabler for a successful strategy implementation.

FROM REDESIGN TO EXPANSION

We have outlined a roadmap for our strategy "From redesign to expansion". Naturally, the different phases overlap to a degree.

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KEMIRA GROUP ROADMAP: FROM REDESIGN TO EXPANSION

2012–2013
Redesign

2013–2015
Focus

2015–2017
Accelerate

2017–2020
Expand

Building blocks for a high performing organization in place: Clear accountabilities, performance management system, process architecture

Reach target profitability by implementing "Fit for Growth"

Establish a performance and innovation driven culture that fosters collaboration, learning and organizational agility

Achieve a sustainable position in all target markets

Build a strong employer brand to attract and retain leadership and expert talents

Grow through new products & services and accelerate expansion in emerging markets

Best-in-class in its ability to leverage global performance culture, talents and operations

Be recognized industry and technology leader in chosen target markets

REDESIGN IN DEPTH

The redesign phase was largely completed by the end of 2013. One of the key elements of redesign phase was Fit for Growth. However, as a consequence of our strategy and the assessment of our future needs, we have taken additional efficiency measures and streamlined our business portfolio with several divestments, e.g. food & pharmaceutical businesses, formic acid, coagulants in Brazil and other smaller disposals of commodity product lines. The acquisition of 3F Chimica S.p.A., on the other hand, secures our position as a leading global polymer producer and accelerates our strategic plan. We have been focusing our capital allocation on growth markets and differentiated product lines.

We continued to optimize our manufacturing network by deciding to close down 18 sites and 2 product plants, including the sale of our coagulant business in Brazil and ChemSolutions. We also started to implement a Lean manufacturing culture to identify further efficiency improvement potential. In order to provide a unified service approach to our customers in Europe, we established a multifunction Business Center in Gdansk, Poland. Once the center is fully operational, the cost savings will be close to EUR 10 million. Last, but not least, we also implemented a Performance management system and new compensation structure for our employees.

Furthermore, achieving growth and expansion will not be possible without a performance driven organization and above all, its employees. To achieve the ultimate goal of being an industry leader, we are striving to be best-in-class in our ability to leverage global performance culture, talents and operations.

Visit Kemira.com – Kemira's sharpened strategy "From redesign to expansion" and financial targets for 2016 released in April 2013.

Visit Kemira.com – See Kemira's Capital Markets Day presentation from September, 2013.

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KEY FIGURES 2013

	2013	2012
Revenue	2,229.1	2240.9
Operative EBIT	164.2	155.5
EBIT	42.6	33.1
Operative EBIT, %	7.4	6.9
EBIT, %	1.9	1.5
Profit before tax	2.5	28.6
Net profit attributable to owners of the parent	-31.6	17.7
EPS, EUR	-0.21	0.12
ROCE, % *	3.0	2.6
Cash flow after investments	195.7	71.8
Equity ratio, % at period-end	51	51
Gearing, % at period-end	41	42
Personnel at period-end	4,453	4,857

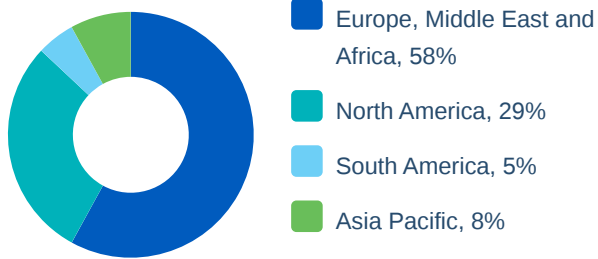* 12-month rolling average (ROCE, % based on the reported EBIT).

SEGMENT KEY FIGURES

EUR million	2013	2012
Paper		
Revenue	1,067.6	1,005.6
Operative EBIT	86.5	75.3
EBIT	45.7	44.7
Operative EBIT, %	8.1	7.5
EBIT, %	4.3	4.4
Capital expenditure	75.2	72.2
Cash flow after investments, excluding interest and taxes	55.9	8.1
Municipal & Industrial		
Revenue	659.4	686.6
Operative EBIT	45.8	39.2
EBIT	-23.4	-16.5

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Operative EBIT, %	**6.9**	5.7
EBIT, %	**-3.6**	-2.4
Capital expenditure	**46.9**	31.7
Cash flow after investments, excluding interest and taxes	**36.7**	39.2
Oil & Mining		
Revenue	**311.5**	321.1
Operative EBIT	**17.4**	25.9
EBIT	**6.5**	14.2
Operative EBIT, %	**5.6**	8.1
EBIT, %	**2.1**	4.4
Capital expenditure*	**188.2**	177.7
Cash flow after investments, excluding interest and taxes	**-60.6**	-5.3
Chemsolutions		
Revenue	**190.6**	227.6
Operative EBIT	**14.5**	15.1
EBIT	**13.8**	-9.3
Operative EBIT, %	**7.6**	6.6
EBIT, %	**7.2**	-4.1
Capital employed*	**99.1**	192.6
Cash flow after investing activities	**82.3**	23.6

*12-month rolling average

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PERSONNEL BY REGION (%)

- Europe, Middle East and Africa, 58%
- North America, 29%
- South America, 5%
- Asia Pacific, 8%

REVENUE BY SEGMENT (%)

- Paper, 45%
- Municipal & Industrial, 31%
- Oil & Mining, 14%
- Chemsolutions, 10%

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Financial and corporate responsibility performance

Financial targets	Progress	Key achievements 2013
Organic revenue growth of 0%-5%	Met	Organic revenue growth, % 4% (2011), 0% (2012), 3% (2013)
>15% higher operative EBIT	Not met	Operative EBIT (EUR million) 2011, 2012, 2013, +6%
Gearing level <60%	Met	41% Gearing well below 60%

Corporate responsibility targets	Progress	Key achievements 2013
Suppliers		
Effective use of Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in all relevant supplier relationships by the end of 2013	Met	36% of all suppliers have signed the CoC-SDA
Active Supplier Performance management program in place by the end of 2013	Met	29 Supplier performance evaluation process in place, 29 audits conducted in 2013
Employees		
All Kemira employees covered by Kemira Code of Conduct (CoC) training by the end of 2013	Met	90% of Kemira's employees trained for the new Code of Conduct in 2013
All Kemira employees covered by the global Performance Management process by the end of 2014	Underway	56% of Kemira's employees covered by Performance Management process
Every people manager participates in leadership development programs at least once every 3 years, first target period 2013–2015	Underway	39% of Kemira's people managers have participated in global leadership programs

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Operations		
Achieve zero injuries	Underway	Total recordable injuries (per million working hours) 8.5 (2012), 7.1 (2013)
Baseline analyzed and water efficiency program defined by the end of 2014	Underway	Data collected and analysis started
Baseline set and the energy efficiency index defined by the end of 2013	Met	Kemira Energy Index and Kemira Carbon Index (2009, 2010, 2011, 2012, 2013) ■ Kemira energy index ■ Kemira carbon index
Customers		
Sustainability and safety aspects considered in all New Product Development (NPD) projects by the end of 2014	Underway	100% of new projects apply sustainability check in Gate 1 92% of existing projects apply the sustainability check in Gates 2–4
Local Communities		
Each Kemira site with over 50 employees has participated in local community involvement initiatives at least once by the end of 2015	Underway	48% of sites over 50 people have participated in local community involvement initiatives

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Corporate responsibility

Corporate responsibility reporting scope

The Corporate responsibility report 2013 provides basic information about Kemira's economic, environmental and social performance in the reporting period January 1 to December 31, 2013, unless otherwise stated.

The 2013 Corporate responsibility report is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines. The report is meant to be read in context with the other sections of the Kemira 2013 Report and the Kemira Group Financial Statements 2013. Financial reporting has been prepared in accordance with the International Financial Reporting Standards (IFRS).

The reporting boundary for activities within the Kemira organization is the same as for financial reporting, and the boundaries outside the organization relate to supply chain and to the indirect CO_2 emissions that are a consequence of Kemira's activities but occur from sources not owned or controlled by Kemira.

The content of the Corporate responsibility report was reviewed and approved by Kemira Board of Directors in February 2014. The content related to economic, environmental and social performance has been independently assessed by Deloitte against the GRI principles for defining report content and quality. Deloitte has checked Kemira's reporting according to the GRI G4 guidelines and confirmed it to be in accordance with the Core option.

EARLIER REPORTS

Kemira has been reporting on its environmental performance since the early 1990s. Until 2010, we used Responsible Care Reporting Guidelines of the European Chemical Industry Council (CEFIC) as a framework for reporting. The first report prepared according to the GRI reporting guidelines G3.1 was published in February 2012 and covered Kemira's sustainability performance in 2011.

The reports for years 2003–2012 are available on Kemira's website.

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Our approach

At Kemira, the purpose of corporate responsibility is to understand, identify and manage the impacts of our activities on the environment and society. For us, corporate responsibility means being responsible in our own operations and contributing to sustainable development throughout our value chain.

Kemira aims to promote sustainable development including economic, environmental and social aspects. Our corporate responsibility management approach reflects the principles set out in the OECD Guidelines for Multinational Enterprises, a set of government-backed recommendations on responsible business conduct. Kemira is a signatory of Responsible Care, the voluntary initiative of the international chemical industry that drives continuous improvement in health, safety and environmental performance.

Sustainable development is a source of business opportunities for Kemira. Our strategy derives from global industry needs to produce more with less in a world where population growth and scarcity of resources set the standards for resource efficiency. With the help of our expertise and tailored combination of chemicals, our customers are able to improve their water, energy and raw material efficiency and thus reduce their own environmental impact. Kemira aims to develop and promote environmentally preferred products and solutions to its customers.

In addition to ensuring responsible business conduct in its own operations, Kemira expects its suppliers and other business partners to maintain the same high standards of operation. We have therefore introduced a Code of Conduct for Suppliers, Agents and Distributors, and we are focussing on further developing our supplier performance management approach.

PERFORMANCE IMPROVEMENT

At Kemira, corporate responsibility is managed through target-setting, which is the basis for continuous improvement. We set development and improvement targets for our responsibility focus areas, which are integrated into the operational management system. The focus areas have been defined through assessing our key stakeholders' expectations and impacts of our operations on value creation, society and the environment.

Corporate responsibility targets are approved by the Kemira Management Board. The Board of Directors is involved in discussing the responsibility targets and approves the corporate responsibility report.

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Material topics for Kemira's corporate responsibility

Defining corporate responsibility topics material for Kemira is based on our stakeholder concerns and expectations and on assessing the impacts of our operations on the environment and society. The material topics are either a source of value creation or a business risk for Kemira. The topics and concerns most critical to our stakeholders are identified through various stakeholder engagement activities, including stakeholder surveys.

STAKEHOLDER SURVEY 2013 RESULTS

In September 2013, Kemira conducted a stakeholder survey to find out if the expectations towards our

corporate responsibility had changed since the first survey in 2011. As a new method, the survey was carried out as virtual brainstorming, where the respondents were able to see what other participants consider important and develop the ideas further.

The survey results 2013 were mostly in line with the earlier survey results, emphasizing the importance of innovation, sustainable products and solutions, responsible business practices and responsibility in the supply chain.

Top 10 sustainability issues based on stakeholder survey in 2013	Sustainability focus areas from 2012				
	Suppliers	Employees	Own operations	Customers	Local communities
1. Product stewardship and safe use of chemicals				x	
2. Applying employee skills and know-how in the best possible way		x			
3. Sustainability in the whole supply chain	x				
4. Transparency in all operations	x	x	x	x	x
5. Business ethics and compliance	x	x	x	x	x
6. Sustainability in Kemira's own manufacturing operations			x		
7. Employee health and safety		x			
8. Innovating sustainable products and solutions				x	
9. Employee well-being enhances safety		x			

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| 10. Open on-going dialogue needed with stakeholders	x	x	x	x	x

MATERIALITY ANALYSIS

In accordance with the GRI G4 Sustainability Reporting Guidelines, Kemira has based its corporate responsibility reporting on material aspects, that reflect the organization's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of our stakeholders. The chart presents aspects material for Kemira, the criteria of which can be found in the GRI section Identified material aspects.

Based on the results we fine-tuned our corporate responsibility focus areas, targets and KPI's for 2014; The key focus areas remain the same, but we specified Responsible Business Practices as an independent focus area to emphasize its importance to our stakeholders. Each focus area covers a wider range of topics and updated targets.

PRIORITIZATION OF MATERIAL ASPECTS

In the online version you can observe Kemira's corporate responsibility focus areas and the respective targets by activating the symbols inside the circles.
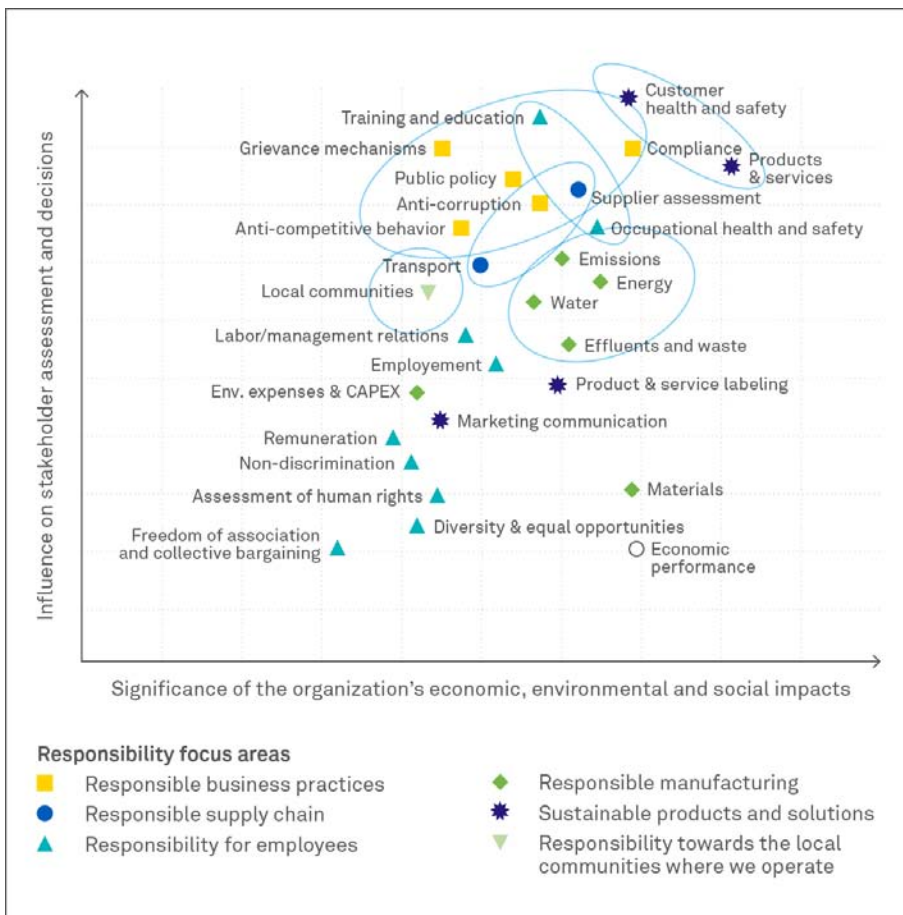
In the matrix, individual aspects related to supplier assessment are combined into one, and the same has been done with the individual aspects related to grievance mechanisms as well as compliance.

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Stakeholder engagement

The primary purpose of stakeholder engagement is to understand and identify topics material for our corporate responsibility. Different stakeholder groups vary in their expectations, and our job is to meet the expectations through developing our corporate responsibility work.

Stakeholder inclusiveness is one of the main drivers for further improving our corporate responsibility management.

EXAMPLES OF STAKEHOLDER BENEFITS CREATED THROUGH CORPORATE RESPONSIBILITY

Shareholders	Customers	Employees
Returning investment	Operational effectiveness – Total Cost of Ownership (TCO)	Employer of choice
Transparency	Reliable business partner	Employee safety, well-being & health
Reduced risk	Sustainable, innovative portfolio of products and solutions	Responsible labor practices and decent work
Sustainable development related growth opportunities	Brand value & reputation	Personnel development

Maintaining an active dialogue with our stakeholders enables us to manage risks and identify opportunities deriving from economic, environmental and social developments. Kemira actively engages with different stakeholder groups, such as shareholders, employees, customers, suppliers and local communities. We also maintain active dialogue with decision-makers, legislators, NGOs and the media.

KEMIRA'S STAKEHOLDER ENGAGEMENT

Kemira takes the concerns and expectations of stakeholders into account when setting targets and key performance indicators for corporate responsibility focus areas, and through open and regular reporting of the performance against set targets in interim financial reports and annual corporate responsibility report.

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Key stakeholder groups	Basis for identification and selection of stakeholders	Our approach to stakeholder engagement	Key topics and concerns in 2013

Shareholders and investors	• Share of value creation to investors through dividends and interests payments
	• Investor expectations influence on value creation models and strategy
		• Share of value creation to investors through dividends and interests payments
		• Over 500 Kemira shareholders in the Annual General Meeting
		• Capital Markets Day in London with almost 60 participants
		• Approximately 35 roadshow days and almost 250 individual meetings with portfolio managers and other representatives
			• Potential risks and opportunities related to corporate responsibility issues, such as
			  ◦ Product stewardship, hazardous substances and regulatory compliance
			  ◦ Corporate governance, corruption
			  ◦ Resource efficiency as a strategy driver
			  ◦ Employee engagement
			  ◦ Safety performance
			  ◦ Supply chain sustainability
			• Organization's approach to corporate responsibility management

Customers	• Source of value creation to Kemira • Customer expectations and needs influence Kemira's product portfolio and service models	• We work with our customers to develop products and solutions that help them meet their sustainability needs, to improve their water, energy and raw material efficiency • Personal contact with customers • Customer seminars, e.g lake restoration	• Fulfilling the purpose stated in our sharpened strategy: improving customers' water, energy and raw material efficiency • Product stewardship • Business ethics and compliance, innovation
Employees	• Share of value creation to employees through salaries and payments • Employee well-being and capabilities influence our operational performance and value creation	• We receive feedback from employees through our annual Pulse change surveys and bi-annual Voices@Kemira survey • Personal development discussions twice a year • Kemira European Forum • Town hall meetings • Corporate responsibility brainstorming survey	• Voices@Kemira, participation rate 75% (2011: 84%) • Employee well-being, health and safety, decent work conditions • Business ethics and compliance • Innovative products and solutions

Other relevant stakeholder groups	Basis for identification and selection of stakeholders	Our approach to stakeholder engagement	Key topics and concerns in 2013
Suppliers	• Share of value creation to suppliers through payments for goods and services • Supplier responsibility and performance influence Kemira's value creation capability and reduce risk	• Code of Conduct for Suppliers, Distributors and Agents • We work closely with suppliers to ensure they maintain high standards of performance, and provide feedback to help them to improve their operations • Supplier performance evaluation program • Supplier audits	• Product stewardship and safe use of chemicals • Business ethics and compliance: Code of Conduct for Suppliers, Distributors and Agents signed and attached in new and revised purchase contracts

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Local communities	• Share of value creation to society through tax payments and employment • Good environmental, health and safety performance has a high influence on the acceptance of local communities	• We collaborate with local people at major sites to understand and address the concerns they may have • Open house days • Cooperation with schools	• Safety, environmental, social and economic responsibility and impact • Transparency and continuous and open dialogue with the community
Government officials, decision-makers and opinion leaders	• Stakeholders with capability to influence or make political decisions on environmental issues, climate change, and chemical legislation	• We actively participate in the work of industrial trade associations and organizations. Kemira CEO is a member of CEFIC Board of Directors • We collaborate with selected non-profit organizations such as Baltic Sea Action Group • In selected cases we engage in active dialogue with government officials on national and EU level	• Phosphorus advocacy project to provide EU and national governments' institutes information on chemical waste water treatment and recovery and sustainable reuse of phosphorus • Publication of phosphorus position paper • Participation in the preparation of the Cefic paper "The Role of the Chemical Industry in Enabling Shale Gas in Europe" • Two completed projects based on Baltic Sea Action Summit 2010 commitments; nutrient recycling from wastewater sludge and technology development for removal of micropollutants from waste water effluents

Visit Kemira.com – Over 250 stakeholders took part in Kemira's virtual corporate responsibility brainstorming.

Visit Kemira.com – High disclosure score in Climate Disclosure Project signals thorough reporting on Kemira's carbon footprint, climate change and risk management.

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Key activities in 2013

At Kemira, we have further developed our corporate responsibility in 2013, internally as well as externally. We have, for example, initiated a shared value project together with a key customer, published our first position statements on topics important for Kemira and included performance results against corporate responsibility targets in our interim reporting.

SUSTAINABILITY TARGETS

In 2013, we focused on reaching the first ever Kemira sustainability targets that were published in the Annual & Sustainability report 2012. Each sustainability target was assigned with a target owner, as well as a detailed roadmaps and planning to ensure the achieving of targets in due time.

We improved the communication of Kemira's performance against the set targets; the sustainability section in each

Kemira Interim report in 2013 includes a summary of the key achievements regarding the sustainability target focus areas.

Based on the results of the target performance reporting in 2013, we can proudly conclude that we managed to reach the targets that were due to be accomplished by the end of 2013. We are also proceeding according to our roadmaps for achieving the longer-term targets set for 2014–2015.

SUSTAINABILITY KEY PERFORMANCE INDICATORS 2012–2013

Focus areas and targets	2013	2012
SUPPLIERS		
Target: Effective use of Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in all relevant supplier relationships by the end of 2013		
• KPI: Supplier contracts with signed CoC-SDA as attachment, %	36%	-
Target: Active Supplier Performance management program in place by the end of 2013		
• KPI: Average performance of core suppliers (75% of spend), performance rate %	94%	96%
• KPI: Share of reviewed suppliers under certain performance level (corrective actions agreed), %	11%	14%
• KPI: Number of supplier audits per year	29	-
EMPLOYEES		
Target: All Kemira employees covered by Kemira Code of Conduct (CoC) training by the end of 2013		
• KPI: Kemira employees completed Kemira CoC training, %	90%[1]	
Target: All Kemira employees covered by the global Performance Management process by the end of 2014		
• KPI: Kemira employees covered by the global Performance Management process, %	56%[2]	55%
Target: Every people manager participates in leadership development programs at least once every 3 years, first target period 2013–2015		
• KPI: People managers covered by global leadership programs, cumulative %	39%	20%[3]

OPERATIONS		
Target: Achieve zero accidents		
• KPI: Total Recordable Injuries (TRI) employees and contractors, 1 year rolling average	7.1	8.5
Target: Baseline analyzed and water efficiency program defined by the end of 2014		
• KPI: To be defined by the end of 2014	on-going	-
Target: Baseline set and the energy efficiency index defined by the end of 2013		
• KPI: To be defined by the end of 2013	EEI[4] defined	-
CUSTOMERS		
Target: Sustainability and safety aspects considered in all New Product Development (NPD) projects by the end of 2014		•
• KPI: All new projects apply the sustainability check in Gate 1, %	100%	-
• KPI: Existing projects apply the sustainability check in Gates 2–4, %	92%	-
LOCAL COMMUNITIES		
Target: Each Kemira site with over 50 employees has participated in local community involvement initiatives at least once by the end of 2015		
• KPI: Kemira sites (over 50 employees) with local community initiatives, cumulative %	48%	38%[3]

[1] Active employees, excluding employees who are in the scope of divested businesses

[2] All white collars are covered by the global Performance Management process

[3] 2012 Annual result

[4] EEI = Energy Efficiency Index

Kemira's sustainability target-setting was evaluated in the second half of 2013 with a help of a stakeholder brainstorming survey. The results of the stakeholder brainstorming survey have been incorporated in our updated corporate responsibility focus areas and targets for 2014.

EXTERNAL SUSTAINABILITY RATINGS AND INDICES

Partly as a response to the feedback from our stakeholders, year 2013 saw an improvement in Kemira's visibility in the external sustainability ratings and indices.

Kemira achieved for the first time a top position in CDP's Nordic 260 Climate Disclosure Leadership Index (CDLI). Kemira achieved an excellent score of 96B (75C in 2012). A high disclosure score 96/100 signals that Kemira has provided comprehensive information about the measurement and management of its carbon footprint, its climate change strategy and risk management processes and outcomes. The performance score was upgraded from C to B which reflects the improvement in actions on climate change mitigation, adaptation and transparency.

Kemira was also invited to respond to the Dow Jones Sustainability Index (DJSI) Sustainability assessment for the first time in 2013. Unfortunately our performance did not qualify us to be included in the DJSI indexes or in the RobecoSAM Sustainability Yearbook. The feedback gained through the process certainly helps us to identify our strengths within corporate responsibility management, but also where further improvement is needed. As an example, we identified aspects within social responsibility such as human rights and product stewardship management, where further work is required to bring us at par with our well established management practices in environmental responsibility.

SHARED VALUE THROUGH WATER STEWARDSHIP

Kemira initiated a three-year water stewardship project with our key customer Stora Enso in Guangxi, Southern China. The project "Creating Shared Value through Water

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Stewardship in Guangxi" targets to promote responsible water management and community engagement in the Guangxi Province in Southern China, where Stora Enso leases 90,000 hectares of land and manages eucalyptus tree plantations. The project aims to find new solutions for responsible water management through stakeholder surveys, community work and water-related capacity building.

The project will create shared value by improving Stora Enso's tree plantations operations, and by strengthening Kemira's role as the water management solutions provider for the paper industry and for local communities, as well as bringing new know-how and better water management tools to local communities.

SUSTAINABLE RECOVERY AND REUSE OF PHOSPHORUS

The consultative communication launched by the European Commission in July 2013 on the sustainable use of phosphorus triggered Kemira to conduct an active advocacy program during 2013. Kemira has technologies and extensive know-how for sustainable recovery and reuse of phosphorus, which is one of the vital building blocks for life, essential for animal feed and food production, yet the main source of eutrophication in the European surface waters, and the supplies are almost non-existent in Europe.

In addition to responding to the European Commission's consultative communication, Kemira published a position paper on sustainable recovery and reuse of phosphorus. We also conducted an advocacy contact program with key decision-makers and opinion leaders for underlining the importance of chemical recovery of phosphorus from wastewater and recycling back to agriculture, and how the use of coagulants to capture phosphorus is essential to meet EU policy goals from an environmental, economic, energy efficiency, employment and supply security perspective.

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Our focus areas

Our corporate responsibility focus areas and targets have been adjusted based on Kemira's sharpened strategy presented in April 2013 and on the stakeholder survey results in autumn 2013. The results of the stakeholder survey indicated growing importance of business ethics and compliance, product stewardship, responsibility in the supply chain as well as transparency of our operations to our stakeholders. To address this, we have singled out Responsible business practices as its own focus area. Otherwise the corporate responsibility focus areas identified earlier remain valid.

New and revised targets within our focus areas include establishing the Kemira Compliance program, climate change target, as well as employee engagement target based on the Voices@Kemira survey results.

The revised corporate responsibility targets were accepted by Kemira's Management Board in January 2014. Kemira's performance against targets in 2013 can be found in the section Key activities in 2013.

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Kemira's corporate responsibility focus areas and key performance indicators (KPI) 2014				
Focus area	Topic	KPI	KPI target value	New KPI
Responsible business practices	Kemira Compliance Program	Kemira Compliance program established	Established by the end of 2014	X
Responsible supply chain	Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA)	Supplier contracts with signed CoC-SDA as attachment, %	90% by the end of 2015	
	Supplier sustainability assessment	Number of core, strategic and critical suppliers covered by supplier sustainability assessment	45 by the end of 2014	
Responsibility for employees	Occupational health and safety	Number of Total Recordable Injuries (TRI) (per million hours, Kemira + contractor, 1 year rolling average)	Achieve zero injuries	
	Performance management	Kemira employees covered by the global Performance Management process, %	> 95% by the end of 2014	
	Leadership development	People managers participated in global leadership programs at least once in period 2013–2015, cumulative %	> 95% by the end of 2015	
	Employee engagement	Employee engagement index, %	Employee engagement index at or above the external industry norm by the end of 2015	X
		Participation rate in Voices@Kemira, %	75–85% by the end of 2015	X
Responsible manufacturing	Water efficiency	Baseline analyzed and water efficiency program defined	By the end of 2014	
	Climate change	Kemira Carbon Index performance	Kemira Carbon Index ≤ 80 by the end of 2020 (baseline year 2012 = 100)	X
Sustainable products and solutions	Sustainability aspects in New Product Development (NPD) process	New NPD projects apply the sustainability check in Gate 1, %	100% by the end of 2014	
		Existing NPD projects apply the sustainability check in Gates 2–4, %	100% by the end of 2014	
Responsibility towards the local communities where we operate	Participation in local community involvement initiatives	Kemira sites with over 50 employees participated in local community involvement initiatives at least once in period 2013–2015, cumulative %	100% by the end of 2015	

Responsible business practices

The Kemira Code of Conduct defines our way of working and affects all employees regardless of status or geographical location.

In a global company a common set of practices is a valuable tool in ensuring responsible business behavior, as working cultures and even local legislation may differ greatly from country to country. The Kemira Code of Conduct (.pdf) sets guidelines for all aspects of business conduct, and acts as a framework for ensuring that our employees comply with Kemira's values and the principles set out in the OECD Guidelines for Multinational Enterprises.

STRONG COMMITMENT TO RESPONSIBLE BUSINESS BEHAVIOR

The revised Code of Conduct was approved by the Board of Directors in December 2012, and its implementation began in the beginning of 2013. The revised Code is a signal of stronger requirement for compliance and ethics. Based on the internal control survey participated by representatives of the audit committee, senior and line management during 2013, the management has shown diligent compliance to Kemira Code of Conduct .

CODE OF CONDUCT TRAINING

All Kemira employees are expected to comply with the Code of Conduct principles in their daily work. Kemira set a responsibility target in 2012 that all employees are trained for the Code of Conduct during 2013. The objective of the training is to raise awareness of the Code's requirements and the means of reporting about non-conformities.

During 2013, 90% of our active personnel (excluding employees who are in the scope of divested businesses) received training either via interactive e-learning tool or on-site classroom training organized in collaboration with site management and local HR and legal functions. The remaining personnel will receive training in 2014. Additionally, all new employees will receive training as part of the induction process, and all personnel will be invited to repeat training on the Code on a regular basis.

We also published a Code of Conduct booklet, which has been printed in 17 languages and distributed to all our employees. The booklet is also available for our stakeholders.

KEMIRA POLICIES COMPLEMENT THE CODE OF CONDUCT

Kemira's internal policies guide our employees regarding the commitments and expectations we have as a company. Our work in 2013 has concentrated on revising existing policies as well as creating new ones.

Anti-bribery rules have been made more explicit through Kemira Group Gifts, Entertainment and Anti-bribery Policy effective since January 2013, which has resulted in increased awareness towards such things as acceptable business gifts.

Competition Law Compliance Policy training was completed by 730 people in 2013 (2012: 751). This policy is communicated to the senior management and key persons working in sales, marketing, sourcing, procurement and other similar functions through a comprehensive, ongoing, and regularly repeated training process. Please see a list of relevant Kemira Policies in the Disclosures on Management Approach section of the GRI report.

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KEMIRA ETHICS AND COMPLIANCE HOTLINE

The Ethics and Compliance's role within the Legal function became operational in 2013, focusing on coordinating and developing the company's compliance activities and promoting the principles of ethical business behavior. In addition to the Code of Conduct training program, we also launched the Kemira Ethics & Compliance Hotline.

The hotline is a 24/7 service for employees to report anonymously any non-conformities of law or the Code either by calling the hotline or filling out a web form. In addition to the Hotline, employees can report suspected non-conformities to their own line management, Kemira's Ethics and Compliance or Internal Audit functions.

For external enquiries and reporting on potential misconducts with respect to Kemira or its business partners, sustainability@kemira.com can be contacted. This information is available in the Kemira Code of Conduct for Suppliers, Agents and Distributors in addition to Kemira's website.

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report sections Ethics and integrity and Responsible business practices.

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Responsible supply chain

Kemira expects business integrity from its suppliers and strives for supply chain responsibility through careful selection of suppliers, performance evaluation and auditing.

Kemira's supply chain management is responsible for end-to-end sourcing process from supplier identification to customer service. The vision is to become world-class in supply chain management and to provide value-added service to our business segments with optimal efficiency.

In 2012, Kemira set sustainability targets for our supplier relations. We initiated a supplier performance evaluation program and implemented the Code of Conduct for suppliers, distributors and agent (.pdf) (CoC-SDA) in all relevant supplier relationships.

DISCIPLINED MANAGEMENT OF SUPPLIER RELATIONS

Supplier relations management is built on three pillars; supplier selection, commitment to responsible business conduct, and performance evaluation. We have sharpened our supplier selection process, and expect cost-competitiveness, short-term operational excellence and long-term business stability from our suppliers.

EACH SUPPLIER IS EXPECTED TO SIGN KEMIRA'S CODE OF CONDUCT FOR SUPPLIERS, DISTRIBUTORS AND AGENTS

The CoC-SDA sets requirements for different aspects of corporate responsibility, for example responsible business conduct, respect for human rights and environmental responsibility. By the end of 2013, 36% of Kemira's current suppliers have signed the CoC-SDA.

To ensure the suppliers' commitment towards the CoC-SDA, regular supplier audits are conducted. For non-

compliance or unwillingness to sign the CoC-SDA, the supplier relationship may be reconsidered.

SUPPLIER PERFORMANCE EVALUATED AND AUDITED

In 2013, we developed our supplier performance evaluation program by defining the evaluation criteria. The evaluation covers multiple aspects of the supplier's operations, and the threshold performance rate is 80%. For our core suppliers, we aim to keep the average performance level at minimum of 96%, and in 2013, performance rate was 94%.

Those suppliers not able to reach the threshold need to present a detailed corrective action plan to meet the requirements. In 2013, 11% of the reviewed suppliers did not reach the given performance level, and we have agreed upon corrective actions with them.

Kemira has also initiated a supplier assessment process as part of the supplier performance evaluation. A specific assessment of the most risky and critical vendors is made by assessing the supply risk, business impact, market availability, and various sustainability topics gathered. The assessment is conducted through a questionnaire that was piloted and fine-tuned in 2013. During the year, 29 suppliers were audited.

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Kemira's supplier base:

- 650 raw material suppliers
- 100 core suppliers, making up approximately 80% of the spend
- About 10,000 suppliers in total
- Geographical split: 85% of suppliers are from EMEA and North America regions

MITIGATING THE IMPACTS OF TRANSPORTATION

Safety and environmental aspects are important for managing the sustainability of transportation. Kemira holds regular safety discussions with its logistics service providers and inspects accidents and near misses carefully. Transport safety managers from EHSQ meet twice a year to discuss occurred accidents and other safety issues on a global scale.

In 2013, we have calculated the greenhouse gas emissions of our transport activities for the first time. Further details can be found in the GRI report, indicator G4-EN30.

In Europe, all of our logistics partners are required to use Euro 4 compliant transport equipment, and Euro 5 requirements will become timely from the beginning of 2015. These Euro standards set limits for pollutant emissions caused by road vehicles. Using Euro 4 and 5 compliant vehicles reduces emissions from transportation in Kemira's value chain, and thus decreases our environmental impact.

During 2013 we have cut down the number of our logistics service providers to ensure cooperation with the best possible partners. Fewer partners facilitate the management of logistics sourcing as well as the negotiation with suppliers on safety and environmental requirements.

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report section Responsible supply chain.

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Responsibility for employees

Employees are Kemira's key asset. Our Human Resources work is guided by the Kemira Code of Conduct and our company values:

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

Our Human Resources function ensures having the necessary know-how, strong leaders and engaged people to successfully execute our company strategy. To implement the sharpened strategy launched in April 2013, we initiated an active dialogue across all our segments and regions, top-down and bottom-up, which was accomplished through various local and virtual workshops. At individual level, the strategy roll-out was done via personal development discussions.

The organizational restructuring initiated in 2012, as well as the sharpened strategy, have influenced the focus of our Human Resources activities during 2013. The sharpening of the strategy has led to changes in the organization and, unfortunately, resulted in job reductions.

In 2013 we continued to focus on developing our global Performance Management process and Leadership Development programs further, for which we have also set corporate responsibility targets.

VOICES@KEMIRA SURVEY MEASURES EMPLOYEE ENGAGEMENT

The biannual Voices@Kemira employee engagement survey was conducted in the fall of 2013. The survey results are a valuable source for gathering employee feedback and further develop our ways of working

accordingly. The survey focuses on employee engagement; which factors motivate Kemira employees to succeed. Other important themes include growth and development, performance management, leadership and strategy, corporate responsibility, collaboration and communication, as well as values based culture.

Employee engagement	2013	2011	2009
Employee engagement index, %	58	70	69
Data coverage, % of total employees	75	84	87

In 2013, the survey response rate (75%) and the engagement index (58%) were weaker than in the previous survey in 2011. During 2013, including the time when the survey was conducted, Kemira was implementing organizational restructuring measures and was in the middle of related negotiations, which is presumably one of the reasons for a lower response rate and engagement index.

According to the results, Kemira's strengths lie especially on managerial work, and employees find their jobs challenging and interesting with the possibility for career development. We will continue to focus on developing learning and career opportunities for our employees. On the other hand, accountability for low performance was recognized as a development area. This will be addressed through a global performance management process during 2014. Other key focus areas include further communicating Kemira's strategy and its significance to teams and individuals, engaging our employees in the

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future of the company, as well as enhancing our leadership development portfolio.

Corporate responsibility > Our focus areas > Responsibility for employees > Performance management and leadership development

Performance management and leadership development

One of Kemira's corporate responsibility targets is to have all employees covered by the global Performance Management process by the end of 2014.

Performance and development discussions (PDD) are an important element of Performance Management process, and according to Voices@Kemira employee survey results, the engagement rate is higher among employees that have had their PDDs with their managers. During 2013 we started extending the amount of employees covered by PDDs, and focused on defining and preparing the PDD process and compiling a model for data collection and consistent reporting. In 2013, the global performance and development discussions covered all white collar employees (56% of all our employees). We aim at achieving the target to cover all employees in 2014, when the PDD process will be introduced for all blue-collar employees on our manufacturing sites.

LEADERSHIP DEVELOPMENT THROUGH TRAINING PROGRAMS

Good managers lead through their own strengths. In 2013, we focused on managers' personal development and leadership skills. As a new element to our leadership development portfolio we have included improving managers' self-awareness and self-leadership, which helps in recognizing your own strengths and how to lead through your persona. During 2013 we conducted a leadership assessment to ca. 200 of our leaders, on which we will base individual leadership related development plans.

On-the-job-learning is one of the most effective methods for developing leadership skills. Other tools include Kemira's leadership development programs, such as the Bridge and Catalyst leadership programs, which continued in 2013. Catalyst is meant for leaders who want to build up skills for strategy execution, and Bridge focuses on foundational leadership skills for first level leaders, such as supervisors and team leaders. We also offer coaching and mentoring, as well as 360 feedback on leadership skills. By the end of the year, 39% of our leaders have been covered by global leadership programs.

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Safety at workplace

Kemira's new EHSQ vision states: Zero harm to people. Decreased injury rate and proactive reporting observations on potential safety issues are signs of continuous improvement in our safety culture.

By deciding to report TRI (Total Recordable Injuries per million work hours) in 2012 instead of the formerly reported LTA (Lost Time Accident), we set ourselves stricter demands concerning workplace safety both for own employees and contractors working at Kemira sites. The currently reported TRI frequency includes fatalities, lost time injuries, restricted work cases and medical treatment cases of both Kemira employees and contractors working for Kemira.

Our long-term target is to achieve zero injuries, and we are making good progress. Since 2012, the TRI is reduced from 8.5 injuries per million working hours to 7.1 in 2013.

RAISED AWARENESS AND REGULAR TRAINING PRODUCES RESULTS

The improved TRI frequency is mostly due to increased safety observation reporting and increased awareness – people think and talk about health and safety more frequently.

As part of our EHSQ improvement strategy initiated in April 2013, we have created a new EHSQ vision, a new EHSQ policy and are now introducing new EHS standards that increase both safety culture and performance at our sites, offices and functions.

TOTAL RECORDABLE INJURIES (PER MILLION WORKING HOURS, 1 YEAR ROLLING AVERAGE)

Year	Value
2012	8.5
2013	7.1

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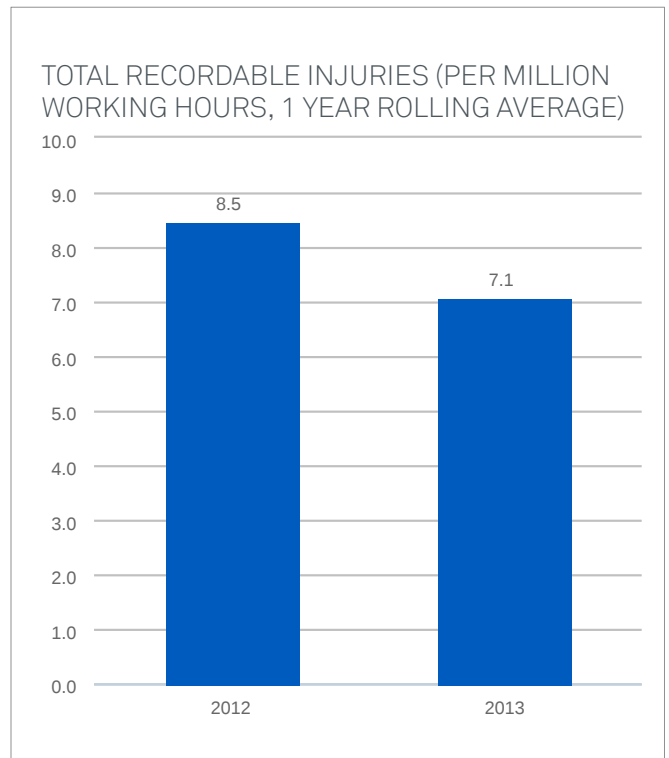
Responsible manufacturing

Ensuring the safety of our operations, improving energy and water efficiency and reducing CO_2 emissions are the most important responsibility topics in our manufacturing.

Commitment towards continuous improvement in our own production is seen in the corporate responsibility targets set for manufacturing, our management system certification to ISO standards and in the Lean initiative. A lean organization understands customer value and focuses its key processes on continuously increasing it. The goal is to provide value to the customer through a perfect value creation process that contains zero waste. Waste in this case means unnecessary extra resources, bureaucracy and time. The Lean manufacturing model is based on the creation of value for customers, which entails optimizing value chains and flow of information, improving production efficiency and increasing production responsibility.

CERTIFIED SITES (%)

ISO-9001 certified
ISO-14001 certified
OHSAS 18001 certified

SAFETY AT MANUFACTURING SITES

In 2013, we introduced a new EHSQ strategy for Kemira, which includes a new vision, policy, internal targets and a strategic roadmap to becoming world-class in EHSQ. The focus during the year was on introducing and renewing our

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internal EHS standards and this work will continue in year 2014. The new standards to improve workplace safety include Incident reporting, Incident investigation and Personal protective equipment standards.

During the past year we have also worked on building a new process safety standard and ten other EHS related standards as part of the EHSQ improvement program. Implementation of these new standard will continue in 2014, along with leadership development.

EHSQ VISION

ZERO ENVIRONMENTAL HARM
Through environmental excellence

ZERO HARM TO PEOPLE
Through health & safety excellence

CUSTOMER SATISFACTION
Through operational excellence

MANAGING THE ENVIRONMENTAL IMPACTS OF THE MANUFACTURING OPERATIONS

Kemira conducts environmental impact assessments and emission monitoring in every manufacturing site as

defined by the regulatory requirements, ISO 14001 management system and Kemira internal standards. The assessments monitor environmental performance of the site and its impact on the surrounding communities.

Each Kemira site is classified for actual and potential negative impacts of operations. A new three-level ranking system determines the internal Kemira requirements and frequency of audits for each site; higher ranking meaning higher requirements.

Environmental classification results 2013:

- High ranking sites: 29%
- Medium ranking sites: 27%
- Low ranking sites: 44%

We take preventive actions and mitigation measures proactively for the operations that involve potential negative impacts on the local communities.

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report sections Responsible manufacturing.

Visit Kemira.com - Lean manufacturing optimizes value chains and flow of information, creating value for customers.

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Energy efficiency & climate change

Striving for energy efficiency in manufacturing offers both environmental and economic benefits by reducing emissions and lowering manufacturing costs. We initiated an Energy Efficiency Enhancement E3 program in 2010 for identification and implementation of energy reduction potential at manufacturing sites.

The potential energy efficiency projects were identified by conducting regular energy audits at manufacturing sites. The manufacturing sites representing 94% of our energy use have now been audited. In 2013, the focus has been on the implementation of improvement projects, and in conducting follow-up audits. Total of 388 improvement projects have now been completed at 26 sites, generating annually 174,000 MWh energy reductions and EUR 7 million cost savings since 2010. Six sites have now completed all of the identified improvement projects.

IMPROVING ENERGY EFFICIENCY

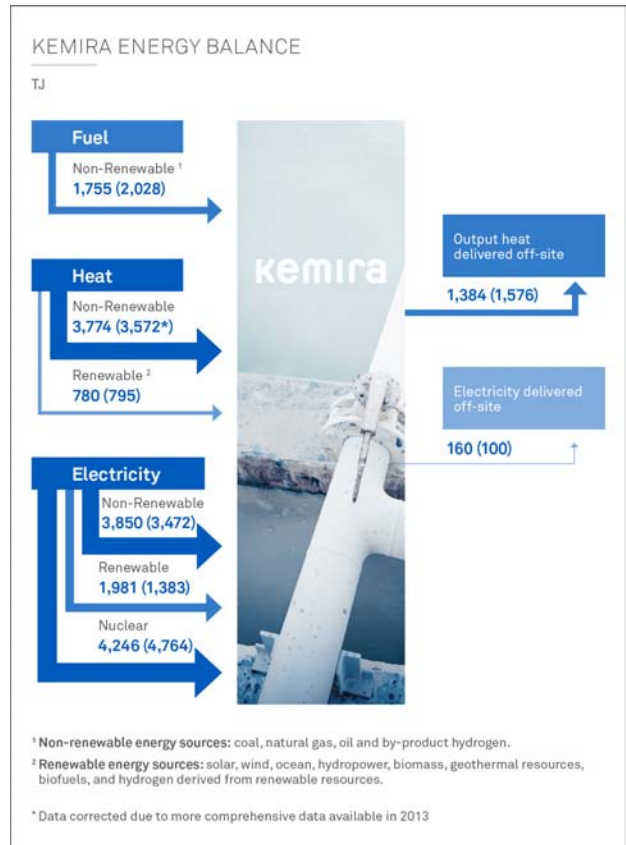Choices for energy efficiency improvement may include simple adjustments in operating methods, increased process efficiency, or more advanced solutions, such as utilizing waste heat in the local communities nearby Kemira's operations. As an example, in the Rotterdam site in the Netherlands, introduction of variable speed drives was a significant energy efficiency driver, and in the Krems site in Austria, optimization of steam usage generated considerable energy reductions. Follow-up audits at manufacturing sites have generated a collection of best practices which will be used across the organization where applicable.

KEMIRA ENERGY BALANCE

TJ

Fuel
Non-Renewable [1]
1,755 (2,028)

Heat
Non-Renewable
3,774 (3,572*)

Renewable [2]
780 (795)

Electricity
Non-Renewable
3,850 (3,472)

Renewable
1,981 (1,383)

Nuclear
4,246 (4,764)

Output heat delivered off-site
1,384 (1,576)

Electricity delivered off-site
160 (100)

[1] **Non-renewable energy sources:** coal, natural gas, oil and by-product hydrogen.
[2] **Renewable energy sources:** solar, wind, ocean, hydropower, biomass, geothermal resources, biofuels, and hydrogen derived from renewable resources.

* Data corrected due to more comprehensive data available in 2013

ENERGY EFFICIENCY INDEX TOOL DEFINED TO MEASURE PROGRESS

In 2013 we have defined the Kemira Energy Efficiency Index (EEI) to measure the company's energy efficiency in manufacturing operations. The Energy Efficiency Index is the sum of site specific measures. The index is calculated individually for major sites that cover > 90% of Kemira's total energy use, and site specific indexes are consolidated to form the Kemira EEI Index. The index is not dependent on the impact of changes in the production mix and volumes. The index enables us to monitor energy efficiency from the consolidated perspective as well as locally at each site, reflecting on the actual improvements we have achieved.

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KEMIRA ENERGY INDEX

Year	Value
2009	104.7
2010	101.5
2011	100.9
2012*	100
2013	98.8

* Base year
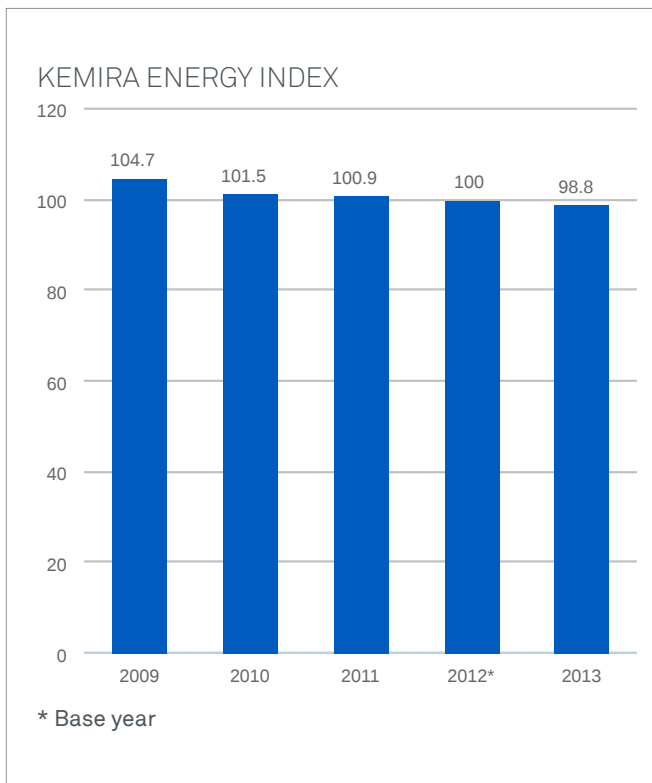
SUMMARY OF ENERGY INDICATORS

	GRI-G4 indicator	2013	2012	2011	2010	2009
Purchased energy						
Fuel consumption, ktoe		42	49	56	54	54
Fuel consumption as raw material, ktoe		120	114	121	116	105
Purchased electricity, TJ		10,077	9,620	10,657	10,346	9,718
Purchased heat, TJ		4,553	4367*	4,814	4,726	4,327
Purchased energy by primary sources, TJ[1]		29,487	29,284	32,122		
Energy balance						
Purchased fuel as energy source, TJ	EN3a-b	1,755	2,028	2,345	2,261	2,261
Purchased electricity, TJ	EN3c	10,077	9,620	10,657	10,346	9,718
Purchased heat, TJ	EN3c	4,553	4367*	4814*	4,726	4,327
Total energy purchased, TJ	EN3c	16,386	16,015	17,816	17,333	16,306
Total energy sold	EN3d	1,544	1,676	1,859		
Total energy consumption, TJ	EN3e	14,842	14,339	15,957		
Energy intensity[2]						

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Energy intensity, TJ/ton	EN4	0.00314	0.00306	0.00325
Reduction of energy consumption[3]				
Change in energy consumption, TJ	EN5	**503**	-1,618	

* Data corrected due to more comprehensive data available in 2013.

1 The amount of energy Kemira uses through the purchase of electricity, steam and heat. Energy delivered off-site is included.

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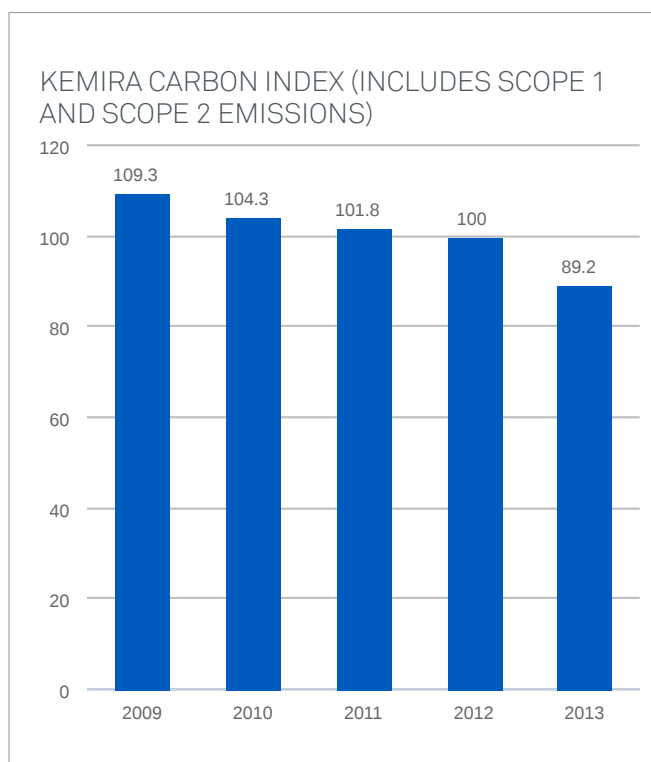
The calculations have been made according to GRI G4 reporting guidelines. The source for conversion factors used is the International Energy Agency (IEA). Where specific information has not been publishded on production efficiencies by energy source, expert estimates have been made based on historical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

CLIMATE CHANGE

Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions. The 5th report of The Intergovernmental Panel on Climate Change (published in 2013) is expected to increase political pressure for a higher ambition level. There is also an ongoing active discussion in the EU regarding the EU 2030 climate and energy policy framework. Kemira is carefully following the public discussion on energy and climate policy development for anticipating the potential implications on our operations.

In 2013 Kemira defined the Kemira Carbon Index to monitor our CO_2 performance from both consolidated and individual manufacturing site perspective. The Kemira Carbon Index covers CO_2 emissions of Scope 1 and Scope 2 excluding direct emissions from chemical processing, and is not dependent on production structure, production mix or volumes.

Based on our work to define the Kemira Energy Efficiency and Carbon Indices, the results from the E3 energy efficiency enhancement program, and considerations about stronger political pressure on reducing CO_2 emissions, Kemira has decided to set a long-term target for CO_2 emission intensity from our manufacturing operations. 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 baseline year 2012.

KEMIRA CARBON INDEX (INCLUDES SCOPE 1 AND SCOPE 2 EMISSIONS)

	2009	2010	2011	2012	2013
	109.3	104.3	101.8	100	89.2

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SUMMARY OF GREENHOUSE GAS EMISSION INDICATORS

	GRI-G4 indicator	2013*	2012	2011	2010	2009
Releases into air, CO_2eq 1,000 tonnes						
Direct greenhouse gas emissions (Scope 1)[1]	EN-15	133	147	180	182	186
Indirect greenhouse gas emissions (Scope 2)[2]	EN-16	904	950	1054		
Other indirect greenhouse gas emissions (Scope 3)[3]	EN-17	2,696	2,677			
Total greenhouse gas emissions[4]		3,734	3,774			
Greenhouse gas emissions intensity per 1000 tons of production[5]	EN-18	0.787	0.800			
Change in greenhouse gas emissions[6]	EN-19	-40				

*In 2013, all greenhouse gases are included in the calculation. In previous years, only CO_2 emissions were reported.

1 Greenhouse gas emissions from sources that are owned or controlled by Kemira (scope 1 of the WRI/WBCSD GHG Protocol). The source for the emissions factors used is 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 (scope 2 of the WRI/WBCSD GHG Protocol) GHG emission are calculated as CO_2 equivalents which includes CO_2, 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.
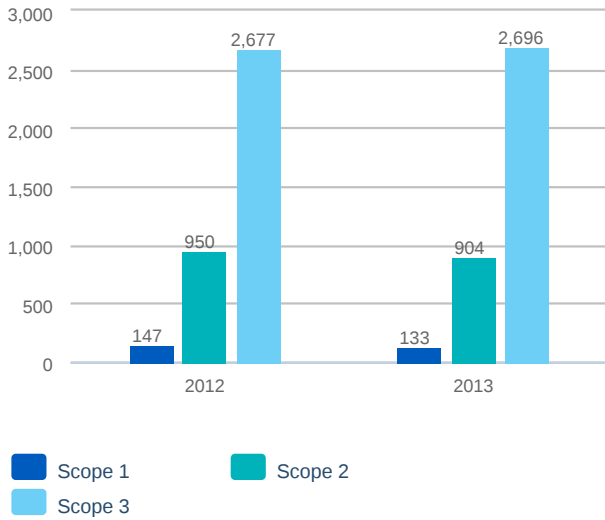
3 Greenhouse gas emissions from Kemira's value chain (Scope 3 of WRI/ WBCSD GHG Protocol). The calculation is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and a supporting guidance document Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. Scope 3 emissions have been calculated since 2012.GHG emission are calculated as CO_2 equivalents which includes CO_2, CH_4, N_2O, 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 and Scope 3

5 Kemira has calculated the GHG emissions intensity ration per production volume (1000 tons).Direct GHG emissions (Scope 1), indirect GHG emissions from energy consumption (Scope 2) and other indirect GHG emissions (Scope 3) are included.

6 Reduction of Scope 1, Scope 2 and Scope 3 GHG emissions have been calculated for 2013.

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GREENHOUSE GAS EMISSIONS (T CO2 EQ)

Scope 1
Scope 2
Scope 3

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

- Purchased goods and services, 44.4%
- End-of-life treatment of sold products, 15.3%
- Downstream transportation and distribution, 13.7%
- Upstream transportation and distribution, 5.0%
- Other, 21.6%
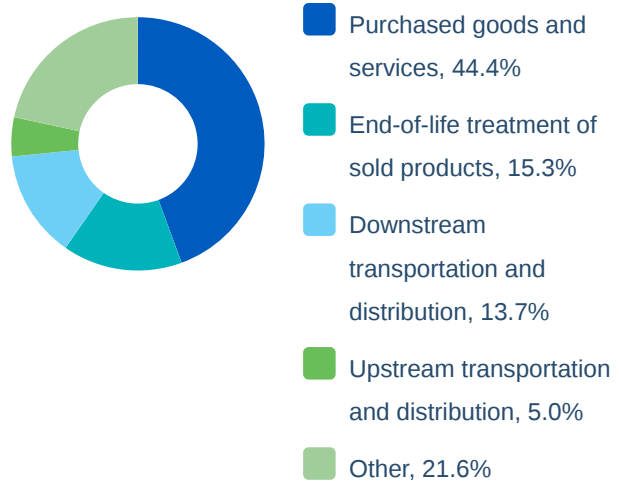
NOTE: Other includes categories of Capital goods, Fuel and energy related activities, Waste generated in operations, Business travel, Employee commuting and Upstream leased assets (leased offices)

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report sections Responsible supply chain and Responsible manufacturing.

Visit Kemira.com – Kemira's Bradford site uses solar panels to generate energy with zero emissions.

Visit Kemira.com – Energy recovery project to utilize waste heat generates significant cost savings in Kemira's Kuusankoski site.

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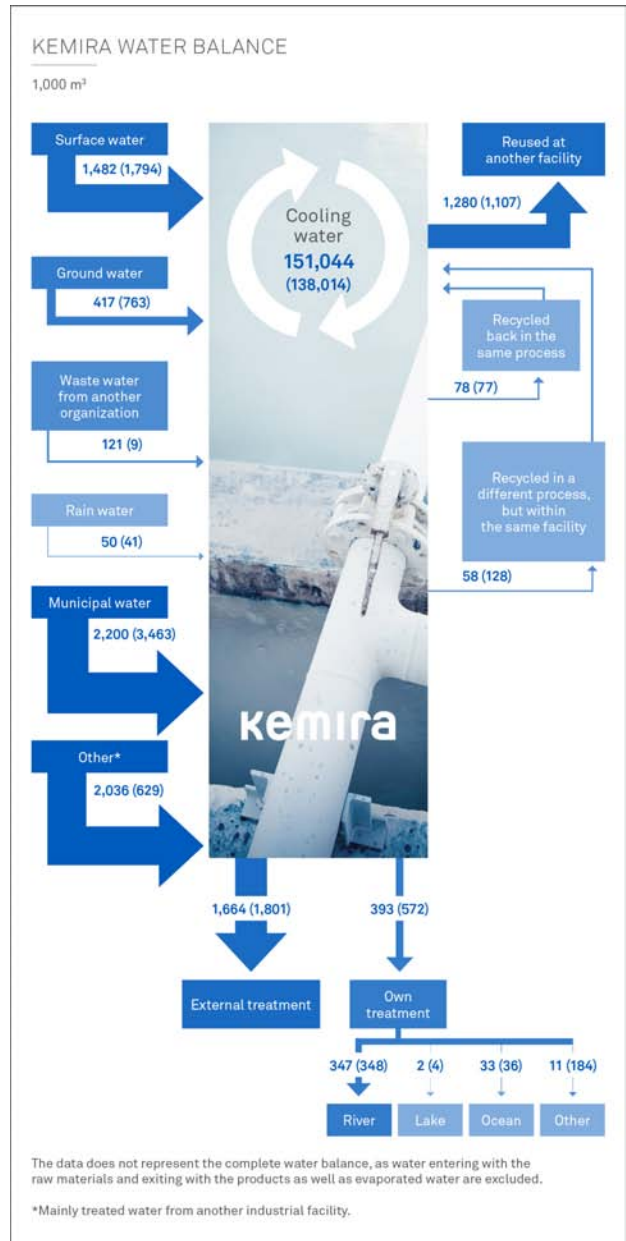
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Water efficiency

As a company providing expertise and tailored combinations of chemicals for water-intensive industries, our own corporate responsibility program inevitably addresses water efficiency in our own manufacturing processes.

In Kemira's manufacturing, water is used mainly for cooling or as process water. Many of our sites collect rainwater, and for example recycle the used water back in the same process or reuse it in another facility.

In 2013 we started a project to assess opportunities for water efficiency improvement in our own operations. Our target is to understand and evaluate the water related risks and opportunities in our own manufacturing operations, and to develop a water management program by the end of 2014. This year we have focused on collecting detailed data on how water is used and analyzing opportunities for improvement. Based on the assessment results, key performance indicators for water efficiency will be defined during 2014.

KEMIRA WATER BALANCE

1,000 m³

Surface water
1,482 (1,794)

Ground water
417 (763)

Waste water from another organization
121 (9)

Rain water
50 (41)

Municipal water
2,200 (3,463)

Other*
2,036 (629)

Cooling water
151,044 (138,014)

Reused at another facility
1,280 (1,107)

Recycled back in the same process
78 (77)

Recycled in a different process, but within the same facility
58 (128)

1,664 (1,801)   393 (572)

External treatment   Own treatment

347 (348)   2 (4)   33 (36)   11 (184)

River   Lake   Ocean   Other

The data does not represent the complete water balance, as water entering with the raw materials and exiting with the products as well as evaporated water are excluded.

*Mainly treated water from another industrial facility.

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SUMMARY OF WATER INDICATORS

	GRI-G4 Indicator	2013	2012	2011	2010	2009
Water withdrawal, million m^3, approx.						
Total water withdrawal, million m^3, approx.	EN8	157	145	169		
Cooling water volume, million m^3, approx.	EN8	151	138	161	163	159
Process water volume, million m^3, approx.	EN8	6.3	6.7	7.8		
Water discharges, million m^3, approx.						
Wastewater volume, million m^3, approx.	EN22	2.1	2.4	2.6	1.2	1.4
External treatment, million m^3	EN22	1.7	1.8	1.9		
Own treatment, million m^3	EN22	0.4	0.6	0.6		
Releases into water, tonnes						
Chemical Oxygen Demand (COD)[1]		16	21	28	58	45
Nitrogen (N)		2	2	3	4	4
Phosphorus (P)		0.5	0.7	0.7	0.5	0.5
Suspended solids, 1,000 tonnes		0.002	0.01	0.03	0.02	0.05

1 The reduction from 2010 to 2011 is partly caused by over-reported figures in previous years.

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.See also the graph Water balance and the table Summary of water indicators in the section of Responsible manufacturing; Water efficiency
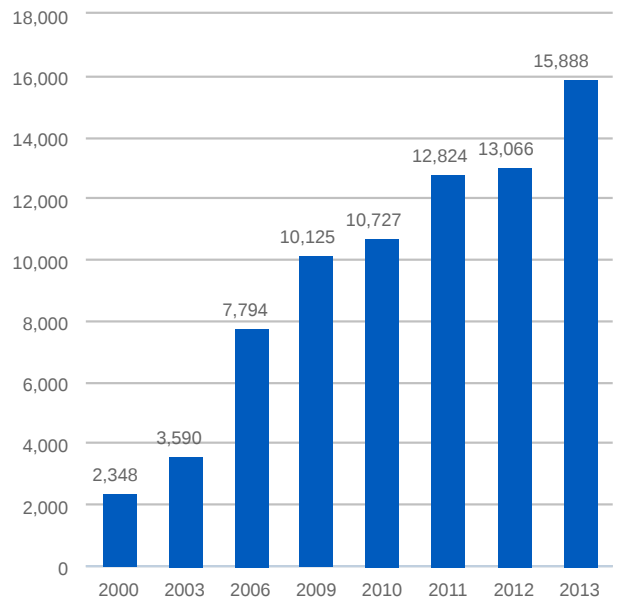
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Sustainable products and solutions

Kemira aims to develop environmentally preferred products and solutions to its customers. We are also committed to ensuring the safety of our products and that customers receive accurate information on their correct use.

Kemira's products are used for process efficiency as well as water quality and quantity management in multiple industries, such as paper, oil & gas and mining, and water treatment. With the help of our products, our customers are able to improve their own water, energy and raw material efficiency, end-product quality, as well as operational efficiency. The main product lines of Kemira comprise polymers and other process chemicals, sizing and strength, coagulants and bleaching chemicals.

PURIFIED WATER WITH KEMIRA'S PRODUCTS AND SOLUTIONS (MILLION M3)

The figures for 2011 to 2013 are restated due to more comprehensive data available in 2013.

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DEVELOPING MORE SUSTAINABLE PRODUCTS

Kemira is seeking growth from new products and applications, and in 2013 the sales of new products increased to approximately 7% (5%) of Kemira's revenue. Kemira aims to gain EUR 250 million revenue from innovation sales in 2016.

Sustainability aspects are systematically evaluated in the New Product Development (NPD) process. The evaluation is conducted both for Kemira's own operations and for the impacts in customers' processes.

In 2013, over 90% of the existing NPD projects applied the sustainability check in Gates 2–4, and 100% of our new NPD projects started during 2013 applied the sustainability check in Gate 1.

Product regulatory compliance also plays an important role in the NPD process. Product safety checkpoints are defined for each gate, and registration of chemical substances is considered already at the earliest stage.

SUSTAINABILITY CRITERIA IN THE NPD PROCESS

Environmental impact

More efficient use of energy, water and raw materials

Less waste and emissions

Social impact

Improved safety and regulatory compliance of products and safety of manufacturing processes

Economic impact

Economic value to Kemira and Kemira's customers

ENSURING REGULATORY COMPLIANCE

Chemical industry regulations are developing rapidly worldwide, setting new challenges for product safety and compliance activities. In addition to supporting business with product safety topics and following applicable laws and regulations on chemical product safety, registration processes take up time and resources. For example, the new European Biocidal Products Regulation requires registration of all biocide active substances and products.

In EU's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) process, Kemira registered 29 substances in 2013. Preparations for the third deadline of REACH of 2018 have started. In USA, the Environment Protection Agency is implementing tighter regulations through Chemicals Management Policy and Toxic Substances Control Act. Kemira also obeys the new chemical regulations in emerging markets, such as China and Korea. New requirements of supply chain product safety communication have significantly intensified the information exchange with the customers and suppliers.

ONE LABEL SYSTEM IN USE BY 2015

We have proceeded according to our plans in reclassifying and relabeling our products according to the Classification, Labeling and Packaging of substances and mixtures (CLP) regulations in Europe. In addition, we aim to have all our products in all market areas under one label in accordance with the Globally Harmonized System of Classification and Labeling of Chemicals requirements (GHS) well before the EU and North American deadlines of June 1, 2015.

ACTIVE CROSS-FUNCTIONAL COLLABORATION FOR PRODUCT RESPONSIBILITY

Kemira Product Stewardship and Regulatory Affairs (PSRA) function is responsible for executing product safety and product regulatory compliance related activities globally, such as classification and labelling of products, safety compliance reviews in the NPD process, registration of substances, as well as identifying risks and environmental impacts of our products in their value chains and looking for opportunities to reduce their impacts.

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PSRA collaborates closely with R&D, product management, sales and sourcing for ensuring product safety and compliance. Possible new regulatory risks are evaluated and mitigated in co-operation with Kemira's Corporate Responsibility. We are not only following existing legislation, but also the discussion and actions towards new legislation. We are, for example, striving to substitute the substances suspected of having endocrine disrupting properties or other hazardous properties deemed unfavorable in our products, and prepared a position paper on the subject.

Innovating for new products, processes and business models

In 2013 we have worked on building a culture of innovation throughout the organization. We have, for example, established an Innovation community consisting of people from different segments and functions. The community acts as an inspiration to people, stimulating creativity and creating enablers for an innovation culture – extending idea creation and collection beyond R&D.

Over 70% of our new product and application sales today is a result of Kemira's R&D program SWEET initiated in 2010. During 2013, the program has been integrated into Kemira' business operations, indicating the success of the four-year R&D program.

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report sections Sustainable products and solutions.

Visit Kemira.com – Kemira's collaborative R&D programme SWEET produced product innovations and increased attention towards water technology.

Visit Kemira.com – New acid-free antiscalants optimize plant recovery in industrial and drinking water treatment.

Visit Kemira.com – New KemGuard technology brings laboratories to oil and gas wells offshore and onshore.

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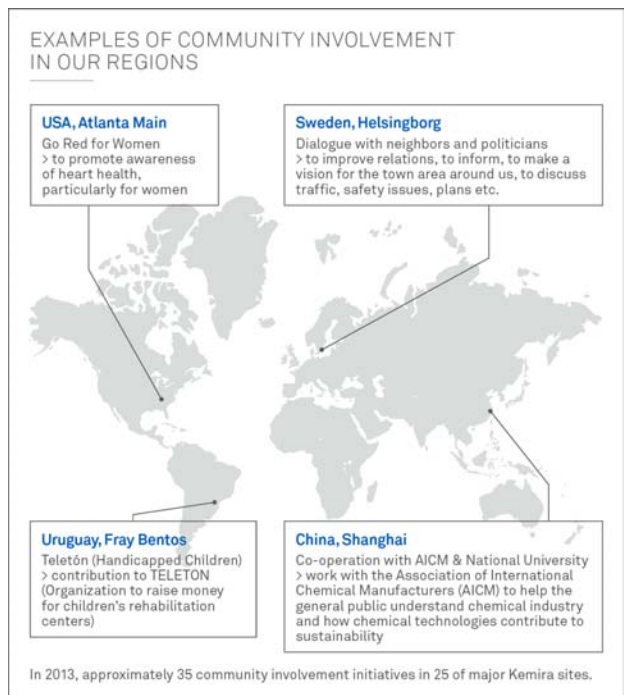
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Responsibility towards the local communities where we operate

Kemira interacts and actively strives to build good relationships with the communities where we operate by engaging with local stakeholders on topics of mutual interest.

Kemira considers active engagement with local stakeholders is important in order to maintain an acceptable environmental and social footprint. Different sorts of interaction activities are needed globally, depending on the specific local requirements and concerns.

Through community involvement, Kemira can develop a reputation as a responsible neighbor. The engagement themes mostly revolve around solving water-related challenges, and topics such as safe neighborhoods, safety and wellbeing. Open communication and dialogue are important elements of community engagement.

Kemira's corporate responsibility target is that by 2015, each Kemira site employing over 50 people will have participated in a local community initiative at least once. Examples of possible actions include open house days, cooperation with schools and participating in non-profit organizations' charity work. By 2013, 48% of Kemira's sites have participated in local community initiatives, with some sites conducting multiple activities over the year.

EXAMPLES OF COMMUNITY INVOLVEMENT IN OUR REGIONS

USA, Atlanta Main
Go Red for Women
> to promote awareness of heart health, particularly for women

Sweden, Helsingborg
Dialogue with neighbors and politicians
> to improve relations, to inform, to make a vision for the town area around us, to discuss traffic, safety issues, plans etc.

Uruguay, Fray Bentos
Teletón (Handicapped Children)
> contribution to TELETON (Organization to raise money for children's rehabilitation centers)

China, Shanghai
Co-operation with AICM & National University
> work with the Association of International Chemical Manufacturers (AICM) to help the general public understand chemical industry and how chemical technologies contribute to sustainability

In 2013, approximately 35 community involvement initiatives in 25 of major Kemira sites.

GRI Please see complementary specific standard disclosures material for the focus area in the GRI report section Responsibility towards the communities where we operate.

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Visit Kemira.com – Kemira's Yanzhou site celebrated International Children's day by arranging a family day event.

Visit Kemira.com – Kemira's Bradford site promotes gender equality by hosting Women into STEM Apprenticeship Programme.

Visit Kemira.com – Millennium Youth camp attracted more than 1,600 applicants from more than 100 countries.

Visit Kemira.com – Collaboration with a local school in Atlanta introduces students with scientists.

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GRI Report

According to the Global Reporting Initiative's
G4 Sustainability Reporting Guidelines

GRI report

GRI CONTENT INDEX

Kemira's corporate responsibility report is prepared in accordance with the Core option of the GRI-G4 Guidelines.

The report has been externally assured by Deloitte. The assurance report by Deloitte is available in the section GRI report: Assurance statement.

General Standard Disclosures		
General standard disclosures	Page	External assurance
Strategy and analysis		
G4-1 *	CEO's statement	Kemira in 2013: CEO's review	
G4-2	Key impacts, risks and opportunities	Governance: Risk management Kemira in 2013: CEO's review	
Organizational profile		
G4-3 *	Name of the organization	GRI Report: Organizational profile	Refer to Assurance report
G4-4 *	Primary brands, products and services	Kemira in 2013: Our business	
G4-5 *	Location of the organization's headquarters	GRI Report: Organizational profile	Refer to Assurance report
G4-6 *	Countries where the organization operates	GRI Report: Organizational profile	Refer to Assurance report
G4-7 *	Nature of ownership and legal form	GRI Report: Organizational profile	Refer to Assurance report
G4-8 *	Markets served	Kemira in 2013: Our business	
G4-9 *	Scale of reporting organization	Kemira in 2013: Key figures	
G4-10 *	Breakdown of workforce	GRI Report: Organizational profile	Refer to Assurance report
G4-11 *	Employees covered by bargaining agreements	GRI Report: Organizational profile	Refer to Assurance report
G4-12 *	Organization's supply chain	GRI Report: Organizational profile	Refer to Assurance report
G4-13 *	Significant changes during the reporting period	GRI Report: Organizational profile Financials: Changes in group structure	Refer to Assurance report
G4-14 *	Explanation of how the precautionary principle is addressed	Governance: Risk management	
G4-15 *	External principles and other initiatives to which the organization subcribes or which it endorses	GRI Report: Organizational profile	Refer to Assurance report
G4-16 *	Memberships in associations	GRI Report: Organizational profile	Refer to Assurance report

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Identified material aspects and boundaries			
G4-17 *	Entities included in the organization's consolidated financial statements	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-18 *	Process for defining report content and aspect boundaries	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-19 *	Material aspects	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-20 *	Aspect boundary within the organization	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-21 *	Aspect boundary outside the organization	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-22 *	Explanation of the effect of any re-staments of information provided in earlier reports	GRI report: Identified material aspects and boundaries	Refer to Assurance report
G4-23 *	Significant changes from previous reporting periods	GRI report: Identified material aspects and boundaries	Refer to Assurance report
Stakeholder engagement			
G4-24 *	Stakeholder groups engaged by the organization	Corporate responsibility: Stakeholder engagement	Refer to Assurance report
G4-25 *	Basis for indentification and selection of stakeholders	Corporate responsibility: Stakeholder engagement	Refer to Assurance report
G4-26 *	Approaches to stakeholder engagement	Corporate responsibility: Stakeholder engagement	Refer to Assurance report
G4-27 *	Key topics and concerns raised through stakeholder engagement	Corporate responsibility: Stakeholder engagement	Refer to Assurance report
Report profile			
G4-28 *	Reporting period	GRI Report: Report profile	Refer to Assurance report
G4-29 *	Date of the most recent report	GRI Report: Report profile	Refer to Assurance report
G4-30 *	Reporting cycle	GRI Report: Report profile	Refer to Assurance report
G4-31 *	Contact point for questions regarding the report	GRI Report: Report profile	Refer to Assurance report
G4-32 *	GRI content index	GRI Report: GRI content index	Refer to Assurance report
G4-33 *	Policy and current practice with regard to seeking external assurance for the report	GRI Report:Report profile GRI report: Corporate responsibility reporting scope	Refer to Assurance report
Governance			
G4-34 *	Governance structure of the report	Governance: Corporate governance	Refer to Assurance report
G4-36	Executive-level positions with responsibility for economic, environmental and social topics	GRI report: Governance	Refer to Assurance report
G4-37	Processes for consultation betwen stakeholders and the highest governance body	GRI report: Governance	Refer to Assurance report

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G4-38	Composition of the highest governance body and its committees	Governance: Board of Directors	
G4-39	Position of the Chairman of the Board	Governance: Board of Directors	
G4-40	Processes for determining the composition, qualifications, and expertise of the highest governance body	GRI report: Governance	Refer to Assurance report
G4-41	Processes in place to avoid conflicts of interest	GRI report: Governance	Refer to Assurance report
G4-42	Executive-level roles in setting purposes, values, and strategy	GRI report: Governance	Refer to Assurance report
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	GRI report: Governance	Refer to Assurance report
G4-44[1)]	Processes and actions taken with regard to highest governance body's performance	GRI report: Governance	Refer to Assurance report
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	GRI report: Governance	Refer to Assurance report
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk mangement processes	GRI report: Governance	Refer to Assurance report
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	GRI report: Governance Governance: Board of Directors	
G4-48	Highest committee or position that formally reviews and approves the sustainability report	GRI report: Governance	Refer to Assurance report
G4-49	Process for communicating critical concerns to the highest governance body	GRI report: Governance Governance: Shareholders´ meeting	
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanisms used to address them.	Financials: Commitments and contingent liabilities GRI report: HR3 GRI report: SO5	Refer to Assurance report
G4-51	Executive-level compensations	GRI Report: Governance	Refer to Assurance report
G4-52	Process for determining remuneration	GRI Report: Governance	Refer to Assurance report
G4-53	Process for seeking stakeholder views regarding remuneration	GRI Report: Governance	Refer to Assurance report
	Ethics and integrity		
G4-56 *	Organization's values, principles, standards and norms of behavior	GRI Report: Ethics and integrity	Refer to Assurance report
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	GRI Report: Ethics and integrity	Refer to Assurance report

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G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behaviour	GRI Report: Ethics and integrity	Refer to Assurance report

The general standard disclosures marked with an asterisk * are minimum requirements for the G4 "Core" option.

[1] Partially reported.

Specific standard disclosures		
Material aspects	Indicators	External assurance
Category: Economic		
Economic performance	EC1, EC3, EC4	Refer to Assurance report
Category: Environmental		
Materials	EN1, EN2	Refer to Assurance report
Energy	EN3, EN5, EN6	Refer to Assurance report
Water	EN8, EN10	Refer to Assurance report
Emissions	EN15, EN16, EN18, EN19, EN20, EN21	Refer to Assurance report
Effluents and waste	EN22, EN23, EN24, EN25	Refer to Assurance report
Products and services	EN27, EN28	Refer to Assurance report
Compliance	EN29	Refer to Assurance report
Transport	EN30	Refer to Assurance report
Overall	EN31	Refer to Assurance report
Supplier environmental assessment	EN32	Refer to Assurance report
Environmental grievance mechanism	EN34	Refer to Assurance report
Category: Social		
Labor practices and decent work		
Employment	LA1, LA2	Refer to Assurance report
Labor/Management Relations	LA4	Refer to Assurance report
Occupational Health and safety	LA6	Refer to Assurance report
Training and education	LA9[1], LA10, LA11	Refer to Assurance report
Diversity and equal opportunity	LA12	Refer to Assurance report
Equal remuneration for women and men	LA13[1]	Refer to Assurance report
Supplier assessment for labor practices	LA14	Refer to Assurance report
Labor practices grievance mechanisms	LA16	Refer to Assurance report

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Human rights		
Non-discrimination	HR3	Refer to Assurance report
Freedom of association and collective bargaining	HR4	Refer to Assurance report
Assessement	HR9[2]	Refer to Assurance report
Supplier human rights assessment	HR10	Refer to Assurance report
Human rights grievance mechanisms	HR12	Refer to Assurance report
Society		
Local communities		
Local communities	SO1, SO2	Refer to Assurance report
Anti-corruption	SO3, SO4, SO5	Refer to Assurance report
Public policy	SO6	Refer to Assurance report
Anti-competitive behaviour	SO7	Refer to Assurance report
Aupplier assessment for impacts on society	SO9	Refer to Assurance report
Compliance	SO8	Refer to Assurance report
Grievance mechanism for impacts on society	SO11	Refer to Assurance report
Product responsibility		
Customer health and safety	PR1, PR2	Refer to Assurance report
Product and service labelling	PR3, PR4	Refer to Assurance report
Marketing communications	PR6	Refer to Assurance report
Compliance	PR9	Refer to Assurance report

[1] LA9: Partially reported, no company-wide information of training hours available. LA13: Partially reported, no data available for ratio of women to men for each employee category.

[2] Partially reported. Systematic process for assessing human rights related risks will be initiated in 2014.

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Corporate responsibility > GRI report > General standard disclosures > Strategy and analysis

GRI report

Strategy and analysis

G4-1: CEO'S STATEMENT

For the statement from the most senior decision-maker concerning the relevance of sustainability to Kemira and Kemira's strategy for addressing sustainability, please see CEO's review.

G4-2: KEY IMPACTS, RISKS AND OPPORTUNITIES

A description of key impacts, risks, and opportunities can be found in the section Risk management and in the CEO's review.

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Corporate responsibility > GRI report > General standard disclosures > Organizational profile

GRI report

Organizational profile

G4-3: NAME OF THE ORGANIZATION

The name of the organization is Kemira Oyj.

G4-4: PRIMARY BRANDS, PRODUCTS AND SERVICES

A list of Kemira's primary brands, products, and services can be found under Our business.

G4-5: LOCATION OF THE ORGANIZATION'S HEADQUARTERS

Kemira's headquarters is located in Helsinki.

G4-6: COUNTRIES WHERE THE ORGANIZATION OPERATES

Kemira has operations in approximately 40 countries.

Kemira has no significant locations of operations, only one site with over 300 employees (305 employees end of 2013) out of total about 4,500 employees (6.9% of all employees).

G4-10: BREAKDOWN OF WORKFORCE

See also Our business section.

G4-7: NATURE OF OWNERSHIP AND LEGAL FORM

Kemira is a publicly traded company listed on the NASDAQ OMX Helsinki Ltd.

G4-8: MARKETS SERVED

Kemira's markets served, including geographical breakdown, sectors served and types of customers can be found under Our business.

G4-9: SCALE OF REPORTING ORGANIZATION

For information on Kemira's number of employees, operations and financial figures, please see Key figures.

G4-10: Total number of employees						
	2013	2012	2011	2010	2009	2008
Personnel at year-end	4,453	4,857	5,006	4,935	8,493	9,954
Females/males, %	26/74	25/75	24/76	32/68	32/68	29/71

G4-10: Total number of employees by employment contract and gender							
2013	Female	Male	Total	Female %	Male %	Total %	Total % 2012
Permanent	1,127	3,223	4,350	96.8	98.0	97.7	98.0
Fixed-term	37	66	103	3.2	2.0	2.3	2.0
Total	1,164 (26%)	3,289 (74%)	4,453	100.0	100.0	100.0	100.0

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G4-10: Total number of permanent employees by employment type and gender							
2013	Female	Male	Total	Female %	Male %	Total %	Total % 2012
Full-time	1,102	3,212	4,315	97.8	99.7	99.2	97.6
Part-time	25	11	36	2.2	0.3	0.8	2.4
Total	1,127	3,223	4,350	100.0	100.0	100.0	100.0

G4-10: Total workforce by region and gender							
2013	Female	Male	Total	Female %	Male %	Total %	Total % 2012
APAC	93	247	340	8.0	7.5	7.6	7.2
EMEA	739	1,856	2,595	63.5	56.4	58.3	57.8
North America	271	1,010	1,281	23.3	30.7	28.8	26.3
South America	61	176	237	5.2	5.4	5.3	8.7
Total	1,164	3,289	4,453	100.0	100.0	100	100.0

There is no significant variation in the employment figures on an annual level. The workload is evenly distributed during the year, which is why there is no need for seasonal workforce.

G4-11: EMPLOYEES COVERED BY BARGAINING AGREEMENTS

Percentage of employees covered by collective bargaining agreements varies widely by between regions, being lowest in North America (USA 4%, Canada11%), which is characteristic to the region. 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 Europe the percentage varies (UK 31%, the Netherlands 68%, Germany 47%, Austria 100%), and in some Eastern European countries (for example Poland) there are no collective bargaining agreements. In South America all employees are covered by a collective agreement. For APAC the data is not applicable as collective bargaining agreements are not a prevailing practice in the chemical industry.

G4-12: ORGANIZATION'S SUPPLY CHAIN

Kemira's Supply Chain function is in charge of the end-to-end product flow which comprises managing the sourcing of materials and services, inventory and demand replenishment planning, logistics operations, customer order handling and customer service. Most of the suppliers are direct producers of materials, energy and utilities, and service providers.

The total number of suppliers is about 10,000, out of which 650 are raw material suppliers.

Total spend of direct and indirect sourcing was about EUR 1.7 billion in 2013.

Top 100 direct material suppliers make 80% of the total spend. Geographically 85% of the supplies are from EMEA and NAFTA.

G4-13: SIGNIFICANT CHANGES DURING THE REPORTING PERIOD

During 2012-2013 Kemira has announced 20 site or production plant closures in line with Kemira's consolidated manufacturing footprint optimization plan. The production from closed sites has been transferred to Kemira's other sites, except for titanium dioxide and formic

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acid business, which have been sold. At the end of 2013, Kemira had 59 manufacturing sites. The environmental reporting scope included 64 sites according to Kemira consolidation rules.

Acquisition of 3F Chimica S.p.A.; two new manufacturing sites in Italy and one in USA focusing on polymer production.

Establishment of multifunction Business Service Center in Gdansk, Poland (transactional services including customer service and procurement).

There are no significat changes in share capital structure and other capital formation, maintenance, and alteration operations. For further information, please see Note 33.

There are no significant changes in the supply chain in terms of location of material and service suppliers or in selection or termination of suppliers.

G4-14: EXPLANATION OF HOW THE PRECAUTIONARY PRINCIPLE IS ADDRESSED

Kemira's risk management policy and principles proactively protect and help Kemira to reach the desired aggregate risk level and ensure the continuity of Kemira's operations. Read more in the section Risk management.

G4-15: EXTERNAL PRINCIPLES AND OTHER INITIATIVES TO WHICH THE ORGANIZATION SUBCRIBES OR WHICH IT ENDORSES

Kemira follows the OECD Guidelines for Multinational Enterprises. Kemira respects and supports the fundamental human rights as defined by the United Nations Universal Declaration of Human Rights and complies with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

G4-16: MEMBERSHIPS IN ASSOCIATIONS

Kemira Oyj is committed to the Responsible Care program by the International Council of Chemical Associations (ICCA).

Kemira is a member of World Business Council for Sustainable Development (WBCSD), Chemical Industry Federation of Finland (CIFF) and European Chemical Industry (CEFIC). Kemira's CEO is a member of the CIFF and CEFIC Board.

On a national level Kemira is, for example, a member of Cleantech Finland and participates actively in the Baltic Sea Action Group's (BSAG) Commitment to Act.

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GRI report

Identified material aspects and boundaries

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

The entities included in Kemira's Consolidated Financial Statements are listed in the Notes to the Consolidated Financial Statements 34; Group companies.

All the Group companies are included in Kemira's corporate responsibility report. More detailed description of the boundaries and the completeness of the report data is provided in the tables G4-20 and G4-21 Description of the reporting scope and methods of data collection.

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

During the autumn of 2013 Kemira updated the assessment of material sustainability topics in accordance with the new GRI G4 process for defining report content. Based on the first materiality analysis conducted in 2011, Kemira had defined its corporate responsibility priorities and targets as part of its corporate responsibility management process. The targets for corporate responsibility were approved by the Management Board in the end of 2012.

The second stakeholder survey was conducted in the autumn 2013 to understand how and in which areas we could improve our corporate responsibility. This was done via a web-based stakeholder brainstorming where stakeholders could discuss and provide their viewpoint on any corporate responsibility topics and concerns they considered important. The survey was participated by 243 stakeholder representatives from 27 countries. The share of external stakeholders was 51.4% of the participants and they represented mainly shareholders and investors, customers, suppliers, non-govermental organizations and governmental authorities.

According to the results of the stakeholder survey, both internal and external stakeholders highlighted the importance of product safety and innovation, business ethics and compliance, and responsibility in the supply chain.

The outcomes of this online stakeholder survey were taken into account when updating Kemira's corporate

responsibility focus areas and targets for 2014, and when defining material aspects and boundaries for the report content.

The most material corporate responsibility aspects for Kemira were determined based on three criteria:

- Top 10 most important stakeholder expectations and concerns
- Chemical sector specific sustainability aspects based on GRI's stakeholder survey on sustainability topics for sectors (GRI 2013, Sustainability Topics for Sectors: What do stakeholders want to know?)
- Kemira's strategy was taken into account from two perspectives; whether the aspect is a source of value creation or a source of risk for Kemira

If the aspect met most of the three criteria, it was considered to be material. In this process, 36 of the 46 aspects included in the GRI G4 guidelines were identified as material. Four of the earlier reported aspects were not considered material any more. Aspects Indirect economic impacts, Market presence, Investment and biodiversity were reported in 2012 but were not considered material when defining material aspects and boundaries for the 2013 report content.

The scope of the report does not contain any other changes, nor restatements of information provided in the previous reports.

Aspect boundaries for the identified material aspects were then evaluated in reflection to the sustainability context, that is based on the significance of their economic, environmental and social impacts in our value chain. A more detailed description of the aspect boundaries and completeness of data collection for the identified material aspects can be found in the table Description of the reporting scope and methods of data collection.

Based on the materiality assessment, stakeholder survey results and discussions with Kemira's management, Kemira has defined six corporate responsibility focus areas, and has established performance targets for each focus area. The corporate responsibility focus areas are:

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- Responsible business practices
- Responsible supply chain
- Responsible manufacturing
- Responsibility for employees
- Sustainable products and solutions
- Responsibility towards the local communities where we operate.

The material aspects and the relevant performance indicators are organized and reported by Kemira's six corporate responsibility focus areas. The results of the materiality assessment, as well as the updated Kemira corporate responsibility targets, have been validated by the Kemira Management Board in January 2014.

G4-19: MATERIAL ASPECTS

G4-19: Material aspects by Kemira's corporate responsibility focus areas						
Material aspects identified	Responsible business practices	Responsible supply chain	Responsibility for employees	Responsible manufacturing	Sustainable products and solutions	Responsibility towards the local communities where we operate
Category: Economic						
Economic Performance (see section Economic responsibility)						
Category: Environment						
Materials				▨		
Energy		Scope 3		▨		
Water				▨		
Emissions				▨		
Effluents and waste				▨		
Products and services					▨	
Compliance	▨					
Transport		▨				
Overall env. expenditures and investments				▨		
Supplier environmental assessment		▨				
Environmental grievance mechanisms	▨					
Category: Social						
Sub-category: Labor Practices and decent work						
Employment			▨			
Labor/management relations			▨			
Occupational health and safety			▨			

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Training and education					
Diversity and equal opportunity					
Equal remuneration for women and men					
Supplier assessment for labor practices					
Labor practices grievance mechanisms					
Sub-category: Human rights					
Non-discrimination					
Freedom of association and collective bargaining					
Assessment					
Supplier human rights assessment					
Human rights grievance mechanisms					
Sub-category: Society					
Local communities					
Anti-corruption					
Public policy					
Anti-competitive behavior					
Compliance					
Supplier assessment for impacts on society					
Grievance mechanisms for impacts on society					
Sub-category: Product responsibility					
Customer health and safety					
Product and service labeling					
Marketing communications					
Compliance					

G4-20 ASPECT BOUNDARY WITHIN THE ORGANIZATION

G4-20: Description of the reporting scope and methods of data collection Aspect boundaries within the organization		
Materials Aspects	**Aspect boundary**	**Completeness**
Category: Economic		
Economic performance	All Kemira operations (according to Kemira consolidation rules)	Data is extracted from the Kemira ERP* system and collected from Kemira consolidated companies. Consolidation on the Group level.
Category Environment		
Materials; Products and services; Transport	All Kemira operations covered by the Kemira ERP* (according to Kemira consolidation rules)	Data is extracted from the Kemira ERP* system and R&D New Product Development (NPD) process documentation.
Energy (Scope1 and 2); Water; Emissions; Effluents and waste; Compliance, Environmental expenses and investments	All Kemira sites (according to Kemira consolidation rules). The environmental reporting scope included 64 sites.	Data is collected from each production site and consolidated on the Group level.
Category:Social		
Labor Practices and Decent Work Employment; Labor/management relations; Occupational health and safety** (incl.contractors working at Kemira sites); Training and education; Diversity and equal opportunity; Equal remuneration for women and men	All Kemira operations (according to Kemira consolidation rules)	HR data management system. Kemira is to some extent using supervised workers and supervised employees of contractors, but the information is managed locally at respective sites and is not collected and consolidated globally. Safety data management system
Human Rights Non-discrimination; Freedom of association and collective bargaining; Human rights assessment	All Kemira operations (according to Kemira consolidation rules)	Notifications through Compliance & Ethics Hotline and sustainability@kemira.com
Society Local communities; Anti-corruption; Public policy Anti-competitive behavior; Compliance	All Kemira operations (according to Kemira consolidation rules)	Data is collected from each region and from the Kemira legal archive files, and through notifications from Kemira Compliance and Ethics Hotline
Product responsibility Customer health and safety; Product and service labeling; Marketing communications; Compliance	All Kemira operations covered by the Kemira ERP* (according to Kemira consolidation rules)	Data is extracted from the Kemira ERP* system, R&D NPD process documentation and Kemira legal archive files
Grievance mechanism	All Kemira operations	Kemira Compliance and Ethics Hotline
*Kemira ERP = Kemira Enterprise Resource Planning **Occupational health & safety: TRI number includes the contractors		

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G4-21 ASPECT BOUNDARY OUTSIDE THE ORGANIZATION

G4-21: Description of the reporting scope and methods of data collection Aspect boundaries outside the organization		
Materials Aspects	**Aspect boundary**	**Completeness**
Indirect emissions in the value chain (EN17, EN30)	Scope 3	Data collected from Kemira ERP* system and relevant organizational units. Default data and assumptions as refered by WBCSD Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain
Supplier assesments	Suppliers	Harmony Contract Management Tool to track suppliers that signed for CoC-SDA.
Grievance mechanism	External stakeholders	Data is collected from sustainability@kemira.com
*Kemira ERP = Kemira Enterprise Resource Planning		

G4-22 EXPLANATION OF THE EFFECT OF ANY RE-STAMENTS OF INFORMATION PROVIDED IN EARLIER REPORTS

There are no major restatements of information provided in previous reports except a few environmental related data: Indicators EN23 and EN27 are restated for years 2011-2013 due to more comprehensive data available. Indicator EN23 is also reported by more comprehensive disclosure of waste disposal methods.

G4-23 SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS

There are no significant changes from previous reporting periods in the reporting scope and aspect boundaries.

Emissions in the value chain (Scope 3) and Supplier assessments are included as new items.

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GRI report

Stakeholder engagement

G4-24: STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION

For a list of stakeholder groups engaged by the organization, please see Stakeholder engagement.

G4-25: BASIS FOR INDENTIFICATION AND SELECTION OF STAKEHOLDERS

The basis for identification and selection of stakeholders with whom to engage can be found in Stakeholder engagement.

G4-26: APPROACHES TO STAKEHOLDER ENGAGEMENT

For the organization's approach to stakeholder engagement, please see Stakeholder engagement.

G4-27: KEY TOPICS AND CONCERNS RAISED THROUGH STAKEHOLDER ENGAGEMENT

The key topics and concerns raised through stakeholder engagement, as well as Kemira's response to those topics and concerns, can be found under Stakeholder engagement.

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GRI report

Report profile

G4-28: REPORTING PERIOD

The reporting period is from January 1 to December 31, 2013, unless otherwise stated.

G4-29: DATE OF THE MOST RECENT REPORT

Kemira's Annual Report 2012 (including Sustainability Report and Financial Statements) was published on February 28, 2013.

G4-30: REPORTING CYCLE

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

G4-31: CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

For questions regarding the report or its contents, please contact Kemira Corporate Responsibility: sustainability@kemira.com.

G4-32: GRI CONTENT INDEX

Please see GRI report for the GRI content index.

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 Corporate responsibility reporting scope and Assurance statement.

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GRI report

Governance

The company's corporate governance is also described in the Corporate governance section of the Kemira 2013 report.

G4-34: GOVERNANCE STRUCTURE OF THE REPORT

For information on Kemira's governance structure and committees, please see Corporate governance.

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

Senior Vice President, Communications & Corporate Responsibility, reports to the Managing Director.

Director, Corporate Responsibility, reports to the Senior Vice President, Communications & Corporate Reponsibility.

G4-37: PROCESSES FOR CONSULTATION BETWEN STAKEHOLDERS AND THE HIGHEST GOVERNANCE BODY

Kemira Oyj's corporate governance is based on the Articles of Association, the Finnish Companies Act and NASDAQ OMX Helsinki Ltd's rules and regulations on listed companies. These rules regulate the procedures regarding when and how listed companies disclose information to the market. 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.

Furthermore, Kemira complies with the Finnish Corporate Governance Code which is publicly available at http://cgfinland.fi/en/

Kemira Oyj's general operating principles, mutual responsibilities and lines of responsibility are defined by the Kemira Code of Conduct. Kemira's values and ethical principles underpin the company's corporate governance and the way in which the company interacts with its main stakeholders.

Kemira's shareholders' meeting is held at least once a year.

Shareholders have a 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 as well the right to review fiscal information for the past year and bring up questions or matters regardingly.

In 2013 Kemira's Investor Relations held approximately 35 roadshow days and almost 250 individual meetings with portfolio managers and other representatives in several different countries. The Head of Investor Relations reports to the Chief Financial Officer.

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

Please read more on the composition of the highest governance body and its committees in the section Board of Directors.

G4-39: POSITION OF THE CHAIRMAN OF THE BOARD

Please read more about the Chair of the highest governance body and his duties in the section Board of Directors.

G4-40: PROCESSES FOR DETERMINING THE COMPOSITION, QUALIFICATIONS, AND EXPERTISE OF THE HIGHEST GOVERNANCE BODY

Kemira complies with the Finnish Corporate Governance Code which is publicly available at www.cgfinland.fi (see chapter 3: Board)

The Annual General Meeting (AGM) makes decisions on matters within its competence under the Companies Act and the Articles of Association on the discharge of Board members and the Managing Director and his Deputy from liability, the election of the Chairman, Vice Chairman and other members of the Board of Directors and their emoluments, and the election of the auditor and the auditor's fees.

The Nomination Board, consisting of shareholders or the representatives of shareholders, prepares annually a proposal for the next AGM concerning the composition and remuneration of the Board of Directors.

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

Kemira's Board of Directors' tasks and duties are defined in the section 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 related parties, transactions and disclosure of related parties and transactions are defined in the Kemira Group Related Party Policy (approved by the Management Board). Related party information is disclosed in the Consolidated Financial Statements as required by the International Financial Reporting Standards (IFRS).

All Board members are independent of the company. The Board members are also independent of significant shareholders of the company except for the Vice Chairman Jari Paasikivi. Jari Paasikivi is the CEO of Oras Invest Oy, which is the owner of over 10% of Kemira Oyj's shares.

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 situation to their supervisor in accordance with applicable Kemira policies.

Kemira Oyj and the Kemira pension fund Neliapila own 4,037% of the shares of the energy production company Pohjolan Voima. Pohjolan Voima is the major owner of another energy production company Teollisuuden Voima Oy, where Kemira has a direct minority ownership share of about 1%.

G4-42: EXECUTIVE-LEVEL ROLES IN SETTING PURPOSES, VALUES, AND STRATEGY

The Managing Director is responsible for managing and developing the company in accordance with the instructions and regulations issued by the Board of Directors, ensuring that the company's interests are served by the subsidiaries and associated companies under its ownership, and puts the decisions taken by the Board of Directors into effect. The Managing Director reports to the Board on financial affairs, the business environment and other significant issues.

The Management Board is responsible for securing the long-term strategic development of the company. The Management Board also approves the Company's Policies.

The Board of Directors approves the company's values, strategy and organization. The Board of Directors approves the most important Policies, such as the Code of Conduct. The Board approves the interim reports and financial statements as well as the corporate responsibility report.

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

The knowledge of economic, environmental and social topics is enhanced through various presentations and discussions as well as review of, for example, the EHSQ report, interim report and corporate responsibility report.

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

The Board of Directors conducts an internal self-assessment annually. Action plans are created based on the results. The results are presented to the Nomination Board

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

The risks and opportunities are included in the Kemira's strategy, as approved by the Board of Directors. The review of the strategy is a continuous process. The Board of Directors meet once a month. Early warning signals are presented to the Board of Directors once a month, covering information on the markets relevant to the company.

G4-46: HIGHEST GOVERNANCE BODY'S ROLE IN REVIEWING THE EFFECTIVENESS OF THE ORGANIZATION'S RISK MANGEMENT PROCESSES

Internal audit reviews the results of the risk assessment processes on a yearly basis for audit planning purposes. The risk management process is evaluated by internal audit every three years. According to Kemira's Enterprise Risk Management process, the Board of Directors review the risk management process through its Audit Committee annually, Management Board and segment management semiannually and RBU/function/region management quarterly.

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

The tasks and duties of the highest governance body can be found under Board of Directors.

In 2013, the Board of Directors met 16 times. The average attendance rate at the meetings was 97.6%.

G4-48: HIGHEST COMMITTEE OR POSITION THAT FORMALLY REVIEWS AND APPROVES THE SUSTAINABILITY REPORT

Defining Kemira's corporate responsibility material topics and focus areas is based on our stakeholders' concerns and expectations, and on assessing the impacts of our operations on the environment and society. The material topics are either a source of value creation or a business risk for Kemira.

Kemira sets improvement targets for each defined corporate responsibility focus area. The target setting is designed together with the respective members of Kemira's Management Board responsible for individual corporate responsibility focus areas.

Kemira's corporate responsibility targets are approved by the Kemira Management Board. Corporate responsibility targets are discussed annually with the Kemira Board of Directors. Performance agaihts corporate responsibility targets is reported quarterly in Kemira's interim reports by the Kemira Board of Directors.

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

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

More information on the process for communicating critical concerns to the highest governance body can be found in the section Shareholders' meeting.

See also disclosure G4-58 for the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.

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

The following critical concerns are reported to the Boad of Directors:

Litigations, if relevant to the Board of Directors, see chapter "Litigation" in Note 30: Commitments and contingent liabilities.

Cases of discrimination are described under the indicator HR3: Total number of incidents of discrimination and corrective actions taken, and cases of corruption under SO5: Confirmed incidents of corruption and actions taken. There were 4 cases of violations against the Code of Conduct reported to the Audit Committee. The Committee reports to the Board on each meeting.

G4-51: EXECUTIVE-LEVEL COMPENSATIONS

Based on the decisions of the 2013 Annual General Meeting, Board members are entitled to a yearly fee and a fee per meeting.

The fees are as follows:

- Chairman will receive EUR 74,000 per year,
- Vice Chairman and the Chairman of the Audit Committee EUR 45,000 per year and
- other members EUR 36,000 per year.

Fees payable for each Board meeting and its committees are:

- EUR 600 for the members residing in Finland,
- EUR 1,200 for the members residing elsewhere of Europe and
- EUR 2,400 for the members residing outside Europe.

The meeting fees are to be paid in cash.

Travel expenses are paid according to Kemira's travel policy.

In addition, the Annual General Meeting decided that the annual fee should 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 company's shares owned by the company or, if not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of

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the Board of Directors within two weeks from the release of Kemira's interim report January 1–March 31, 2013.

The Board of Directors determines the salaries of the Managing Director and other Group Management Board members, other remuneration, and employment terms. Management compensation consists of a monthly salary, fringe benefits and performance based incentives. A twelve-month period of notice applies to both sides for the Managing Director. In addition to the salary of the notice period, the Managing Director is not entitled to a separate severance pay. The Group Management Board does not have a separate supplementary pension scheme. The performance based incentives consist of a cash bonus plan and a share based plan.

The annual cash bonus is determined by the achievement of the Group and personal performance targets for each financial year. The maximum bonus for the Managing Director is 60% of the annual gross salary for the same period and 50–70% for other Group Management Board members. In 2013, Group performance targets were Group EBIT and cash flow and personal performance targets including social and economic objectives, depending on the role. All Group Management Board members had a People and Talent Development target in addition of the operative and financial targets.

In February 2012, Kemira Board of Directors decided to establish a new share-based incentive plan that follows the already terminated 2009–2011 plan aimed at the company's strategic management for the years 2012–2014, as part of the company's incentive and commitment schemes. The delivery of share rewards within the plan is subject to the achievement of the performance targets set by the Board of Directors, which include both internal and external performance targets. The internal target setting is divided into three one-year performance periods: 2012, 2013 and 2014. Payment depends on achievement of the set intrinsic value targets calculated from the development of EBITDA and the development of the net debt. The program also includes a three-year external goal, which is tied to the relative total shareholder return (TSR) performance during 2012–2014. As a guiding principle, reward will only be paid based on excellent performance.

The value of the aggregate reward paid out in the course of the three-year plan may not exceed 120% of the CEO's and 100% of the other participants' gross salary for the same period. The applicable taxes will be deducted from the gross earning and the remaining net value is delivered to the participants in Kemira shares.

Shares earned through the plan must be held for a minimum of two years following each payment. In addition, the participants must retain fifty per cent of the shares obtained under the plan until their ownership of Kemira shares based on shares obtained through the share-based incentive programs of Kemira has reached a share ownership level which in value equals at least their gross annual salary for as long as they remain participants in the plan.

The shares transferable under the plan comprise treasury shares or Kemira Oyj shares available in public trading.

In addition to the share-based incentive plan aimed at the company's strategic management, Kemira has a share-based incentive plan aimed at other key personnel, in which the strategic management will not participate.

G4-52: PROCESS FOR DETERMINING REMUNERATION

The Annual General Meeting decides on remuneration for Board members.

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

The Group Performance targets in the annual cash bonus as well as the the targets in the share-based plan for the strategic management are determined for each financial year separately 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 plan.

G4-53: PROCESS FOR SEEKING STAKEHOLDER VIEWS REGARDING REMUNERATION

Shareholders represent one of Kemira's three key stakeholder groups in addition to customers and employees, and shareholders' views regarding remuneration are taken into account in Kemira Oyj's shareholders' meeting, Annual General Meeting (AGM), which is the company's highest decision-making body. The AGM makes decisions on matters within its competence under the 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 emoluments, and the election of the auditor and the auditor's fees. Process for determining remuneration

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GRI report

Ethics and integrity

G4-56: ORGANIZATION'S VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOR

The Kemira Code of Conduct is based on Kemira's values, which are also incorporated in the Code. The Code sets the framework for Kemira policies and defines the key principles that are expressed in more detail in the respective policies.

The current version of Kemira's Code of Conduct was approved by the Board of Directors in December 2012 and entered into force on January 1, 2013. The Code is available in 24 languages.

During 2013, training has been provided to all Kemira personnel in all countries via online training program and classroom trainings. 90% of our active personnel (excluding employees who are in the scope of divested businesses) received training during 2013 either via interactive e-learning tool or on-site classroom training. The remaining personnel will receive training in 2014. All new employees will also receive training when joining the company. Signing the Code is not required globally, but this practice is nevertheless in use in some countries.

As a document the Code of Conduct is owned by the Legal function (headed by the Group General Counsel), and most of the activities related to the Code are managed by Ethics & Compliance sub-function (organized under Legal).

G4-57: INTERNAL AND EXTERNAL MECHANISMS FOR SEEKING ADVICE ON ETHICAL AND LAWFUL BEHAVIOUR

Kemira has in-house legal counsels in all regions that can be contacted via all usual means (e-mail, call, face-to-face, etc.). No special channels have been set up for anonymous contacts. Kemira employees can contact Kemira's Legal function (in-house legal counsels or Ethics & Compliance) in any questions or concerns relating to

ethics or compliance. This is stated for example in the Code of Conduct. Any reporting will be treated strictly confidentially and anonymously to the extent possible. Preventing an employee from reporting a violation of the Code is prohibited.

Satisfaction with Legal's advice services is not measured separately, but is indirectly covered as part of the Business Alignment Survey conducted by Legal in November/ December 2013.

G4-58: INTERNAL AND EXTERNAL MECHANISMS FOR REPORTING CONCERNS ABOUT ETHICAL AND LAWFUL BEHAVIOUR

Each Kemira employee must report any violation of law, unethical activities or non-conformity with the Code of Conduct either via the Kemira Ethics and Compliance Hotline, an independent reporting service provided by an external partner; to Kemira Group Ethics & Compliance function; or the relevant line management.

Each line manager has an obligation to forward all reports made to the line management to the Ethics & Compliance function, which has the overall responsibility of the reporting.

Each employee is required to attend a mandatory Code of Conduct training, which contains information about the reporting system. The reporting system is available 24/7 for the employees and it is provided in 45 different languages. All reports will be treated confidentially and anonymously to the extent possible. According to Code of Conduct, all allegations of potential violations of the Code made in good faith will receive a fair and comprehensive investigation conducted with the relevant internal and/or external assistance. Raising a concern about compliance with the Code will not lead to adverse work-related consequences.

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GRI report

Disclosures on management approach

Disclosure of management approach is reported by the generic management approach covering Kemira's corporate responsibility in general, and by the specific management approaches covering each focus area of corporate responsibility. The management approach of economic performance is covered by Kemira's corporate governance and financial guidance. Sustainable organic growth, financial stability and target oriented corporate responsibility work are the key elements in Kemira's management of economic responsibility.

Management approach of Kemira's corporate responsibility	
Description of management approach	At Kemira, the purpose of Corporate Responsibility is to identify, understand and manage the impacts of our activities on the environment, people and the society.
Policies	Kemira has a wide scope of company policies that support the implementation of corporate responsibility targets, and that relate to the management approach of each corporate responsibility focus area. • Kemira Code of Conduct, Code of Conduct for Suppliers, Distributors and Agents, and EHSQ policy are publicly available • All other policies referted to in the focus area specific DMA are non-public, internal documents
Commitments	• Kemira Code of Conduct is in line with the OECD Guidelines for Multinational Enterprises • Kemira respects and complies with internationally acknowledged human rights such as the United Nations Universal Declaration of Human Rights and ILO declaration on Fundamental Principles and Rights at Work • Kemira is signatory of Responsible Care, the voluntary initiative of the international chemical industry.
Goals and targets	Our corporate responsibility targets can be found in the section Our focus areas.

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Responsibilities	Director, Corporate Responsibility, is responsible for overall development and management of corporate responsibility activities, and reports to SVP, Communications and Corporate Responsibility, a direct subordinate of the CEO. Corporate Responsibility team • Team is lead by Director, Corporate Responsibility • Team is responsible for management of a company-wide process to identify corporate responsibility priorities and targets, coaching and supporting the organization, coordinating, monitoring and reporting of the corporate responsibility related activities in Kemira, establishing the processes, tools and metrics to ensure compliance with relevant external norms, guidelines and expectations, stakeholder dialogue related to corporate responsibility, public affairs issue management • Team responsibilities are connected to performance evaluation and incentive plan: 30% of bonus targets are based on individual KPI's to ensure that corporate responsibility targets are implemented and achieved. For corporate responsibility, generic catalog KPI's are defined which can be used as part of bonus KPI's in other parts of the organization Corporate Responsibility management team • Team is chaired by Director, Corporate Responsibility • Team members are from the organisational units that are responsible for implementation and business integration of the corporate responsibility targets • Team members are responsible for the management and performance follow-up of target implementation in their respective organizational unit • Team is responsible for proposing target updates and KPI's to Kemira's Management Board and performance reporting • Responsibilities are largely connected to performance evaluation. For details, see DMA by focus areas
Resources	Segments and functions (Legal, Sourcing and Procurement, Supply Chain Management, EHSQ, Manufacturing, Human Resources, Communications and Corporate Responsibility.
Specific actions (processes, programs, projects, initiatives)	Corporate level, global activities: • Stakeholder engagement surveys conducted on regular basis • Target-setting and performance management according to corporate responsibility management process • Corporate responsibility reporting on quarterly and annual basis
Evaluation of management approach	Kemira's Managemet Board annually reviews and approves the corporate responsibility targets. The approved targets and the corporate responsibility report are presented and discussed with the Board of Directors. The performance follow-up of target implementation is conducted every quarter, and the results are reported to the Management Board, as well as to stakeholders in the quarterly Kemira Interim Reports. **Mechanisms for monitoring the effectiveness of the management approach**

Audit coverage of corporate responsibility areas in 2013			
Assurance unit	Economic	Environmental	Social
Internal assurance			
Kemira Internal Audit	Evaluation of internal controls: Reliability of financial reporting, effectiveness and efficiency of operations		Evaluation of internal controls: Compliance with applicable laws and regulations
Supply Chain Management	Supplier performance management	Supplier performance management	Supplier performance management
Environment, Health, Safety and Quality		Management system audits, site-specific EHS audits	Management system audits, site-specific EHS audits

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	Product Stewardship and Regulatory Affairs			Product regulatory compliance at manufacturing sites
	External assurance			
	External certification partner for quality, environmental and safety management systems		Assessing and auditing of environmental management systems by ISO 14001	Assessing and auditing occupational health and safety management systems by ISO 18001 and quality management systems by ISO 9001
	External service provider for legal compliance auditing		Legal compliance audits	Legal compliance audits
	External service provider for financial auditing	Assessing and auditing financial statements		
	External service provider for corporate reporting assurance		Assessing and auditing the management and performance of environmental responsibility according to GRI	Assessing and auditing the management and performance of social responsibility according to GRI

Improvements in management approach in 2013:
- Management Board is more involved in the discussion concerning corporate responsibility topics, and this activity is expected to increase in the coming years
- Board of Directors level discussion on corporate responsibility focus areas and targets once a year
- Performance results of corporate responsibility targets are disclosed quarterly to the Management Board, and to stakeholders in the Kemira Interim reports
- Corporate Responsibility management team has regular meetings with preagreed annual agenda and one focus area per meeting
- More active in external benchmarking (CDP, DJSI)
- Sustainability risk assesment is more closely integrated into Kemira Enterprise Risk Management process (e.g. climate risk)
- Overall global management process definition for corporate responsibility has been more specifically defined in 2014

Management approach by focus areas	
Focus area: Responsible business practices	
Material aspects and reported indicators (Note: materiality is described in G4-18)	• Anticorruption (SO3, SO4, SO5) • Public policy (SO6) • Anticompetitive behaviour (SO7) • Compliance (SO8) (EN29 by EHSQ, PR9 by PSRA) • Grievance mechanism (EN34, LA16, HR12, SO11)
Description of management approach	The management of responsible business practices forms the basis for Kemira to conduct its business: ethically and in compliance with applicable laws, regulations and Kemira's own policies throughout the organization.

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Policies	• Kemira Code of Conduct (2012) • Competition Law Compliance Policy (2006) • Group Gifts, Entertainment and Anti-bribery Policy (2012) • Group Sponsorship and Donation Policy (2013) • Group Related Party Policy (2012) • Risk Management Policy (2010) • Business Control Manual (2009) • Business Agreement Policy (2013) • Legal Review Guidelines for Business Agreements (2013) • Kemira Oyj Procuration Policy (2013) • Kemira Group Policy for Issuing and Maintaining Policies (2013) • EHSQ policy (2013) – foundation for management systems The Kemira Code of Conduct requires compliance with laws and regulations and adherence to company policies by every company employee. Kemira has a zero tolerance policy with regard to breaches of competition law and does not tolerate any corruption or bribery. Kemira and its employees must never offer, solicit or accept a bribe in any form. Kemira does not accept financial support to politicians, political parties or political organizations. The main channels for Kemira to contribute to public policy development are by contributing to the work of relevant trade and industry associations.
Goals and targets	• Training of employees for the Kemira Code of Conduct (CoC) • Development of Kemira Compliance Program including Communication, Training and managing the Kemira Ethics & Compliance hotline. See details in the table Corporate responsibility targets in the section Our focus areas.
Responsibilities	• Head of Legal function aswers for the compliance program, responsible business conduct and grievance mechanism. Responsibilities are connected to performance evaluation and incentive plan with the KPI "Secure that Kemira is at the end of 2013 fully compliant with Code of Conduct" • Director, Ethics and Compliance (Legal function) is responsible for the Kemira Compliance program and for grievance mechanism. Responsibilities are connected to performance evaluation and incentive plan with the KPI "All Kemira emplyees trained by Dec 31, 2013" • Head of EHSQ (Environment, Health, Quality and Safety) is responsible for auditing, and recognizing gaps versus safety/environmental legal requirements and internal standards, and to work as experts together with Kemira's organization to fill the gaps • Head of PSRA (Product Stewardship and Regulatory Affairs) is responsible for product regulatory compliance
Resources	• Legal function is responsible for the development and implementation of the Kemira compliance program. Legal/Ethics and Compliance is responsible for grievance mechanism. • EHSQ is responsible for leading the EHSQ Community and to develop and maintain Kemira's EHSQ vision, strategy and development roadmaps for the segments and functions within Kemira. • PSRA function is responsible for safety documentation and product registrations processes and implementation. • Line organizations are accountable and responsible for EHSQ and product safety compliance within their organizations. Line organizations are accountable and responsible for EHSQ and product safety within their organizations.
Specific actions (processes, programs, projects, initiatives)	Corporate level, global activities: • Code of Conduct training provided for all employees during 2013 • Ethics and Compliance hotline was launched and made available to all Kemira employees in 2013 • Kemira Group Compliance program has been initiated to further develop compliance management • New EHSQ vision, policy, strategy 2013–2020, new targets 2013–2020, new set of KPI's and five standards developed in 2013

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Evaluation of management approach	Improvements in management approach in 2013: • Organizational role and position, Director Ethics and Compliance established • Sustainability topics in greater role in the agenda of Kemira Internal Audit • EHSQ: Several new KPI's introduced and monitored and integrated management system introduced in Europe
Focus area: Responsible supply chain	
Material aspects and reported indicators (Note: materiality is described in G4-18)	• Supplier assessment (EN32, LA14, HR10, SO9) • Emissions (EN17) – Scope 3 related to supply chain • Transport (EN30)
Description of management approach	Management approach is intended to minimize negative economic, environmental and social impacts, and develop responsible business practices in the supply chain.
Policies	• Kemira Code of Conduct (2012) • Code of Conduct for Suppliers, Distibutors and Agents (2012) • EHSQ policy (2013) • Sourcing & Procurement Policy (2012) • Kemira Global Travel Policy (2010)
Goals and targets	• Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) • Supplier performance evaluation program See details in the table Corporate responsibility targets in the section Our focus areas.

Responsibilities	• Head of Sourcing and Procurement is responsible for the implementation of the Code of Conduct for Suppliers, Agents and Distributors (CoC-SDA), suppliers performance evaluation program and the Scope 3 part for business travel. Responsibilities are connected to performance evaluation and incentive plan with KPI related to Supplier Relationship program including Supplier Performance Evaluation and supplier assessments.
	• The negotiating Sourcing Managers, who are in contact with the suppliers, have the responsibility to systematically discuss the sustainability related topics with the business partners. Responsibilities are connected to performance evaluation and incentive plan with following KPI's:
	
	    • Training has been organized on how to implement CoC-SDA on purchase orders and contracts
	    • CoC-SDA is posted on the Kemira web page as well as at Kemira intranet
	    • CoC-SDA is attached to contracts that can be found on Harmony, Kemira contract database
	
	• Head of logistics is responsible for transportation EHS, and Scope 3 for transportation

Resources	• Sourcing & Procurement (in Finance and Accounting function) • Supply Chain Management function
Specific actions (processes, programs, projects, initiatives)	Corporate level, global activities: • Introducing the Code of Conduct for Suppliers, Distributors and Agents to all new and renewed contracts • Supplier Performance Evaluation (SPE) program initiated • Supplier assessments as part of the SPE program initiated to cover the most critical and risky vendors
Evaluation of management approach	Improvements in management approach in 2013: • CoC-SDA published and incorporated in all relevant supplier relationships • Supplier Performance Evaluation (SPE) process initiated • Head of Sourcing and Procurement personally involved

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Focus area: Responsibility for employees	
Material aspects and reported indicators (Note: materiality is described in G4-18)	• 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) • Non-discrimination (HR3) • Freedom of association and collective bargaining (HR4) • Human rights assessement (HR9)
Description of management approach	Management approach is to ensure that Kemira has the necessary know-how, strong leaders and engaged people to successfully execute its strategy. Focus is on enhancing positive impacts on human capital and respect on human rights, and to avoid, mitigate, or remediate any negative social impacts on labor practises, decent work and human rights.
Policies and commitments	Policies • Kemira Code of Conduct (2012) • EHSQ policy (2013) • Group Compensation Approval Policy (2013) • Group Recruitment Policy (2013) Commitments • Kemira's approach to labor practices and human rights is guided by the Kemira Code of Conduct which is in line with the OECD Guidelines for Multinational Enterprises • Kemira respects and supports the fundamental human rights as defined in the United Nations Universal Declaration of Human Rights • Kemira complies with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
Goals and targets	• Performance management • Leadership development • Employee engagement • Occupational health and safety See details in the table Corporate responsibility targets in the section Our focus areas.
Responsibilities	• VP, Talent Development, is responsible for talent and leadership development as well as employee engagement. Responsibilities are connected to performance evaluation and incentive plan with a KPI related to leadership and talent management • Director, Compensations and Benefits is responsible for performance management process. Responsibilities are connected to performance evaluation and incentive plan with a PDD coverage KPI • Head of EHSQ (Environment, Health, Quality and Safety) is responsible for auditing and recognizing gaps versus safety/environmental legal requirements and internal standards, and to work as experts together with Kemira's organization to fill the gaps. Responsibilities are connected to performance evaluation and incentive plan with the KPI "EHSQ vision, policy and standard development"
Resources	Human Resources function EHSQ function – occupational safety Line organizations are responsible and accountable for EHSQ and product safety within their organizations

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Specific actions (processes, programs, projects, initiative	Corporate level, global activities: • Performance and development discussions (PDD) established as an elemental part of the performance development process. Regular performance and career development reviews (PDDs) are in place in all countries where Kemira is present • Leadership development: Leadership position requirements have been defined as part of Kemira's job architecture. Leadership competencies have been defined for all three leadership levels. Leadership assessment for senior and mid-level leaders has been designed and implemented, resulting to a development of a leadership development portfolio which is being implemented according to annual plan • Employee engagement: Global employee engagement survey is in place and organized every 2 years. Action plans based on the results are being developed. • Occupational safety: Kemira aims at having all of its sites certified in accordance with the OHSAS 18001 standard. At the end of 2013, OHSAS 18001 certification covered globally 55% of all locations and 69% of all manufacturing sites • New EHSQ strategy, 'Kemira Care initiative', is under implementation.
Evaluation of management approach	Improvements in management approach in 2013: • HR management's role and responsibilities related to social responsibility clarified • Global processes for employee related data management established. Tools enabling consistent execution of people processes (e.g. talent management, learning management, compensation management) are being implemented • Introduced standards to improve safety of employees • Measuring TRI for both Kemira employees and contractors
	Focus area: Responsible manufacturing
Material aspects and reported indicators (Note: materiality described in G4-18)	• Materials (EN1, EN2) • Energy (EN3, EN5, EN6) • Water (EN8, EN10) • Emissions (EN15, EN16, EN18, EN19, EN20, EN21) • Effluents and waste (EN22, EN23; EN24; EN25) • Environmental expenditures and investments (EN31) • Environmental compliance (EN 29)
Description of management approach	Management approach is intended to avoid, mitigate, or remediate negative impacts of Kemira's manufacturing operations on the environment and climate, and enhance positive impacts on society.
Policies	• Kemira Code of Conduct (2012) • EHSQ policy (2013) • Internal EHSQ management guidelines in place at most of the European plants
Goals and targets	• Climate change target introduced • Water efficiency targets See details in the table Corporate responsibility targets in the section Our focus areas. In addition to the corporate responsibility targets set on the Group level, Kemira sets environmental targets at the plant level.
Responsibilities	• Head of manufacturing at each segment is responsible for energy and water efficiency, reductions of emissions and waste, effective usage of materials and safety. Responsibilities are connected to performance evaluation and incentive plan with KPI's related to occupational and process safety and energy efficiency • Head of EHSQ (Environment, Health, Safety and Quality) is responsible for auditing, and recognizing gaps versus safety/environmental legal requirements and internal standards, and to work as experts together with Kemira's organization to fill the gaps. Responsibilities are connected to performance evaluation and incentive plan with the KPI "EHQS vision, policy and standard development" • Sourcing and Procurement / Sourcing managers are responsible for purchasing of materials • Sourcing and Procurerement is responsible for purchasing of energy.

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Resources	Manufacturing units, Sourcing and Procurement function, Supply Chain Management, EHSQ function, line organization in manufacturing sites							
Specific actions (processes, programs, projects, initiatives)	Corporate level, global activities: • E3 Energy Efficiency Enhancement program • LEAN manafacturing project was established to improve manufacturing efficiency and reduce waste (waste in this case means unnecessary extra resources, bureaucracy and time) • Certification of manufacturing sites continues. Kemira aims to have all sites certified in accordance with the ISO 9001, ISO 14001 and OHSAS 18001 standards. At the end of 2013, the coverage of certified manufacturing sites was:							
			ISO 9001		ISO 14001		OHSAS 18001	
		Total	#	%	#	%	#	%
	Manufacturing	59	48	81	44	75	41	69
	EMEA	32	30	94	28	88	25	78
	North America	22	14	64	14	64	14	64
	South America	3	3	100	2	67	2	67
	APAC	2	1	50	0	0	0	0
	• Process safety standard developed in 2013 and will be launched in 2014							
Evaluation of management approach	Improvements in management approach in 2013: • Manufacturing community and EHSQ community were established to facilitate collaboration across organizations units and countries • Introduction of five new EHS standards in 2013 and more standards to be introduced in 2014							

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Focus area: Sustainable products and solutions	
Material aspects and reported indicators (Note: materiality is described in G4-18)	• Products and services (EN27, EN28) • Customer health and safety (PR1, PR2) • Product and service labelling (PR3, PR4) • Marketing communication (PR6) • Product compliance (PR9)
Description of management approach	Management approach is intended to enhance positive indirect impacts of Kemira's products, and to avoid, mitigate, or remediate negative impacts on environment, people, and society over the whole product life-cycle. The aim is to ensure that all of Kemira's products are safe for Kemira's employees, value chain partners and customers, and that appropriate registration, documentation, and labeling is provided.
Policies	Kemira Code of Conduct (2012) Employee invention policy (2009) Policy on intellectual property rights (2009) Guideline for trademark use and registration (2011) EHSQ policy (2013)
Goals and targets	Sustainability aspects to be evaluated in 100% of New Product development (NPD) projects by the end of 2015 See details in the table Corporate responsibility targets in the section Our focus areas Other goals: 100% compliance with product regulatory requirements
Responsibilities	• Senior Manager Process development, R&D and Technology is responsible for NPD process development. Responsibilites are connected to performance evaluation and incentive plan with the KPI of R&D projects completed as planned (including sustainability checks made at each Gate of the NPD process) • Head of PSRA (Product Stewardship and Regulatory Affairs) is responsible for necessary documentation for product registrations and regulatory compliance
Resources	• The R&D and Technology function is responsible for all R&D activities in Kemira Group and coordinates the NPD process activities across organizational units. • PSRA function is responsible for necessary documentation for product registrations and regulatory compliance.
Specific actions(processes, programs, projects, initiatives)	Corporate level, global activities: • Sustainability criteria defined and implemented in the New Product Development (NPD) process. • Sustainability reviews required at every stage of the New Product Development (NPD) process before proceeding to the next stage in order to ensure that all sustainability criteria are identified at the earliest stage. The process also aims to identify less hazardous and more sustainable alternatives for raw materials. • Product regulatory compliance according to all relevant legislations such as REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), and GHS (Globally harmonized System of Classification and Labelling of Chemicals).
Evaluation of management approach	Improvements in management approach in 2013: • Sustainability criteria of NDP process being developed, training of project teams for sustainability evaluation • "One label"- project initiated to ensure compliance with upcoming GHS classification • Site audits for material safety data initiated • PSRA and EHSQ reporting to the same EVP for total safety management • Improvement of Kemira's ERP system initiated to ensure improved product safety data management

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Focus area: Responsibility towards the local communities where we operate	
Material aspects and reported indicators (Note: materiality is described in G4-18)	Local communities (SO$_1$, SO$_2$)
Description of management approach	The management approach is intended to create a positive image of Kemira's operations in the communities where we operate. Focus is on ensuring that Kemira has a continuous dialogue with local communities to understand and have activities in place to respond to their needs, concerns and expectations, and providing opportunities for Kemira employees to participate in local community initiatives.
Policies	Kemira Code of Conduct (2012) Group Sponsorship and Donation Policy (2013) EHSQ policy (2013)
Goals and targets	The responsibility target of community involvement is that by 2015, each Kemira siteemploying over 50 people would have participated in a local community involvement initiative at least once. See details in the table Corporate responsibility targets in the section Our focus areas
Responsibilities	• Site management is responsible for local activities • Communication & Corporate Responsibility function is responsible for global guidelines, coordination and reporting Responsibilities are connected to performance evaluation in some regions.
Resources	All Kemira operating sites
Specific actions (processes, programs, projects, initiatives)	Corporate level, global activities: • Activities are coordinated globally on Kemira Group level but activities are planned and implemented locally on site level. • Some examples of local activities are open house days for community residents at manufacturing sites, cooperation with local schools and universities, local sponsorships and donations.
Evaluation of management approach	Improvements in management approach in 2013: • Global guidance developed for activity planning of local community events • Group Sponsorship and Donation Policy (2013)

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GRI report

Economic performance indicators

ECONOMIC PERFORMANCE

EC1: Direct economic value generated and distributed

For Kemira's economic value generated and distributed, please see Economic responsibility.

G4-EC3: Coverage of the organization's defined benefit plan obligations

Coverage of the organization's defined benefit plan obligations can be found in Notes to the Consolidated Financial Statements 23: Defined benefit plans.

Percentage of salary contributed by employee or employer and the level of participation in retirement plans are defined according to the local legislation and practices.

G4-EC4: Financial assistance received from government

Information about financial assistance received from governments can be found in the Notes to the Consolidated Financial Statements 4: Operating expenses.

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GRI report

Responsible business practices

ANTI-CORRUPTION

G4-SO3: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

Corruption risks were evaluated through Internal Audit survey and internal audits. The internal audit survey was conducted with global coverage and the results of the annual survey were taken into account in preparing the annual audit plan. Based on the revenue generated in locations subject to audit, approximately 91% of the operations were assessed for risks related to corruption. Number of assessed operations is not relevant as Kemira evaluates corruption based on processes and it might cover transactions done is several locations.

No significant risks related to corruption were identified through the risk assessment.

G4-SO4: Communication and training on anti-corruption policies and procedures

Anti-corruption is dealt with both in the Code of Conduct and also in the Kemira Group Gifts, Entertainment and Anti-Bribery Policy. Both documents have been communicated to all (4453) employees through Kemira's intranet, and the CoC is also publicly available.

There is no specific training on anti-corruption, but the topic is covered in the Code of Conduct training, which is provided to all Kemira employees. 90% of our active personnel (excluding employees who are in the scope of divested businesses) received training during 2013 either via interactive e-learning tool or on-site classroom training organized in collaboration with site management and local HR and legal functions. The remaining 10% (from different employee categories and regions) will receive the training in 2014.

The Board approves the Code and therefore sets the framework in Kemira concerning anti-corruption. No specific training has been provided to the Board.

Kemira's business partners are required to sign the Kemira Code of Conduct for Suppliers, Agents and Distributors (CoC-SDA). The CoC-SDA states that Kemira expects its business partners to adhere to local legislation and avoid corruption in all its forms. In total 174 Kemira's suppliers (36% of all Kemira's suppliers) have signed the CoC-SDA by year-end 2013.

G4-SO5: Confirmed incidents of corruption and actions taken

There have been no confirmed incidents of corruption or public legal cases regarding corruption during 2013.

PUBLIC POLICY

G4-SO6: 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 2013.

ANTI-COMPETITIVE BEHAVIOUR

G4-SO7: Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

At Kemira, there were no pending or completed legal actions initiated under national or international laws designed for regulating anti-competitive behavior, anti-trust, or monopoly practices in 2013. However, Kemira is a defendant in 3 legal proceedings in which damages are sought for violations of competition law. Such proceedings are described in Kemira's Financial Statements under the heading Litigation.

COMPLIANCE

G4-SO8: 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 have come to Kemira's attention during 2013.

For monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services, please see PR9, and concerning environmental laws and regulations, see EN29.

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GRIEVANCE MECHANISMS

G4-EN34: Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

There were in total two grievances about environmental impacts filed through formal grivance mechanisms, both of which were addressed and resolved during the reporting period. There were no cases of grievances about environmental impacts filed prior to the reporting period that would have been resolved during the reporting period.

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.

G4-HR12: Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

There was one case of internal discrimination filed through formal grievance mechanisms during the reporting period, which was addressed and resolved during the reporting period. One grievance about human rights impacts filed prior to the reporting period was resolved during the reporting period.

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 during the reporting period, nor grievances filed prior and resolved during the reporting period.

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GRI report

Responsible supply chain

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

G4-EN30: Transport impact, tCO$_2$e[1]	2013	2012
Upstream transportation and distribution	134,129	151,496
Downstream transportation and distribution	369,157	368,879
Business travel	11,250	11,789
Employee commuting	13,754	14,998
Total transport	528,289	547,162
Total Scope 3 emissions	2,696,340	2,676,984
Transport as percentage of total Scope 3 emissions	20%	20%

[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.
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.

To mitigate the environmental impact of the supply chain, the optimization of logistics is one of the key measures. Kemira encourages its logistics service partners to use at minimum Euro 4 compliant transport equipment. Kemira's target is to move on to the Euro 5 requirements starting from January 1, 2015.

Kemira has also focused its attention on load optimization, e.g. by sending full truck loads on the roads. Furthermore, the tendering process has led the logistics service providers to look for back haul arrangements. Also the new logistics IT system, which already has been in use in Kemira's North American operations, supports Kemira's target of load optimization. The logistics IT system was implemented in Europe during 2013.

To mitigate the environmental impact from business travel the investments on video and online meeting facilities are targeted to minimize the business travel between Kemira locations.

SUPPLIER ASSESSMENT

G4 indicators EN32, LA14, HR10, SO9: Percentage of new suppliers that were screened using environmental criteria, labor practices criteria, human rights criteria and criteria for impacts on society

Kemira is committed to conducting business ethically and sustainably, and expects its suppliers to do the same. Each supplier under contract is required to sign the Kemira Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA), or to comply with the CoC-SDA requirements through their own Code of Conduct in case it is more stringent. Our CoC-SDA covers topics related to business integrity, fair

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and ethical business conduct, respect of human rights, provision of decent working conditions and protection of the environment. 59% of the suppliers contracted in 2013 have signed the CoC-SDA. In total 36% of all Kemira's suppliers have signed the CoC-SDA by year-end 2013, although we only targeted for 25%.

Kemira has also initiated a supplier assessment process as part of the supplier performance evaluation (SPE) program. The assessment process includes a specific assessment of the most risky and critical vendors by assessing the supply risk, business impact and market availability, as well as sustainability topics, such as responsible care, compliance with legislation, compliance with industrial standards to protect the people and environment, labor practices and human rights.

The SPE program includes top 5 spend suppliers per sourcing line and low performing suppliers that represent 47% of our total spend in 2013 and 80% of our direct purchases.

The supplier assessment (or supplier audit) covered 29 suppliers in 2013.

EMISSIONS

G4-EN17: Other indirect greenhouse gas (GHG) emissions (Scope 3)

G4-EN17: Greenhouse gas emissions from Kemira's value chain		
tCO_2e	2013	2012
Purchased goods and services	1,197,058	1,148,100
Capital goods	278,097	274,203
Fuel and energy related activities	216,265	218,518
Upstream transportation and distribution	134,129	151,496
Waste generated in operations	50,012	16,083
Business travel	11,250	11,789
Employee commuting	13,754	14,998
Upstream leased assets (leased offices)	11,671	17,014
Downstream transportation and distribution	369,157	368,879
End-of-life treatment of sold products	412,693	422,013
Total	2,676,984	2,696,340

See also the table Summary of greenhouse emission indicators in the section Responsible manufacturing: Climate change.

Greenhouse gas emissions from Kemira's value chain (Scope 3 of WRI/ WBCSD GHG Protocol). 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 CO_2 equivalents which includes CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. 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.

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GRI report

Responsibility for employees

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 2013 was 431, out of which 33% were female and 67% male.

In 2013, employee turnover rate was 16.1% against the 11.3% in 2012.The turnover was impacted by organizational changes driven by strategy implementation and related restructuring activities and redundancies. The turnover rate was highest in South America (32.9%) and lowest in NAFTA (10.1%).

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES

G4-LA1: New employee hires w/o aquisitions 2013		
Age group	Number of new hires	% of total new hires
<30	201	46.6
30-50	196	45.5
>50	34	7.9
Total	431	100.0

G4-LA1: New employee hires w/o aquisitions 2013		
Gender	Number of new hires	% of total new hires
Female	141	32.7
Male	290	67.3
Total	431	100.0

G4-LA1: New employee hires w/o aquisitions 2013		
Region	Number of new hires	% of total new hires
APAC	42	9.7
EMEA	239	55.5
NAFTA	104	24.1
SA	46	10.7
Total	431	100.0

TOTAL TURNOVER

G4-LA1: Total turnover by age group		
Age group	Turnover	Turnover, %
<30	77	11.9
30-50	357	14.6
>50	281	20.8
Total	715	16.1

G4-LA1: Total turnover by gender		
Gender	Turnover	Turnover, %
Female	198	17.0
Male	517	15.7
Total	715	16.1

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G4-LA1: Total turnover by region		
Region	Turnover	Turnover, %
APAC	62	18.2
EMEA	445	17.1
NAFTA	130	10.1
SA	78	32.9
Total	715	16.1

G4-LA1: Voluntary turnover by region		
Region	Voluntary turnover	Voluntary turnover, %
Asia Pacific	34	10
EMEA	96	3.7
North America	57	4.4
South America	18	7.6
Total	205	4.6

VOLUNTARY TURNOVER

G4-LA1: Voluntary turnover by age group		
Age group	Voluntary turnover	Voluntary turnover, %
<30	35	5.4
30-50	147	6.0
>50	23	1.7
Total	205	4.6

G4-LA1: Voluntary turnover by gender		
Gender	Voluntary turnover	Voluntary turnover, %
Female	64	5.5
Male	141	4.3
Total	205	4.6

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 by regional and country specific market practices. In most European countries the same benefits are offered to full-time and part-time employees. Some exceptions apply, for example sickness fund in Finland is offered to full-time employees with more than one year contract. In APAC, temporary employees are eligible only to mandatory benefits as it is a market practise. In North America the eligibility of benefits varies, in USA employees are eligible if they work minimum 20 hrs and in Canada 24 hrs. The benefits are the same for all benefits eligible employees. The amount of employees not receiving benefits is low (in NA total 2 persons, in APAC 5 persons).

Benefit practices are country specific and are not related to individual locations of operations.

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 consultation process related to operational changes varies a lot by country and region.

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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

As of 2013, Kemira will only report TRI (Total Recordable Injuries per million working hours).

TRI per million work hours is composed of three indicators:

- Lost time Injuries (LTA1)
- Restricted work cases
- Medical treatment cases

G4-LA6: Occupational Health and Safety indicators					
	2013	2012	2011	2010	2009
Number of Lost Time Injuries per million working hours, LTI[1]		2.3	2.7	3.1	3.5
Total Recordable Injuries, TRI[2]	7.1	8.5			
Total Recordable Injuries by regions, TRI[2]					
EMEA	9.2				
NA	5.1				
SA	7.4				
APAC	0.0				

[1] Injuries causing an employee absence at least one day (LTA1), Kemira personnel. This figure was reported for the last time in 2012.

[2] As of 2013, Kemira will only report TRI. TRI per million work hours = Lost Time Injuries (LTA1) + Restricted work cases + Medical treatment cases, 1 year rolling average. Numbers include Kemira personnel and Contractors

Kemira does not collect Incident data by gender, all injuries are treated in a simmilar way independent of gender.

TRAINING AND EDUCATION

G4-LA9: Average hours of training per year per employee by gender, and by employee category

Training registers are currently managed locally, so the information of training hours is not available for global reporting. Kemira is implementing a global learning management system, that will allow visibility of training offering to employees, and when completed, it will enable full reporting of internal training activities.

G4-LA10: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Different kind of skills development and training programs as well as leadership development programs (internal and external) are provided to all employees to support employee development, such as:

- Induction program to new hires to understand the business, organization, company culture, policies (including the Kemira Code of Conduct), procedures and processes
- On-the-job training to enhance the technical/ professional competency
- Internal training programs that are customized based on Kemira business, for example Water School, Paper College
- Training that gives an opportunity to validated certificates and diplomas in manufacturing
- External trainings are also used in competency and leadership development. Training costs are paid by the company. Employees can also be reimbursed for further education costs partly or fully, and study leaves are also available in many countries.

Outplacement services are provided in most regions when the terminations are the result of redundancies. In some European countries outplacement and other support activities are part of a social plan. Outplacement is not offered in APAC, as it is not relevant in that market. In some cases transition assistance programs are also offered in connection with retirement.

G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

All permanent white collar employees, who are not absent for an extended time period, because of leaves, for example, are covered by global performance and development discussion process. Blue collar employees have been covered partly in similar processes managed locally, but detailed data for coverage is not available for

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2013. Starting in 2014, Kemira will implement global PDD process to cover all employees.

G4-LA11: Percentage of employees receiving regular performance and career development reviews			
	Total	Employees covered in Global PDD process	Coverage %
Female	1,060	816	77
Male	3,221	1,566	49
Total	4,281	2,384	56

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

G4-LA12: Management Board					
	Females	Female %	Male	Male %	Total	Total %
<30	0	0%	0	0%	0	0%
30-50	1	50%	4	44.4%	5	45%
>50	1	50%	5	55.6%	6	55%
Total	2	100%	9	100%	11	100%

G4-LA12: Board of Directors					
	Female	Female %	Male	Male %	Total	Total %
<30	0	0%	0	0%	0	0%
30-50	0	0 %	3	0 %	0	0%
>50	2	100%	3	100%	5	100%
Total	2	100%	3	100%	5	100%

G4-LA12: Percentage of employees by gender and age group					
	Female	Female %	Male	Male %	Total	Total %
<30	205	18%	441	13%	646	14%
30-50	710	61%	1,743	53%	2,453	56%
>50	249	21%	1,105	34%	1,354	30%
Total	1,164	100%	3,289	100%	4,453	100%

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

In 2013, Kemira implemented a global job structure, which 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. The factors impacting salary increase include country-specific salary budgets, the position of an employee in the salary range and employee performance. Incentive payouts are based on measured achievement for pre-defined targets on the company, unit and individual levels.

During 2013, mapping of individual positions and employees to job roles and gathering of salary data to global HRIS Human Resources Information System were almost finalized. The completion of job grade mapping and salary data gathering will allow evaluation, analysis, and implementation of equal remuneration.

NON-DISCRIMINATION

G4-HR3: Total number of incidents of discrimination and corrective actions taken

There was one incident of discrimination during the reporting period. The incident, which came through the official Kemira Ethics & Compliance reporting channel, was investigated by North American Human Resources. A remediation plan was implemented, and the results were reviewed through routine internal management review processes. As a result, the incident is no longer subject to action

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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

As outlined in the Kemira Code of Conduct, Kemira complies with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Kemira respects the right of all personnel to establish or join trade unions and other representative organizations.

A Code of Conduct training has been provided to all Kemira employees. See G4-56 for Code of Conduct training and G4-57 for Kemira Ethics and Compliance Hotline for internal reporting.

Kemira has not identified any violations of freedom of association and collective bargaining in own operations. Kemira has considered supplier related risks on labor rights, and no evidence has been found that suppliers would prohibit their employees' opportunities to exercise freedom of association and collective bargaining.

As no risks for violations of freedom of association and collective bargaining have been identified, no support measures have been taken.
Please see complementary general standard disclosure G4-11.

Please see complementary general standard disclosure G4-11.

HUMAN RIGHTS ASSESSEMENT

G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments

As outlined in the Kemira Code of Conduct, Kemira is committed to respect and support fundamental human rights as defined by the United Nations Universal Declaration of Human Rights. A Code of Conduct training has been provided to all Kemira employees. See G4-56 for Code of Conduct training and G4-57 for Kemira Ethics and Compliance Hotline for internal reporting.

Kemira has issued a separate Code of Conduct for Suppliers, Distributors and Agents, which sets expectations to business partners to respect human rights and provide employees with appropriate working conditions. See also EN32, LA14, HR10, SO9

In 2013, Kemira has identified that further development of human rights management requires a more detailed assessment of the implications of the UN Guiding Principles on Business and Human Rights on Kemira's business (risk assessment). Based on the results of the risk assessment, it can be evaluated if there are any business activities, operations or countries that should be subject to human rights review or human rights impact assessment. The risk assessment work will be initiated in 2014.

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GRI report

Responsible manufacturing

MATERIALS

G4-EN1: Materials used by weight or volume

There is a slight decrease in the total weight of renewable materials between 2012 and 2013 as a result of a different mix of products sold and thus raw materials purchased. No change has occurred on the list of raw materials classified as renewable.

G4-EN1: Materials used by weight or volume		
	2013	2012
Total materials purchased	3.9 million tonnes	3.6 million tonnes
Renewable materials used	28 tons	30 tons
Share of renewable materials	0.73%	0.83%

G4-EN2: Percentage of materials used that are recycled input materials

Kemira is using a number of materials classified as waste or recycled material as raw material in its production. There is a slight decrease in the total weight of recycled or waste materials from external partners between 2012 and 2013 as a result of a different mix of products sold and thus raw materials purchased.

No change has occurred on the list of raw materials classified as recyclable.

G4-EN2: Percentage of materials used that are recycled input materials		
	2013	2012
Total materials purchased	3.9 million tonnes	3.6 million tonnes
Recycled or waste materials from external partners	911,000 tonnes	938,000 tonnes
Share of recycled materials	23%	26%

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ENERGY

G4-EN3: Energy consumption within the organization

See Kemira's Energy Balance in the section Responsible manufacturing: Improving energy efficiency.

See Kemira's Energy data summary in the section Responsible manufacturing: Improving energy efficiency.

G4-EN5: Energy intensity

See the Kemira Energy data summary in the section Responsible manaufacturing: Improving energy efficiency.

G4-EN6: Reduction of energy consumption

See Kemira's Energy data summary in the section Responsible manufacturing: Improving energy efficiency.

WATER

G4-EN8: Total water withdrawal by source

See also the graph Water balance and the table Summary of water indicators in the section of Responsible manufacturing: Water efficiency.

G4-EN8: Total water withdrawal by source[1]		
Process water, 1000m^3	2013	2012
• Surface water	1,482	1,794
• Ground water	417	763
• Rainwater	50	41
• Waste water from another organization	121	9
• Municipal water supplies	2,200	3,463
• Other	2,036	629
Total water withdrawal used as a process water	6,341	6,699
Cooling water, million m^3	2013	2012
• Surface water	146	131
• Ground water	2	3
• Rainwater	0	0
• Waste water from another organization	0	0
• Municipal water supplies	1	0
• Other	3	4
Total water withdrawal used as a cooling water	151	138
Total water withdrawal, million m^3	157	145

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

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G4-EN10: Percentage and total volume of water recycled and reused

See also the graph Water balance and the table Summary of water indicators in the section of Responsible manufacturing: Water efficiency.

G4-EN10: Percentage and total volume of water recycled and reused[1]		
1000m^3	2013	2012
Water recycled back in the same process	78	77
Water recycled in a different process, but within the same facility	58	128
Water reused in another facility	1,280	1,107
Total volume of water recycled and reused by the organization	1,422	1,312
Total volume of water recycled and reused as a percentage of the total water withdrawal reported under indicator G4-EN8	22%	20%

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

EMISSIONS

G4 indicators EN15, EN16, EN18 and 19: Direct greenhouse gas (GHG) emissions (Scope 1), energy indirect GHG emissions (Scope 2), GHG emissions intensity and reduction of GHG emissions

See the table Summary of greenhouse gas emission indicators in the section Responsible manufacturing: Climate change.

G4-EN21: NOx, SOx, and other significant air emissions

G4-EN20: Emissions of ozone-depleting substances (ODS)

There were no emissions derived from ozone-depleting substances (ODS) at any of the Kemira sites in 2013.

Data was collected for the first time in 2013.

G4-21: NOx, SOx, and other significant air emissions[1]					
tonnes	2013	2012	2011	2010	2009
Nitrogen oxides (NO$_2$)[2]	185	190	242	273	263
Sulphur dioxide (SO$_2$)[3]	122	116	153	168	1,015
Volatile organic compounds (VOC)[4]	685	742	665*	96	174
Volatile inorganic compounds (VIC)[5]	65	94	100	64	34
Particulates	16	21	23	19	58

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

[2] Nitric oxide and nitrogen dioxide calculated as NO_2.

[3] All sulphur compounds are calculated as SO_2.

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

[5] Sum of ammonia, hydrogen chloride and six other simple inorganic compounds.

* 2011 increase due to sites for which Kemira was owner until 2011. VOC was evaluated and corrected for 2011 in 2012.

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EFFLUENTS AND WASTE

G4-EN22:Total water discharge by quality and destination

G4-EN22: Total water discharge by quality and destination[1]		
Million m^3, approx.	2013	2012
Wastewater volume	2.1	2.4
External treatment	1.7	1.8
Own treatment	0.4	0.6

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

All recycled and reused water was used within Kemira's manufacturing locations.

See also the the graph Kemira water balance and the table Summary of water data in the section Water efficiency.

G4-EN23: Total weight of waste by type and disposal method

G4-EN23: Total weight of waste by type and disposal method [1)]					
Waste, tonnes	2013	2012	2011	2010	2009
Hazardous waste, total	41,096	48,436	55,305	14,658	7,109
Off-site landfill[2)]	1,359	1,024	10,037	9,079	2,621
Off-site incineration	3,858	1,933*	2,343	2,357	3,271
Off-site recycling	3,032	2,652	2,145		
Other off-site treatment	32,818	42,826**	40,681**	3,164	1,217
On-site incineration	29	1	99		
On-site landfill	0	0	0	59	0
Non-hazardous wastes, total	25,192	31,024	33,394	35,500	44,000
Off-site landfill	13,432	11,107	12,238		
Off-site incineration	5,674	1,482	1,451		
Off-site recycling	4,406	14,286	14,866		
Other off-site treatment	1,580	1,691	2,617		
On-site incineration	30	21	25		
On-site landfill	70	2,437	2,197		
Total waste disposal	66,288	79,460	88,699	50,158	51,109

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The weight data of disposed waste is based on internal company records.

G4-EN24: Total number and volume of significant spills

There has been three significant spills during 2013 with a total volume of 26,500 kg.

These spills were not reported in Kemira's Financial Statements.

The three spills had no permanent or significant impact to 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

The total amount of hazardous waste treated outside of the own country of the operating site was 2 tons in 2013, i.e. 0,005 % of the total amount hazardous waste (41,096 tonnes) was shipped internationally.

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

G4-EN31: Total environmental protection expenditures and investments by type					
EUR million	2013	2012	2011	2010	2009
Environmental capital expenditure	1.4	3.4	3.6	2.9	2.3
Environmental operating costs	11.8	14.2	12.7	12.8	14.9
Total environmental protection expenditures and investments	13.2	17.6	16.3	15.7	17.2
Group net sales	2,229	2,241	2,207	2,160	2,500
Total environmental costs, % of net sales	0.6	0.8	0.8	0.7	0.7

ENVIRONMENTAL COMPLIANCE

G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Monetary value of significant finesfor non-compliance with environmental laws or regulations totalled EUR 42,000

There was one case of non-monetary sanction for non-compliance with environmental laws and regulations.

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GRI report

Sustainable products and solutions

PRODUCTS AND SERVICES (EN27, EN28)

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. Kemira's product portfolio and application know-how enables customers to better manage their water intensive processes leading to decreased water and energy use and improved water end quality. Kemira products are used to mitigate the environmental impact of customers, that is to purify water, improve the utilization rate of natural resources and reduce energy in pumping of fluids.

In the development of new products and solutions, sustainability reviews are required at every stage of the New Product Development (NPD) process before proceeding to the next stage. This will ensure all sustainability criteria are identified and implemented at the earliest stage. The process also aims to identify less hazardous and more sustainable alternatives for raw materials.

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. The figures for 2011-2013 are restated due to more comprehensive data available in 2013.

G4-EN27: Water purified with Kemira products	
Year	Purified water million m^3
2000	2,300
2003	3,600
2006	7,800
2009	10,100
2010	10,700
2011	12,800
2012	13,100
2013	15,900

G4-EN28: Percentage of products sold and their packaging materials that are reclaimed by category

Kemira does not sell any reclaimed products, whereas we aim to reclaim as much of the packaging material as possible. When plastic or other material is used as a basis for packaging, Kemira strives to reclaim the material and thus minimize the use of virgin materials. Kemira is also using a third party service provider for returning packaging from the customers' sites for reuse. Packaging that is returned to Kemira or to a third party from the customers is either reused or processed for recycling.

G4-EN28: Reclaimed packaging materials	2013	2012
Reconditioned IBC's *	20%	22%
Recycled liquid packages	5%	4%
* IBC=Intermediate Bulk Container		

The data for total purchased volumes of liquid packages, including IBC's, is received from Kemira ERP system/ Business Warehouse. The volume data on reclaimed and recycled IBC's is obtained from the supplier of IBC

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containers. The data on recycled liquid packages is obtained from Kemira ERP system/Business Warehouse (except the data on recycled IBC's).

CUSTOMER HEALTH AND SAFETY

G4-PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Kemira has signed the ICCA Responsible Care Initiative which forms the basis for our product stewardship.

Systematic health and safety related actions are carried out at manufacturing sites and within the product lines. By the end of 2013, 75% of manufacturing sites are certified to ISO14001 environmental management standard and 69% to OHSAS 18001 safety management standard. Moreover, 100% of services (for example operation services at customer site) are certified to these management standards. Management systems certified to ISO 14001 and OHSAS 18001 standard require constant performance improvement concerning health, safety and environmental impacts.

To secure the safety of raw materials, an RMQ (Raw Material Query) is required from all new raw material suppliers. Kemira's Supply Chain Management also maintains "Supplier Minimum Requirements" database.

Proactive measures for reduction of potential health hazards subject to anticipated future legislation have resulted in action plans related to 15% of our product lines. Sustainability and product regulatory compliance reviews are required for all product development projects at every stage of the New Product Development (NPD) process

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

Kemira has not detected any cases of non-compliance with regulations resulting in a fine, penalty or warnings. However, Kemira detected six incidents of non-compliance with voluntary codes, which are under discussion with authorities. Downstream customers have not reported any cases of health and safety related non-compliance.

PRODUCT AND SERVICE LABELLING

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 products and service categories subject to such information requirements

Kemira's product portfolio contains approximately 2,700 different products, and all of them are documented and labeled according to legal requirements, including identification of hazardous components. Kemira provides Material Safety Data Sheets for all products, whereas in most jurisdictions, only hazardous products need to be covered.

G4-PR3: Product and service information provided	Yes	No
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 Material Safety Data Sheets and on the Labels	
Safe use of the product or service	When legally required, safe use of the product or service is communicated in the MSDS's and on the Labels.	
Disposal of the product and environmental/social impacts	When legally required, disposal of the product and environmental/social impacts are communicated in the MSDS's and on the Labels.	
Other		

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In addition to label and Material Safety Data Sheet information, more detailed information about the products and their raw materials are provided upon the request. Customers' information requests have more than doubled during 2013 up to about 400 customer queries per month.

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 in quality systems are actively monitored, evaluated and corrected as required by the quality management systems in use at Kemira.

During year 2013, there were 116 incidents of customer complaints related to labeling. Main causes for these were mostly found in distribution (54 cases) and warehousing (29 cases). The most typical incident was that a wrong label had been used in packaging. Handling of 17 cases was not completed by year end.

During year 2013, there were 8 incidents related to "non compliance with regulations"
Main causes for these were mostly found in logistic carriers (4 cases). The most typical incident was related to temperature during transport. Handling of all cases were completed by year-end.

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

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, for example concerning products subject of stakeholder questions or public debate:

Action plan has been created and is being implemented on products containing suspected Endocrine Disruptors. Additionally, the following disputed products are being studied; Products containing genetically modified materials, nanomaterials, disputed renewable materials or crisis metals.

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

During 2013, all non-compliance penalties of approximately EUR 600,000 happened in the USA.

- Kemira Chemicals, Inc. paid a civil penalty of $ 301,600 under the FIFRA Consent Agreement Case from year 2006.
- Kemira Water Solutions, Inc. paid a civil penalty of $ 503,110 under a TSCA Consent Agreement; Case from year 2012

The cases have been concluded in 2013.

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Corporate responsibility > GRI report > Specific standard disclosures by focus areas > Responsibility towards the local communities where we operate

GRI report

Responsibility towards the local communities where we operate

LOCAL COMMUNITIES

G4-SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs

48% of Kemira's sites have participated in local community activities during 2013.

G4-SO2: Operations with significant actual and potential negative impacts on local communities

Some of Kemira's sites are located in the vicinity of residential areas. Thus, incidents involving leakage of chemicals could have a negative impact on both the safety and environment of local communities. Kemira conducts environmental impact assessments and emission monitoring in every manufacturing site as defined by the regulatory requirements, ISO 14001 management system and Kemira internal standards. The assessments monitor environmental performance of the site and its impact on the surrounding communities. Additionally, each Kemira site has appropriate contingency plans in place to ensure the safety of surrounding communities. This is done in close cooperation with local environmental authorities. To enhance 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 (end of 2013: 59 sites). A new three-level ranking system determines the internal Kemira requirements and frequency of audits for each site: higher ranking meaning higher requirements.

Environmental classification results 2013:

- High-ranking sites: 29%
- Medium-ranking sites: 27%
- Low-ranking sites: 44%

We take preventive actions and mitigation measures proactively for the operations that involve potential negative impacts on the local communities.

To further enhance environmental and process safety management, a new Process Safety Management Standard is currently being finalized and will be implemented starting Q2 2014.

In addition to continuous safety and risk management work, Kemira focuses on a continuous dialogue with local communities to understand and implement activities to respond to their needs, concerns and expectations, and providing opportunities for our own employees to participate in local community initiatives.

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Corporate responsibility > GRI report > Assurance statement

GRI report

Independent limited assurance report

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, 2013 to December 31, 2013. The information subject to the assurance engagement is the Corporate Responsibility section of the Kemira Report 2013 (hereafter: Responsibility Information) that management intends to publish on www.kemirareports.com.

Management's responsibility

Management is responsible for the preparation of the Responsibility Information in conformity with 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 .

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 to provide limited assurance on performance data within the Responsibility Information. This requires that we plan and perform the engagement to obtain required level of assurance about whether the Responsibility Information is free of material misstatement. In addition we have reviewed whether the Responsibility Information has been prepared in accordance with the Sustainability Reporting Guidelines (G4 Core) of the Global Reporting Initiative.

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 sustainability 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;

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- Performing site visits to selected sites in China, Sweden and 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 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.

Helsinki 10.2.2014

Jukka Vattulainen

Lasse Ingström

Authorized Public Accountant

Authorized Public Accountant

Deloitte.

"This independent assurance provider's statement gives no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the information since signing this assurance statement. These matters are the responsibility of the management but no control procedures can provide absolute assurance in this area."

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