

Yearbook 2014

AHLSTROM

Our annual reporting for the year 2014 is divided into two parts: Ahlstrom Yearbook and Ahlstrom Financials. These reports cover financial and corporate responsibility performance in an integrated approach. We report on the core indicators we consider the most relevant to our business and stakeholders.

Contents

CEO'S review	2
Ahlstrom as a company	4
Highlights 2014	6
Megatrends and strategy	10
Value creation model	14
Sourcing and operations	16
Capital	18
- Natural capital	20
- Human capital	24
Risk management	28
Materiality	29
Interaction with stakeholders	30
Management approach	32
Governance and ethics	34
Looking ahead	36
GRI content index	37
UN Global Compact table	40
Report profile	41

AHLSTROM

A high performance fiber-based materials company, partnering with leading businesses around the world to help them stay ahead.

NET SALES IN 2014

1,001.1
EUR MILLION

84%

of our fiber-based raw materials are renewable

Approximately

3,400

employees in 22 countries on four continents

29

manufacturing plants in 13 countries

Our new business areas as of January 1, 2015

Filtration
Building and Energy
Food and Medical

HEL

Head office in Helsinki, Finland

Shares listed on the NASDAQ OMX Helsinki since 2006

CEO's review

In 2014, Ahlstrom's operative result more than doubled and the roadmap for near-term execution of strategy was set.

“Last year brought some significant changes for both Ahlstrom and me as I started at the helm of this company in June.”



“As we look more closely into 2015, our main focus will be on margin growth and our enhanced commercial excellence will play an important role in this.”

Last year brought some significant changes for both Ahlstrom and me as I started at the helm of this company in June. During my first weeks and months, I concluded that we as a company have many strengths, such as dedicated people and technology, and a solid business foundation in place. However, there was a lot of inbuilt complexity in our organization and processes which needed to be changed.

Towards the end of the year, I rolled out the roadmap to improved performance, consisting of five key programs to be executed in the near term. Our emphasis is on margin improvement, working more closely with customers, operating with a simpler and more cost-efficient structure, building a unified company, and assessing what we can do as a company. I am confident that our commercial excellence program will deliver enhanced margins, while our reprioritized product development program will address customer needs better and more quickly. The process of simplifying our organizational structure and processes is well underway, which is expected to further reduce our cost base. These focused initiatives will gradually bring improved efficiency and cost competitiveness in 2015 and beyond.

I am pleased that we were able to more than double our operative result in 2014. This was driven by improved pricing and product mix as well as cost savings achieved through our rightsizing program. We had good growth in terms of both sales and profits in Advanced Filtration, Transportation Filtration and Food business areas. However, the result was burdened by low demand in parts of the Building and Energy business area and low margins in the Medical business area. Our rightsizing program is nearing completion and is reaching its planned targets by the end of 2015. In addition, our ability to generate sales from new products continued to show a gradually improving trend. However, our financial performance still does not meet the long-term targets set by the Board of Directors.

Looking ahead

As we look more closely into 2015, our main focus will be on margin growth and our enhanced commercial excellence will play an important role in this. We will also actively pursue growth in selected markets. We cannot achieve this without the full commitment of our people; we will take the annual employee engagement survey results seriously as they provide us with a baseline for creating a new Ahlstrom that embraces simplicity, respect and enjoyment at work.

When taking a longer-term perspective, it is evident that growth in our markets is supported by global megatrends such as resource scarcity, emerging needs in healthcare as well as demographics and urbanization. In line with our strategy, we believe our product offering for a clean and healthy environment is a clear match to this, enabling us to create value in a sustainable manner for all our stakeholders over time.

Sustainability will continue to be in the heart of our businesses and our products are designed to offer more with less. This enables us to partner with our customers for improved performance with the necessary business agility. Corporate responsibility and sustainability are embedded in our day-to-day operations, and therefore we have taken an integrated approach in annual reporting as well. This year's reporting is divided into two parts: Ahlstrom's Yearbook 2014 and Ahlstrom's Financials 2014. Our aim is to highlight how we create value for our shareholders and other stakeholders and report our financial, environmental and social performance in a clear, unified and transparent way.

Enjoy the read!

Sincerely yours,
Marco Levi

Global leader in high performance materials

Ahlstrom produces high performance fiber-based materials that enable the required functionality and sustainability of our customers' products.

Our annual net sales are approximately EUR 1 billion and we employ about 3,400 people globally. Our products are used in a large variety of everyday consumer and industrial applications such as filters, medical gowns and drapes, diagnostics, wallcoverings, as well as beverage and food packaging. We have a leading market position in the businesses in which we operate. In line with our strategy, we offer high performance products for a clean and healthy environment.

We create value by using unique know-how in combining both natural and synthetic raw materials with chemistry to produce differentiated products. The majority of our fibers come from renewable sources. We also design our products with the aim to minimize their environmental impact over the whole life-cycle. Due to the sustainable thinking we have adopted, we can offer more with less.

Ahlstrom's product offering is supported by global megatrends such as resource scarcity, environmental awareness, demographics and urbanization. The market for many of our products generally grows faster than the global economy, driven by their substitution for products that have traditionally been made from plastics, textiles or aluminum. The total value of the fiber-based materials market, also known as nonwovens, is approximately EUR 25 billion annually. Growth is driven globally by e.g. medical and hygiene applications as well as construction in emerging markets like Asia.

Our three business areas serve markets including food and beverage, medical care and life science, transportation, energy, as well as building and decoration.

As of January 1, 2015, Ahlstrom's business areas are:

Filtration

The global leader in transportation filtration materials and a supplier of air and liquid filtration media, with a leading market position in life science and gas turbine filtration.



Customer industries:

- Automotive and heavy duty vehicles
- Healthcare and life science
- Energy
- Water
- Food and beverage

Building and Energy

One of the leading players globally for materials used in wallcoverings, floorings and windmill blades.



Customer industries:

- Building and decoration
- Printing and advertising
- Energy
- Apparel and fabric care
- Automotive
- Hygiene
- Marine

Food and Medical

One of the leading players globally for materials used in beverage and food packaging, masking tape and medical gowns and drapes.

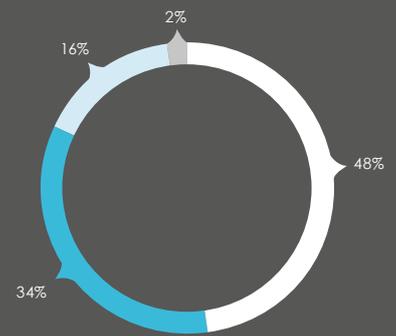


Customer industries:

- Food and beverage packaging
- Healthcare
- Building and transportation (tape products)

“Our product offering is customized to local market needs with quality customer and technical service. We have a global presence with unique and unrivalled supply platform in the industry.”

Net sales by region in 2014



- Europe EUR 482.4 million
- Americas EUR 338.3 million
- Asia-Pacific EUR 160.4 million
- Rest of the world EUR 20.8 million

EUROPE
1,919

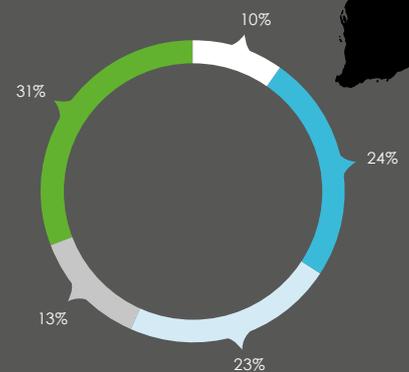
AMERICAS
876

ASIA-PACIFIC
601

- Manufacturing plants
- Product and technology centers
- Service centers
- Head office

	Europe	Americas	Asia-Pacific
Manufacturing plants	19	6	4
Employees	1,919	876	601
Countries represented	11	3	8
Metric tons produced	254,729	77,854	41,846
CO ₂ emissions, tons	233,860	72,401	27,112

Net sales by business area in 2014



- Advanced Filtration EUR 104.2 million
- Building and Energy EUR 257.0 million
- Food EUR 237.4 million
- Medical EUR 132.0 million
- Transportation Filtration EUR 323.9 million

In 2014, Advanced Filtration and Transportation Filtration business areas as well as Food and Medical business areas were reported as separate segments.

Highlights 2014

Achievements

We more than doubled our operative result in 2014. This was driven by an improved pricing and product mix as well as cost savings achieved through our rightsizing program.



January-March 2014

- The rightsizing program was expanded with a target to reach annual cost savings of EUR 39 million in continuing operations.
- The sale of the Paulinia plant in Brazil to Suominen Corporation was completed, concluding the divestment of wipes business to Suominen.
- A dividend in the aggregate maximum amount of EUR 14.0 million, or EUR 0.30 per share, was declared payable in cash and Munksjö Oyj shares.
- Ahlstrom NatureMold™, a biodegradable molding material for food packaging, was introduced.

TARGET TO REACH
ANNUAL COST SAVINGS

EUR 39
MILLION

“Our rightsizing program is nearing completion and is reaching its targets.”



April-June 2014

- Marco Levi was appointed President & CEO of Ahlstrom
- A new product & technology development center was inaugurated in Shanghai, China.
- Ahlstrom Flow2Save™, a filter media for high efficiency air applications designed to lower energy consumption and costs, won the INDEX 14 Award at Europe's leading nonwovens exhibition in Geneva, Switzerland.
- A wallcovering materials line in Binzhou, China was inaugurated.

“Customer satisfaction survey results improved for the fourth consecutive year.”



“In 2014, 15% of Ahlstrom’s net sales was generated from new products, showing a gradually improving trend.”

July-September 2014

- Ahlstrom issued a EUR 100 million bond maturing in 2019 and tendered about EUR 46 million of its existing EUR 100 million bond maturing in 2015.
- A plan to transfer the company’s IT operations to Tech Mahindra was announced.
- Ahlstrom Pleat2Save™, a new portfolio of products targeted for residential, commercial and healthcare HVAC (heating, ventilation and air conditioning) applications was introduced.
- Ahlstrom VaporCool™, a dynamic SMS fabric for single-use scrub suits, was introduced.



October-December 2014

- New organization and structure were announced to speed up the execution and profitability improvement.
- Ahlstrom sold its 26.9% stake in Suominen Corporation to Ahlström Capital, strengthening the company’s balance sheet.
- A new customer and financial service center was inaugurated in Vilnius, Lithuania.

“Our roadmap to improved performance continues to gain momentum. I’m confident that our commercial excellence program will deliver enhanced margins.”

Areas for improvement

Profitability

- Profitability improved, but still not reaching long-term targets.
- Advanced Filtration, Transportation Filtration, and Food business areas improved their performance.
- Results were hurt by low demand in the Building and Energy business area and poor margins in the Medical business area.
- Time from idea to commercialized product needs to be shortened.

Health & safety

- Health and safety performance is at a higher level compared to industry peers. However, it is still not meeting our ambitious targets

Employee engagement

- Employees appreciate Ahlstrom’s values and objectives. However, the employee survey showed a decline in the level of engagement.
- Response rate was still high, showing a firm commitment.

Performance in 2014

In 2014, Ahlstrom's operating profit excluding non-recurring items more than doubled to EUR 28.6 million from 2013.

This was primarily due to an improved price and product mix and lower fixed costs achieved through our rightsizing program. Three of our business areas – Advanced Filtration, Transportation Filtration and Food – improved their performance. On the other hand, the result was burdened by low demand in the Building and Energy business area and poor margins in the Medical business area.

Net sales fell by 1.3% to EUR 1,001.1 million from the previous year and were partly impacted by an adverse currency effect and divestments. Comparable net sales at constant currency rates rose by 1.4% as higher selling prices and improved product mix more than offset lower volumes.

The operating environment in our main markets varied depending on regions and markets. North America showed good growth, driven by growth in demand for filtration products. The development in Europe was mixed with good demand for filtration products and steady markets for flooring applications, whereas demand for wallcoverings declined. Growth in Asia slowed down somewhat towards the end of the year.

Rightsizing program nearing completion

The majority of the actions related to the rightsizing program were completed by the end of 2014 and approximately EUR 31 million in cost savings have been achieved in continuing operations. The target is to achieve annualized cost savings of EUR 39 million in continuing operations by the end of 2015. In total, the program amounts to EUR 50 million, including cost savings from discontinued operations. The program was initiated to bring

down costs to reflect the company's new size and scope following the demerger of the specialty paper business in 2013.

Performance against the key social and environmental targets is presented on the tables on the right. More details on our employee and customer engagement, safety performance, and resource and energy consumption can be found on pages 16-27.

Our aim is to increase shareholder value. By fulfilling this commitment we also create value to the society at large. The table on the direct economic value generated and distributed shows the impact of our operations to different stakeholder groups, including employees and communities. Please read more on our value creation on pages 14-15.

Tax matters

Ahlstrom complies with local legislation and regulations and pays the required taxes accordingly. In addition to paid corporate income taxes, there are tax types of payments to governments such as customs duties, property taxes, employer payments, tax deductions from payroll and withholding taxes as well as other tax type payments depending on country. Our effective tax rate in 2014 was partially impacted by the relatively large share of pre-tax profits in countries in higher tax rates.

We act according to the interests of our shareholders and consider taxation viewpoints in the overall execution of strategy. Tax matters are taken into account in decision making and they can, for example, have an impact on choosing manufacturing locations.

More details on taxes can be found in the notes to the consolidated financial statements.

Dividend per
share
EUR
0.30

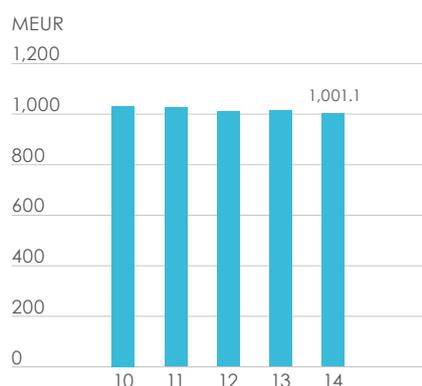
Financial key figures

EUR million	2014	2013	Change, %
Net sales	1,001.1	1,014.8	-1.3
Operating profit / loss	-3.7	10.7	N/A
Operating profit excluding non-recurring items	28.6	13.4	113.9
% of net sales	2.9	1.3	
Profit / loss before taxes	-9.4	-15.4	39.1
Profit / loss for the period	-10.3	-18.9	45.6
Earnings per share, EUR	-0.22	-0.46	
Return on capital employed, %	-0.5	0.9	
Capital expenditure excluding acquisitions	45.4	76.1	-40.2
Gearing ratio, %*	79.3	85.5	
Net cash from operative activities*	35.4	41.0	-13.5
Dividend per share, EUR	0.30**	0.30	

* Including discontinued operations

** The Board of Directors' proposal to the Annual General Meeting (AGM)

Net sales development*



* Continuing operations

Operating profit excl. non-recurring items

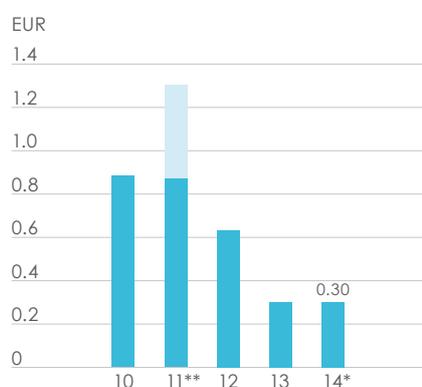


■ Continuing operations

— % of net sales (Cont. ops.)

* 2012 figures are restated and 2013–2014 figures reported according to new IFRS standard on employee benefits

Dividend per share



* Proposal by the Board of Directors to the AGM

** Consisting of a dividend of EUR 0.87 per share and an extra dividend of EUR 0.43 per share.

Social key figures

	2014	2013	long-term goal
AFR - Accident Frequency Rate	2.8	2.45	Zero
LTA - Lost Time Accidents	18	17	Zero
TRI - Total Recordable Injuries	49	56	Zero
Code of Conduct e-learning completion for white-collar employees	89%	82%	100%
Supplier Code of Conduct	85%	85%	100%
Engagement Index	63.4	64.1	68
Customer satisfaction measured as NPI*	13	10	17
Goal and development discussion for all employees	95%	72%	100%

* Net Promoter Index

Environmental key figures

	2014	2013	long-term goal
Electricity consumption, MWh/ton	1,327	1,288	20% reduction by 2020
Fuel usage, GJ/ton	13.19	13.87	
CO ₂ emissions, kg/ton	809	730	
Waste to landfill, tons	3,801	6,614	Zero
Production covered by environmental management system (ISO 14001)	97%	94%	100%

G4-EC1 Direct economic value generated and distributed, EUR million

	2014	2013	2012
Direct economic value generated			
Revenues (including financial income)	1,017.8	1,016.1	1,012.6
Direct economic value distributed			
Operating costs (excluding depreciation and impairments)	-723.7	-730.9	-723.3
Employee wages and benefits	-210.9	-219.2	-213.3
Payments to providers of capital (including interest expense, other financing expense, dividends paid and interest paid on hybrid bond)	-43.5	-56.7	-89.1
Community investments	-0.1	-0.1	-0.1
Corporate taxes	-1.0	-4.4	-5.0
Economic value retained	38.5	4.8	-18.3

Megatrends

Global megatrends offer a wealth of opportunities for us. Our current and future product offering is driven by the three megatrends that we have identified as the most relevant for us.

Resource scarcity, energy and environment

The population is growing fast, but the Earth's resources are not. Demand for energy, minerals, and natural resources keeps on increasing and they are being depleted at a faster pace than they can be renewed. At the same time people around the world are increasingly concerned about the deteriorating quality of water, air, and soil. This state of affairs is not sustainable in the longer run and we have to find ways to do more with less.

Emerging needs in healthcare

Our needs for healthcare are changing fast, especially in the Western world with aging populations. It's more convenient to perform various kinds of medical testing and diagnostics at home or on-the-go rather than at hospitals. Simultaneously, the increased amount of untreatable infections at hospitals raises the performance requirements for protective fabrics in operating rooms to a new level.

Demographics and urbanization

The world's population continues to increase and the middle class is ever wealthier, particularly in emerging nations such as China, India, and Brazil. Also, more and more people are moving from rural areas to the metropolises and cities of the world. This change in living standards and lifestyles puts huge pressure on resources and housing. In addition, there's a growing concern over securing safe and sustainable food supply.

“The megatrends inspire our business strategy and reshape the market needs.”

Megatrends changing the end-user needs

The megatrends inspire our business strategy and reshape the market needs. They change end-user behavior and affect our customers' needs. Our response to the challenges stemming from resource scarcity, urbanization and healthcare are products for a clean and healthy environment.

Our filtration solutions for clean indoor air and water improve the quality of life for millions of people. Our fiber-based products also play a critical role in improving the efficiency of gas and wind turbines. We are the global leader in environmentally friendly transportation, offering a comprehensive range of filtration media that lower fuel consumption and improve engine efficiency.

Emerging needs in healthcare are challenging the industry and its providers. Responding to the needs of aging populations, our fiber-based components enable improved specimen collection and cost-effective diagnostics with ease of use. Our medical fabrics offer superior comfort and softness to doctors and nurses in operating theatres. At the same time, they are puncture resistant and protect against cuts and contamination.

Demographics and urbanization create new areas where our products are needed to enhance daily living standards. In fast-growing Asian countries in particular there is a clear need for clean air and safe construction materials. Our construction and decoration materials give end-users new and sustainable options that are easy to use. We also provide sustainable and safe products for food and beverage packaging with an innovative touch.

Strategy

We will grow with a high performance product offering for a clean and healthy environment.

Our roadmap: five key priorities

Margin

Enhanced
commercial
excellence

Customer

Upgrade
Go-to-Market
process

Cost

Simplification

Unity

Building up
new
Ahlstrom

Potential

Redefine
Ahlstrom's
strategy

Our strategy statement outlines that Ahlstrom aims to grow with a high performance product offering for a clean and healthy environment. Our strategy is inspired by global megatrends, such as resource scarcity, increased environmental awareness as well as changing demographics and urbanization. Advancing people's well-being has a strong foundation in our vision and values.

We are building sustainable growth with our products, and we create value for the society and customers in many ways. With their solid sustainability credentials, our products help to clean air and water, as well as enable cleaner energy production and transportation. Our products also respond to the growing need to provide safety and protection through applications in medical care, diagnostics and food packaging.

Doing more with less is one of our principles. Our products are designed with the aim of minimizing the life-cycle impact of our customers' products. This means that our manufacturing processes are resource-efficient using less raw materials, water and energy, yet deliver high performance products. We use a growing amount of renewable and biodegradable materials in our manufacturing.

Strategic enablers

Our three strategic enablers are the key strengths we combine and utilize at Ahlstrom to execute our strategy. The first strategic key enabler is our technology and manufacturing platform; it combines our unique knowhow of fibers, chemistry, materials and environmentally sound technologies, flexible manufacturing capabilities and renewable materials. Our second key enabler needs to be co-creation and open innovation with our customers and partners; this builds on the work done by people

with a passion for results, so that we can come up with differentiated products to meet specific customer needs. The third strategic enabler is our global reach and local insights; our global product offering coupled with our sales, marketing and customer service helps us to provide customized responses to market needs and take advantage of in-depth partnerships with our customers.

Roadmap

In the end of 2014, we introduced our roadmap, consisting of five strategic programs that we will pursue to achieve our short-term goals and reinforce the implementation of our strategy.

Our commercial excellence program is set to deliver enhanced margins and also improve customer segmentation and relationships. The second program, Go-to-market process, aims to speed up the process from idea generation to market scale-up, working closely with the customers already in the product development phase to gain their commitment. This program has already brought about a reprioritization in product development, which will address the needs of the customer better and more quickly. The third program, simplification, is well underway, with the focus on simplifying our organizational structure and processes. The fourth program aims at developing a more unified company and Ahlstrom team. The fifth program relates to our strategy, including the review of our strategic priorities, business portfolio and potential growth areas.

We believe the plans and actions created through these five focused programs will gradually bring improved efficiency and cost competitiveness in 2015 and beyond.

Value creation model

Resources



Financial capital

- Equity
- Debt



Manufactured capital

- Plants, manufacturing technologies



Intellectual capital

- Research & development
- Intellectual property rights



Natural capital

- Fibers
- Chemicals
- Water
- Energy



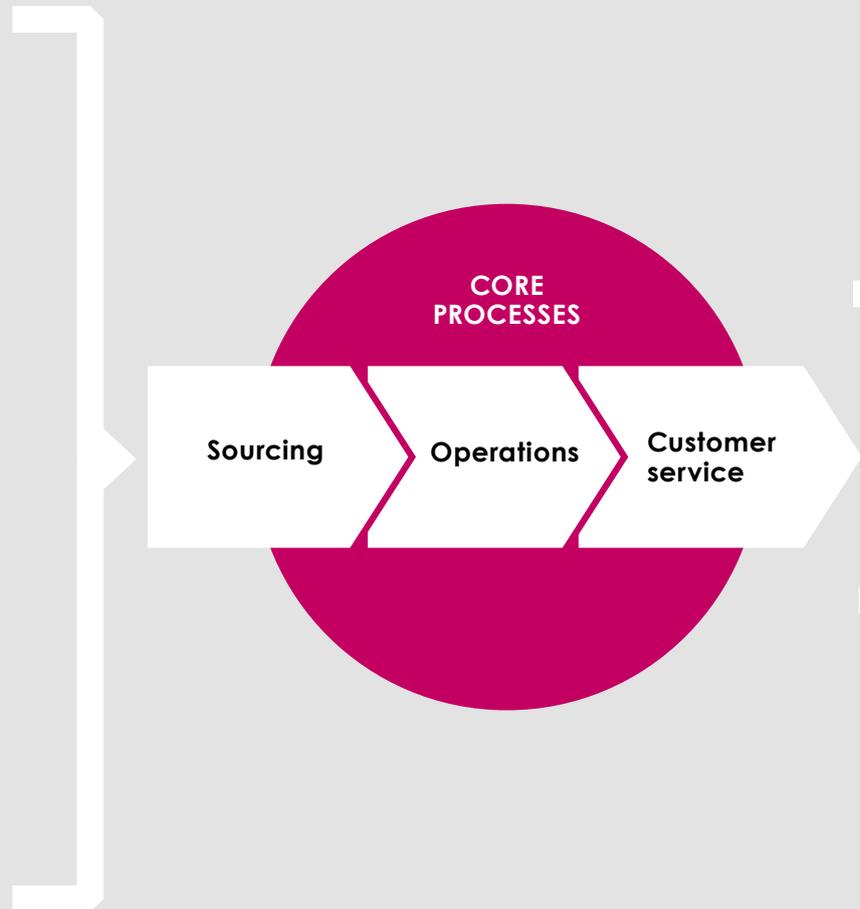
Human capital



Social & relationship capital

- Co-creation and open innovation with academia, customers, industry associations

Processes



Ahlstrom is in the business of creating value for people and the environment, as well as for society at large. The people for whom we create value include shareholders, customers, employees, and the communities in which we operate. We conduct our business in an ethical manner.

Resources

We are committed to increasing shareholder value over time by developing and making products that provide shared value to society in a competitive, resource efficient and profitable manner. In this process, we utilize a diverse range of capital, including financial, manufacturing, intellectual, human, natural as well as social and relationship as resources. Our sourcing, operations, core processes, commercial excellence program, and customer service churn this capital into outputs: fiber-based high performance products that add value to customers. This capital is described in more detail on the following pages with human and natural capital chosen as the focus capital

types in this year's report. The availability of all this capital and its effective use is critical to our ability to create value over time.

Processes, products and services

Our products are high performance fiber-based materials for a clean and healthy environment. They purify air and water, enable environmentally friendly transportation and energy production, improve people's health by providing protection and convenience in medical applications and food packaging, and enhancing quality of life in building applications.

We strive to minimize our adverse impacts such as emissions into the air, water and soil. More details on the development of our emissions can be found on pages 20-23. We use the EcoDesign approach in our product development by applying the principles of green chemistry. These principles include the removal of hazardous

Products and services

High performance fiber-based products

Emissions and waste

- Emissions to air
- Landfill waste
- Suspended solids to water

Impacts



Value for shareholders

- Total shareholder return
- Dividend



Impact on society

- Employment
- Taxes
- Donations



Value for creditors

- Interest payments



Value for community

- Clean air and water
- Energy efficiency
- Well-being and quality of life
- Safe medical care
- Light and durable structures



Value for customers

Benefits:

- Better performance
- Sustainability aspects
- Functionality

chemicals, use of low impact materials i.e. bio-based and recycled materials, energy efficiency and optimization of the product's end-life. Our products are designed to have a minimal environmental impact over their whole life cycle.

Impacts

The products generate various results and impacts, most of them positive. However, some are negative, such as emissions, and these we try to minimize. Our position in the value chain is one to three steps away from the final consumer or end-user.

In 2014, our shareholders' total return was -10.9%. The total dividend was EUR 14 million, or EUR 0.30 per share. We paid our creditors EUR 24.2 million in interest payments, including interest on hybrid bond.

Our products create value for customers through many benefits such as improved performance, durability and

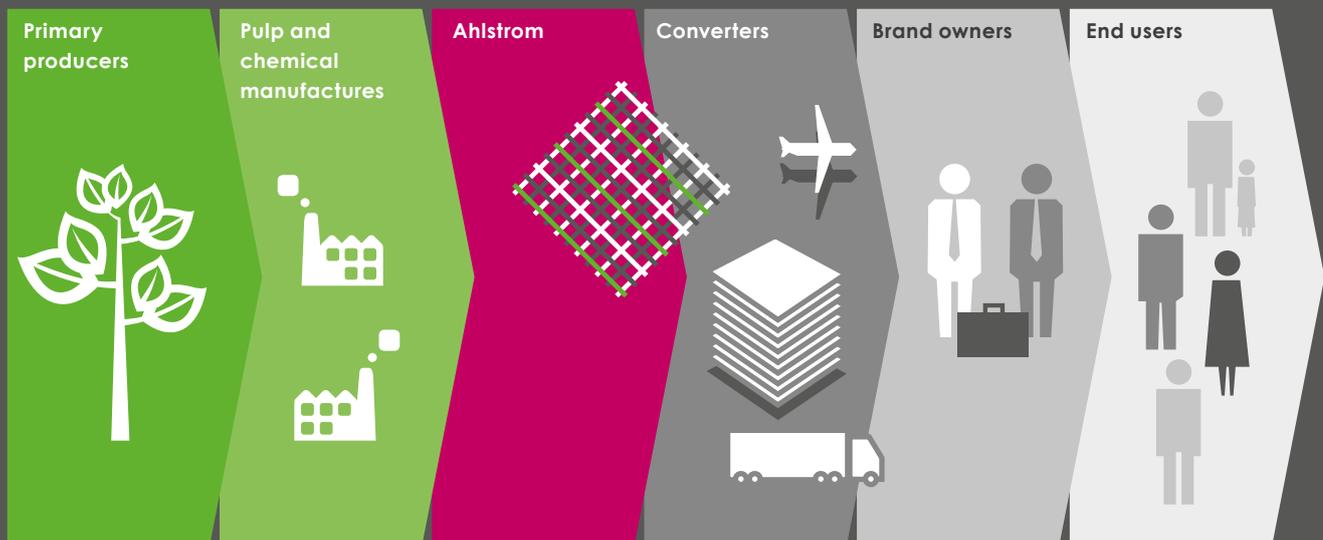
functionality, while supporting customers in tackling their sustainability issues. Considering the society at large, the current and future benefits of our products include cleaner air and water, better energy efficiency, well-being and quality of life, safe medical care, and light and durable structures.

We paid a total of EUR 210.9 million in employee wages and benefits, and EUR 4.4 million in national and local taxes. In fact, our biggest impact on society is the employment of people who pay taxes. Our community investments totaled EUR 127,000. This includes a EUR 70,000 donation to Eva Ahlström Foundation to support their water, sanitation and hygiene project in India together with UNICEF. At a local level, our plants support children's activities, emergency agencies, environmental protection, senior citizens organizations and sports. Ahlstrom does not make political contributions. The table on our direct economic value generated and distributed is on page nine.

Sourcing and operations

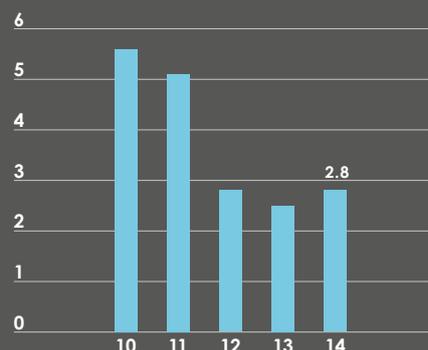
Describing Ahlstrom's position in the value chain

Our products are sold to converters that are, for example, filter manufacturers, wallpaper producers, medical converters and building products companies. Their customers are again brand owners who sell to consumers via distributors and retailers. There are many variations to the overall value chain and in some cases Ahlstrom has moved vertically in the value chain e.g. in lateral flow analysis for medical diagnostics.



97%
of the production
had an ISO14001
certification.

G4-LA6 Accident Frequency Rate, AFR



“As of January 1, 2015, all three business areas have full responsibility of operations that include manufacturing, engineering and logistics.”

Responsible sourcing

Ahlstrom has a global sourcing organization serving all businesses and plants. It's important to us that the production and supply of our raw materials does not cause harm to people, the environment or society. We have a Supplier Code of Conduct in place and signing the code is part of our sourcing Key Performance Indicators. All new suppliers must sign the code before conducting business with Ahlstrom. In 2014, 85% of our suppliers had signed the code. Our key raw materials are described in detail on page 21.

We purchase our forest fibers i.e. wood pulp from responsible sources. As these renewable fibers are our most significant raw materials we have an extensive company verification program for it.

Forestry certification is a mechanism using independent third-party assurance that the forest in question is managed according to internationally recognized sustainability criteria. The Forest Stewardship Council (FSC™) and the Program for the Endorsement of Forest Certification (PEFC™) are the two major international systems for forest certification. All of Ahlstrom's pulp suppliers in 2014 were certified according to one of them or both, while 81% (79% in 2013) of the pulp was purchased as FSC or PEFC certified or FSC controlled wood. As certified pulp can only be purchased by or sold to certified plants only, the wood pulp used by our plants that do not have Chain-of-Custody certification comprised the remaining. The inputs are covered, however, by our own verification system.

Chain-of-Custody certification is a way of tracking wood-based raw materials from the forest to the consumer, at each change in ownership. We use SGS SA (formerly Societe General de Surveillance SA) to audit this for us, and we currently have ten certified plants. Some of our customers are reluctant to obtain this certification, therefore limiting our ability to have more Chain-of-Custody certified plants.

SGS has also verified our due diligence system for the EU Timber Regulation. The purpose of this system is to prevent Ahlstrom from placing illegal timber products on the EU market.

Operations

As of January 1, 2015, all three business areas have full responsibility of operations that include manufacturing, engineering and logistics. In addition, the business areas are responsible for sales and marketing, technical customer service, and product development. The change was made to improve accountability and reduce complexity within the company, with the ultimate goal of accelerating profitability improvement. In conjunction with this change,

one person was appointed in charge of aligning operations within all business areas.

Certified production

Our aim is to minimize the impact from our operations and all of them have implemented precautionary actions to diminish any harm they would do to the environment. This means that in case of threats of serious damage, a lack of full scientific certainty is not used as a reason for postponing cost-effective measures to prevent environmental degradation to the environment. One of our key objectives is to have an environmental management system in place in each plant. In 2014, 97% of the production had an ISO14001 certification. Only three of our plants do not yet have such certification, and one plant has part of its production certified. A detailed list of certifications can be found on our website www.ahlstrom.com.

Clean water is becoming scarcer and we have also assessed this at our operating sites. Among our 29 plants, Louveira in Brazil (Atlantic Forest), Turin and Fabriano in Italy as well as Brignoud in France (Mediterranean basin) are located in biodiversity hotspot areas as defined in the WBCSD Global Water Tool (www.waterfootprint.org). This underlines the importance of having a robust environmental management system in place. Our water balance is reported on page 23.

Health and safety

In 2014, we continued the implementation of behavior based safety (BBS) programs and eight plants started to implement BBS programs during the year. We also improved physical safety at plants, with a special focus on protection of any hazardous nip points in machines. With this dual approach, focusing on both man and machine, we expect to improve our safety performance further.

Our Lost Time Accident rate slightly increased last year. In total, 17 of our 29 plants had zero Lost Time Accidents, and eight plants had zero Recordable Injuries (OHSAs definition). Our safety targets were very ambitious: Six Lost Time Accidents, and a maximum of 34 Recordable Injuries. We had 18 Lost Time Accidents, equaling an Accident Frequency Rate of 2.8, and an increase of 15% compared to 2.45 in 2013. We had 49 Recordable Injuries, equaling to a Total Recordable Injury Frequency rate of 7.5 and a decrease of 7% comparable to 8.1 in 2013.

Our plants are audited by an external auditor. 14 plants have the Occupational Health and Safety Advisory Services, OHSAS18001 certificate. All our plants are also subject to internal Health, Safety and Environmental audits performed by our own highly experienced internal HSE Assessment team. We did totally eight internal HSE audits, of which one initial HSE audit.

Capital

We are committed to increase shareholder value over time by developing and making products that provide shared value to society in competitive, resource efficient and profitable manner. In this process, we utilize a diverse range of capital including financial, manufacturing, intellectual, human, natural, and social and relationships as resources.



Financial

Ahlstrom's financial capital is divided into equity and debt. At the end of 2014, this was split as follows:

- Total equity EUR 320.1 million, including EUR 100 hybrid bond.
- Interest bearing net liabilities EUR 253.8 million.
- Total liquidity, including cash and unused committed credit facilities was EUR 296.1 million at the end of 2014. In addition, Ahlstrom had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 133.7 million.

In 2014

- Operating cash flow was EUR 35.4 million.
- Capital expenditure amounted to EUR 45.4 million.
- Dividend payment totaled EUR 14 million.

TOTAL EQUITY

EUR 320.1
MILLION



Manufacturing

Ahlstrom's global manufacturing platform is unrivalled in the industry and it covers all major web forming technologies.

29 plants in 13 countries:

- 19 in Europe.
- 6 in Americas.
- 4 in Asia-Pacific.

In 2014

- Total depreciation was EUR 58.4 million.
- New wallcovering materials production line in Binzhou, China was ramped-up.

29
PLANTS IN
13
COUNTRIES



Intellectual

Customer driven innovation is crucial to Ahlstrom's success. The company operates research centers in France and China, and has product development activities at many sites.

In 2014

- Research & development costs were EUR 17.5 million (1.7% of net sales).
- 12 new inventions were filed.
- Total number of granted patents was 197 at the end of the year.

R&D EXPENDITURE

1.7%
OF NET SALES

12
NEW INNOVATIONS
FILED IN 2014

“Natural and human capital were chosen as the focus capital types in this year’s report.”

Read more on pages 20–23



Natural

Natural capital is Ahlstrom's source of raw materials. In 2014, raw materials and energy accounted for over 60% of the company's total annual cost base, while 84% of our fiber-based raw materials came from renewable sources.

In 2014

Natural capital consumption was:

- Renewable fibers (e.g. pulp, viscose, abaca, cotton): 334,040 tons.
- Synthetic fibers (e.g. polyester, polypropylene): 61,388 tons.
- Chemicals (e.g. latex, methanol, and resins): 171,635 tons.
- Water intake: 25.5 million m³.
- Energy:
 - Fuels: TJ 5,433.
 - Electricity: TJ 1,968.
 - Process heat: TJ 5,862.

Sold production was 374,900 tons of high performance fiber-based products.

Over 60% of our costs stem from raw materials and energy

Read more on pages 24–27



Human

Ahlstrom has a dedicated and diverse workforce sharing our values of acting responsibly, creating value, and learning and renewing.

In 2014

- 3396 employees in 22 countries.
- Ahlstrom Academy delivered 66 training sessions on key development areas.
- EUR 210.9 million in paid wages and benefits to employees.

3,396
employees in

22
countries



Social & relationship

We co-create and foster open innovation with customers, universities, research centers and industry associations.

In 2014

EUR 127,000 in donations:

- Eva Ahlström Foundation.
- Community support for children, senior citizens, sports, emergency agencies, environmental protection
- Clean water project started in East Africa with Aalto University and Walter Ahlström Foundation.

EUR 127,000
IN DONATIONS

Natural capital

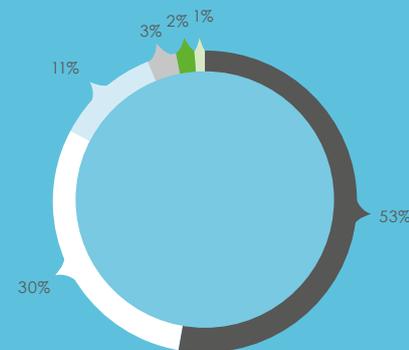
Efficient use of Natural Capital

The use of natural capital in the most efficient way as possible is beneficial not just for our customers but to the entire world. With resource scarcity and growing environmental concern it's crucial that we minimize our own impacts. By offering products made from various natural capitals we help to provide a cleaner and healthier environment.

84%
of our fiber-based raw materials are renewable

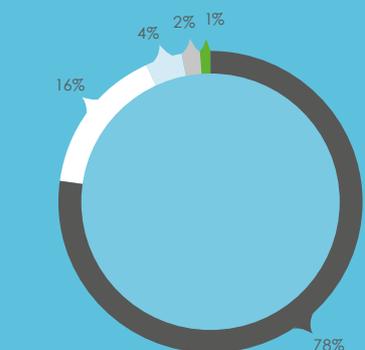
42%
reduction in waste to landfill

G4-EN1, EN2 2014 Raw materials, 579,000 tons



- Pulp
- Chemicals
- Synthetic fibers
- Annual fibers
- Packaging
- Recycled fibers

2014 Fiber raw materials, 395,000 tons



- Forest fibers
- Nonrenewable synthetic fibers
- Annual fibers
- Recycled fibers
- Renewable synthetic fibers

Raw materials

Overall, we had approximately 360 raw material suppliers for a total expenditure of approximately EUR 480 million in 2014. Expenditure on pulp and natural fibers was about EUR 220 million, on synthetic fibers about 110 million and on chemicals about EUR 150 million.

By far the most important raw material for us is fiber with 70% of the total. In 2014, 84% of the fibers we used came from renewable sources, compared with 83% in 2013. The vast majority, or 92% of the renewable fibers, is wood pulp from forests. We source pulp from approximately 30 pulp suppliers principally located in the Nordic countries and South and North America. Viscose fiber used in some specialties is also made from forest fiber. Other natural fibers that we use include annual fibers such as abaca, cotton linters, jute and some sisal and flax. Abaca, which is used in our food grades, is clearly the most important of them. Abaca is sourced from the Philippines as well as Ecuador. Our cotton linters all come from the U.S.

We buy our synthetic fiber from 60 producers that are located in Europe, Asia, and North and South America.

Our main chemical suppliers are very large companies, but chemicals are also purchased from medium-sized specialty producers, generally based in Europe and North America. We have about 200 suppliers.

Energy efficiency

In 2014, our total energy use was 8,667 TJ, down slightly from 8,731 TJ in 2013. Natural gas is our main energy source, representing 70% of the fuels used. The Osnabrück boiler (50% owned by Ahlstrom) burns a mixture of energy waste mainly from external resources and coal. The energy consumption in Huyn Poong (South Korea), Turin (Italy) and Louveira (Brazil) was recalculated for 2013 to include the methanol consumption in the saturator. Our total energy costs were approximately EUR 90 million in 2014.

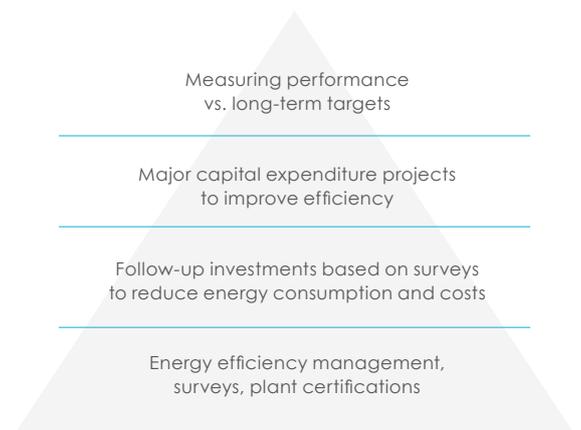
We reinforced our energy consumption reduction by performing energy surveys at our plants in Turin, Hyung Poong and Windsor Locks (USA) in 2014. These surveys led to over 40 energy reduction actions and investments, with a total expected energy reduction of 50 GWh. The surveys and actions will be continued in 2015. The efforts have allowed us to maintain an average return of less than three years on an investment amount of over EUR 10 million in energy efficiency since 2004, excluding major energy investments.

Energy consumption per ton strongly depends on the product mix; operating more energy intensive machines or machines which modify the product without increasing produced tons, increases the energy consumption per ton. In addition, producing products requiring relatively high energy consumption per ton has a negative impact on consumption per ton.

The current trend is to produce more products that require higher energy consumption per ton. This can be considered sustainable as the use of these products lower energy

CASE

G4-EN19 Energy efficiency program



Our energy efficiency program is structured as a pyramid with different layers

- **A solid wide base, which includes the definition of energy management systems at plant level. The systems include both the management process and procedures to continuously improve energy efficiency, and the measurement methods and tools. The Osnabrück (Germany) and Stålldalen (Sweden) plants already have the ISO50001 certification. At Group level energy consumption and emission data are updated monthly. Our plan is to certify more plants according to the ISO50001 Energy Management System.**
- **A good follow-up and continuation of the experience in the investments on energy efficiency, which have been generating reliable savings in terms of energy consumption, emissions and costs.**
- **Planning and prioritization of higher costs capital investment items. For example, Ahlstrom has invested in three new regenerative thermal oxidizers (RTO), one in Taylorville (USA), one in Madisonville (USA) and one in Binzhou (China) replacing less efficient thermal oxidizers. In 2015, we plan to invest in a new RTO in Louveira (Brazil).**
- **Continuous monitoring of results vs. long term targets. This includes conducting and analyzing energy surveys to define continuous improvement projects and enhance visibility of energy consumption and emissions as key parameters at operations level.**

G4-EN3 Energy usage in 2014

		2014	%	2013	%
FUELS					
Coal	TJ	307	5.6	471	7.9
Oil	TJ	61	1.1	200	3.5
Gas	TJ	3,787	69.7	3,928	68.9
Solid Waste	TJ	527	9.7	755	13.3
Other (recovered methanol)	TJ	752	13.8	629	10.5
Total	TJ	5,434		5,983	
ELECTRICITY					
Purchased	TJ	1,964	99.8	1,785	90.4
Own production	TJ	4	0.2	190	9.6
Total	TJ	1,968		1,975	
PROCESS HEAT					
Steam, own production	TJ	2,838	48	3,269	54
Steam, purchased	TJ	1,271	22	1,093	18
Gas (IR)	TJ	1,746	30	1,674	28
Electric energy (IR)	TJ	7	0.1	13	0.2
Total	TJ	5,862		6,049	

consumption or they add more value to customers, which is reflected in the price per ton. The impact of the product mix change between 2013 and 2014 was about 5.7%.

We continue to strive for higher energy efficiency. The European Union has been actively promoting its 2020 agenda in which energy efficiency plays an important role. In line with the EU agenda, Ahlstrom has the ambition to aim at a reduction of 20% by 2020 in both specific energy consumption as well as carbon emissions per ton of product, using 2012 as the baseline.

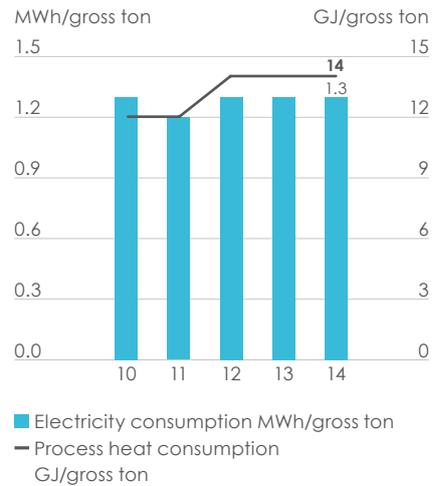
Ahlstrom has set up a cross-functional energy team to allow detailing on how to maintain a sustained pace of energy savings. With the use of external resources we perform detailed plant energy audits, focusing first on the plants with relatively high energy consumption, to identify the priorities where the return on investment can generate better efficiencies from an overall company point of view. We have progressed according to the targets set in our Energy efficiency roadmap to reduce energy usage 20% by 2020. Thanks to the energy efficiency actions we were able to reach savings in energy expenditure in 2014, excluding the negative impact from product mix compared to the previous year. The energy efficiency work continues following the principles of continuous improvement and LEAN approach.

Emissions into the air, water and soil

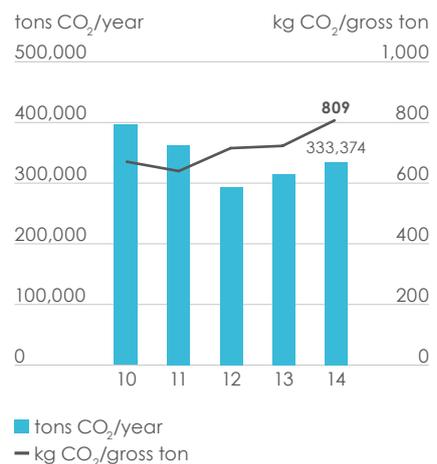
The main sources of Ahlstrom's air emissions are the burning of fossil fuels (natural gas, oil and coal) to generate process steam and to dry our products, and the use of methanol. Our strategy for reducing emissions focuses on improved energy efficiency, and cleaner burning fuels. Natural gas is the preferred and dominant source of fuel as it delivers the most energy per emitted carbon dioxide of the fossil fuels.

In 2014, our absolute emissions of carbon dioxide (CO₂), nitrogen oxides (NO_x) and sulfur dioxide (SO₂) fell compared to 2013. Direct CO₂ emissions (Scope I) increased slightly from 323,043 tons in 2013 to 333,374 tons in 2014. The reported 2013 figure for CO₂ emissions has been restated to include the consumption of methanol in Louveira and Turin. Emissions of the Osnabrück boiler are included based on the energy purchased from AK Energie following the split of the site (Ahlstrom holds

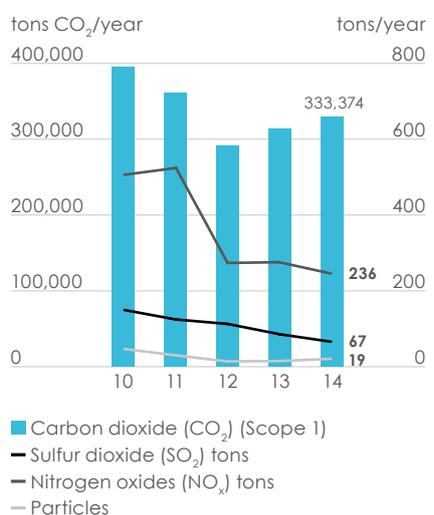
G4-EN18 Energy efficiency



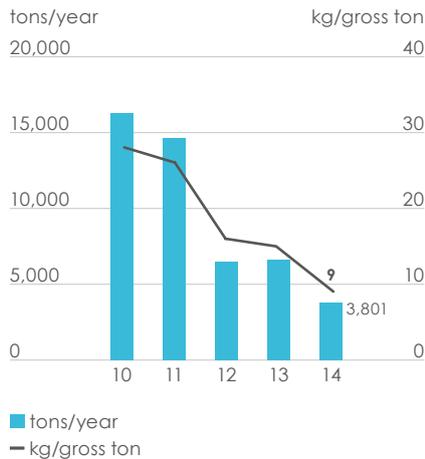
G4-EN15 Direct carbon dioxide emissions (scope 1)



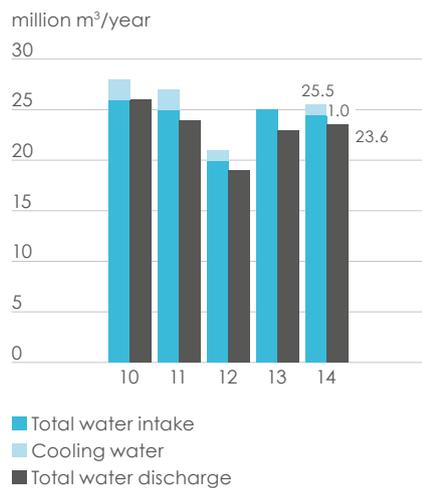
G4-EN21 Acidifying flue gases and other emissions into the air



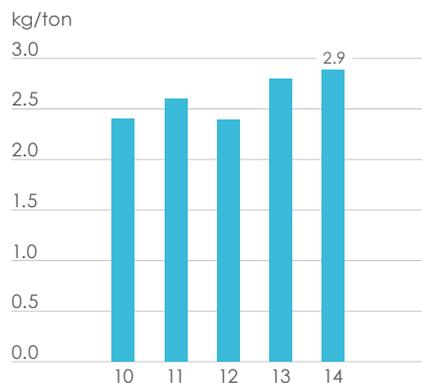
G4-EN23 Landfilled solid waste



G4-EN8, EN22 Total water intake and discharge



G4-EN22 Chemical oxygen demand in the effluents



G4-EN8, EN22 Water balance



50% stake in AK Energie GmbH). The CO₂ intensity increased by 8% to 809 kg/gross ton from 751 kg/gross ton. The investments in new regenerative thermal oxidizers (RTO) reduced our natural gas consumption by 3.6%. Nitrogen oxides release decreased from 274 tons in 2013 to 236 tons in 2014, or 14%, and Sulfur dioxides emissions were reduced from 84 tons in 2013 to 67 tons in 2014, or 21%.

Ahlstrom's water balance in 2014 detailing the sources and destinations for the effluent is shown in the graph above. Our total water intake for 2014 increased 2.3% to 25.5 million m³ from the comparison period. This was mainly due to the start-up of the new wallcoverings production line in Binzhou (China), changes in the product mix at the Stålldalen plant (Sweden) and the full impact of the split of the Turin (Italy) site in 2013.

All releases into water systems have been calculated to include only the chemical oxygen demand, total suspended solids, total nitrogen, and total phosphorus of the plants that treat waste water themselves. All other plants send their wastewater to municipal water treatment facilities and therefore are excluded from the calculations. In 2014, chemical oxygen demand in the effluents increased from 2.7 kg/ton product to 2.9 kg/ton product from the comparison period. This was mainly due to decreased production rate. The absolute amount of chemical oxygen demand was unchanged at 872 tons.

We did not have any major accidents, or spills into the environment in 2014. Also, we did not pay any fines for non-compliance of environmental laws and regulations.

Our long-term goal is to eliminate waste to landfill. The focus will be on finding innovative solutions for our waste so that we can reach considerable reduction in waste to landfill at more of our plants with relatively low costs and without the need to transport the waste over long distances.

In 2014, our waste to landfill decreased from 6,614 tons to 3,801 tons, while our waste to landfill per gross ton decreased from 15.4 kg/ton to 9.2 kg/ton. We made great progress in reaching zero waste to landfill in Bousbecque (France), Pont Audemer (France), Chirnside (UK) and Windsor Locks (USA). Our plants in Germany, Belgium, India, Tampere (Finland) and China already operate at zero waste to landfill.

Human capital



People define the culture

Engaged employees with the right competencies are vital in making a turnaround.

VALUES

Act responsibly, Create value, Learn and renew

95%

of employees completed performance dialog in 2014

89%

of white-collar employees have completed the Code of Conduct e-learning

66

Ahlstrom Academy training sessions

GENDER DISTRIBUTION



We are a global company employing 3,396 people in 22 countries. Less than 10% of our employees work in Finland. This highly international character and diversity calls for a shared vision and values that unite us worldwide. Our Code of Conduct is the foundation in terms of how we act and treat each other. This means we treat all our employees with respect, give them equal opportunities for personal growth and development, regardless of gender, age, race, ethnicity, disabilities, nationality, sexual orientation, religious beliefs, political affiliations, marital or economic status, or position in the company. In 2014, there were no reported incidents of any type of discrimination, nor any grievances concerning labor practices.

In 2014, our annual employee engagement survey results declined from the previous year, yet at the same time people showed strong commitment through an excellent response rate that was 81.2% (85% in 2013). We will take these figures seriously as they provide us with a baseline for creating a new Ahlstrom. This means a strong, common culture that embraces simplicity, transparency, respect and enjoyment at work.

Learning environment that enables personal growth and renewal

We continue to develop the competencies and skills we need in order to implement our strategy and drive sustainable growth in the future. We utilize and promote different methods for personal development, such as on the job learning, learning from others and participation in training sessions.

Management and leadership that is both inspiring and coaching was one of our Group level key development areas in 2014. And this will continue with full steam. We delivered our early-talent program JUMP and leadership development program LEAP successfully in 2014 and these programs will be offered again in 2015.

Attention was also given to our ways of working, accountability, giving and taking responsibility, and working efficiently in a virtual and matrix organization. We delivered well received matrix training in Europe, the U.S. and China and also training for managers on how to lead a virtual team. Development efforts were also steered in improving our project management skills. We had a total of 201 participants in the sessions delivered in these areas.

In 2014, compliance training continued to be a high priority area and the Code of Conduct e-learning was completed by 89% of all white-collar workers globally. Ethical behavior is a solid

G4-10 Employees at year end

	2014	2013	2012
Number of employees	3,396	3,547	5,112
Temporary, %	3.5	2.9	2.5
Permanent, %	96.5	97.1	97.5
White collar, %	39	41	40
Blue collar, %	61	59	60
Performance dialog completion of white collar, %	95	90	89
Performance dialog completion of blue collar, %	95	59	59



New Service Center opened in Vilnius, Lithuania

We established a new customer and financial Service Center in Vilnius last year to serve most of our finance, accounting and customer service operations in the Europe, Middle East and Africa region. Our goal is to serve our customers better and in a more harmonized way from the new Service Center. The decision to establish a Service Center in Vilnius was based on existing infrastructure, availability of talented and multilingual staff, as well as a favorable cost structure.

The Service Center was inaugurated in October 2014 and it was fully operational in less than one year from the decision. We employ over 50 highly educated and skilled professionals at the new center.

Previously, customer service and finance operations in EMEA were very fragmented and employees were working in small teams across multiple locations. Centralizing and harmonizing our customer and financial services has enabled us to develop our processes and improve our customer service. We are able to serve our customers from all of our business areas in nine languages. At the same time, we are able to offer more to our customer and financial service professionals. They are able to broaden their skills and work more closely with their colleagues.

The feedback from customers and our employees in Vilnius has been positive and also from North America, where we established a customer Service Center in 2013.

expectation for all our employees and we will continue taking strides to ensure good compliance going forward.

Looking at the Group level trainings delivered through our internal Ahlstrom Academy, we had 66 training sessions focusing on our key development areas. The training sessions combined different methods such as webinars, virtual training sessions, e-learning, face-to-face programs and also longer, more comprehensive programs.

The input for the key development focus areas of Ahlstrom Academy is two-fold, the areas we as a company need to improve on are the strategic competencies identified as part of the strategy process. This gives us the frame to which we get more detailed input from the individual development plans.

Locally in our sites we had in total of 568 training hours, and almost half of the training hours focused on topics related to Health, Safety and Environment (HSE). Safe working environment and safety behavior is our cornerstone in everything we do. The other key area in local trainings was continuous improvement, which is closely linked with our LEAN deployment. We strive to improve our ways of working on all levels and we have chosen the LEAN methodology to be used at all plants.

Common culture as a focus area in 2015

We will continue building a positive work environment where people can contribute and enjoy the work and results they are delivering. This means a strong, common culture that embraces simplicity, transparency, respect and enjoyment at work. This requires clarity regarding the roles and responsibilities and also a trusting environment where ideas and feedback are actively shared. We also want to improve the recognition of good performance. To support this, we are launching a recognition program that is targeted at our sales employees globally.

Our focus will be on developing teams and team leadership skills. Achieving results together requires a good team

spirit and people working towards the same goals. This is a cornerstone also in LEAN, our continuous improvement methodology that we continue implementing in our plants. The target is to implement LEAN in eight more plants this year.

We have a global, well established performance management process that we will develop further to simplify the overall process and streamline the goal structure. We want to ensure that all our employees have smart goals and can focus on the goals that really make an impact. As part of the performance management culture we strive to engender the taking of accountability and actively sharing positive feedback.

Restructuring responsibly

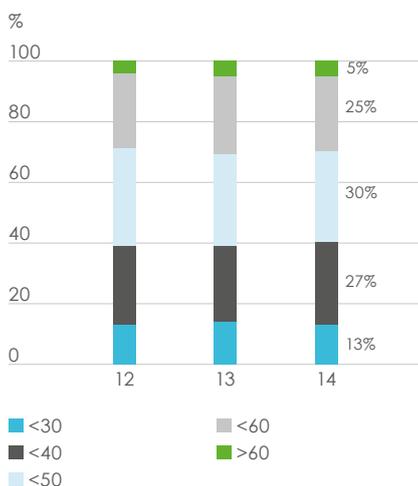
During the past few years, we have demerged or divested significant parts of our businesses to have a more focused business portfolio. This has been reflected in our size as annual net sales have been reduced by approximately EUR 900 million and personnel by roughly 1,800.

Following the restructuring, we have initiated a rightsizing program to bring down costs to reflect the new size and scope of the company. Our aim is to achieve approximately EUR 39 million in annual costs savings in continuing operations, targeting both selling, general and administration (SGA) costs and production overheads. In addition, approximately EUR 11 million in savings have been derived from costs transferred to Munksjö Oyj, bringing the total target to EUR 50 million.

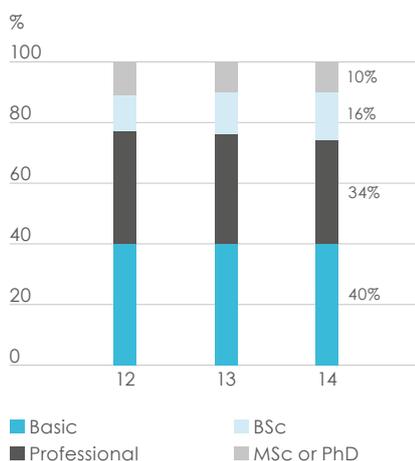
As a result of the rightsizing program, the number of our personnel has been reduced by approximately 400 people globally in all business areas and functions. All actions have been taken according to local legislation and all affected people have been treated with respect. We have also offered training and compensation packages where appropriate.

The total Groupwide turnover rate measuring the total number of employees leaving the company – voluntarily or

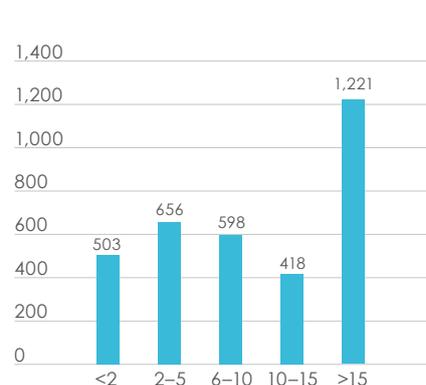
Age distribution for the total workforce



Headcount by educational level



Employees' years of service



involuntarily - was 11.2% last year, which is higher compared to previous years and due to the rightizing program. Regionally, the turnover rate is the highest in Asia.

When looking at the employees' years of service, we can clearly note that the biggest group of employees is the one with employees having worked for Ahlstrom for more than 15 years. The spread is fairly equal in the other four groups. At the same time it can be noted that the age distribution is more evenly distributed, e.g. the number of employees in the age group of 40–50 years is 25% of the entire workforce. Attracting new talent is very important and we will continue to do so in accordance with supporting internal career moves.

Diversity

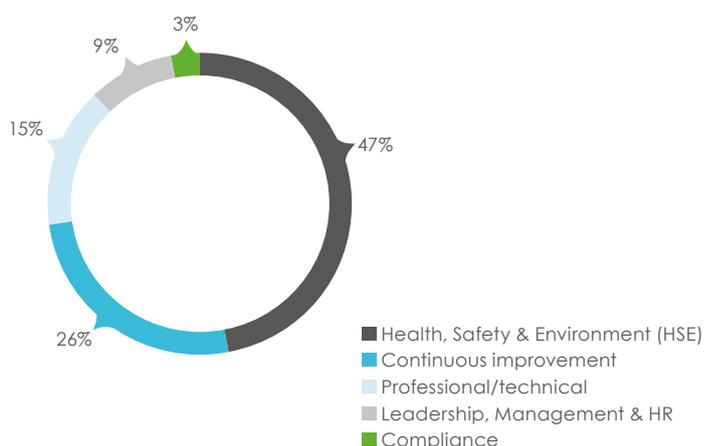
We define diversity as the hiring, developing, retaining and promoting of talented individuals from many races, cultures, age groups and with different educational backgrounds. We focus on creating an environment that leverages the talents and diverse thinking of all employees as that will improve Ahlstrom's competitive position. We believe that diversity has a positive impact on our business.

The graph on the left shows the spread of employees by age. The spread of employees by gender in total and regionally can be seen on the table on the right.

Performance-based culture

The performance management process has become a well-established process throughout Ahlstrom. Our target is that all employees have a performance dialog during the year and all white-collar employees have their targets defined and documented in our global Performance Management Tool. These targets were very well met in 2014 as 95% of all white-collar employees and equally 95% of all blue-collar employees had at least one performance dialog with goals defined and documented.

Trainings by category



G4-LA1 Employee turnover total

	2014	2013	2012
Total turnover rate, %	11.2	8.2	12.1
by region, %			
Americas	11.5	7.9	15.1
EMEA	10.1	6.6	10.6
Asia-Pacific	14.1	15.0	15.0

Turnover consists of employments terminated by the employee as well as employments that have been terminated by the company e.g. due to closing units.

H4-LA12 Diversity by groups

	2014	2013	2012
Board of Directors			
Total count	7	7	6
Women, %	14	14	17
Men, %	86	86	83
<30, %	0	0	0
30-50, %	43	43	50
>50, %	57	57	50
Number of nationalities	4	4	3

Executive Management Team

Total count	8	10	11
Women, %	37.5	20	18
Men, %	62.5	80	82
<30, %	0	0	0
30-50, %	62.5	40	55
>50, %	37.5	60	45
Number of nationalities	4	4	5

Number of employees

	Total	Female	Male
Americas	876	18%	82%
EMEA	1,919	24%	76%
Asia-Pacific	601	23%	77%
Total	3,396	23%	77%

Risk management

In our daily operations we face several key risks that may affect our ability to create value. The matrix below explains some of our key risks and how we manage them and mitigate their impacts.

Our most important assets are people, property, earnings capability, customer relations, and reputation. Their preservation and security are essential for our ability to create value. It's in the interest of our employees, customers, shareholders and communities in which we operate that we minimize the impacts from the identified risks. The main principle is to manage those risks at source. Many of the risks can be turned into opportunities and competitive advantage through successful mitigation actions.

Responsibility

The Board of Directors has the ultimate responsibility for Ahlstrom's risk management. The Board reviews the identified key risks and is responsible for the determination of risk appetite and tolerance. Ahlstrom's Risk Policy Management has been approved by the Audit Committee.

The President & CEO, Executive Management Team, and other management at Group, business area, and plant levels are responsible for implementing the Risk Management Policy.

	Risk description	Actions to mitigate
Business & market environment	<ul style="list-style-type: none"> - Fluctuations in demand - Ability to foresee changes in customer needs and delays in launching new products - Insufficient contract management and unfavorable terms - Expansion to the Asian markets - Unsuccessful execution of investment projects - Complicated business portfolio - Increased competition 	<ul style="list-style-type: none"> - Demand planning process - New organizational structure - Product development process improvement - Legal assistance in contract negotiations - Opening of research and development facility and external audit in China - Expert networks engaged to evaluate investment projects in early stage - Pruned product portfolio for clean and healthy environment - Introduction of new unique products and continuous market intelligence
Financial	<ul style="list-style-type: none"> - Balance sheet structure limiting growth - Underfunding and market risk related to pension plans - Asset impairment losses - Availability of funding or unfavorable refinancing terms - Exchange rate fluctuations 	<ul style="list-style-type: none"> - Focus on improving financial performance - Improved control over investment activities of the pension funds - Increased focus on turning around underperforming units - Measures taken to secure funding and prolong maturity of the loan portfolio - Treasury Policy
Sourcing & operations	<ul style="list-style-type: none"> - Fluctuations in the prices of raw materials and energy - Inflexibility to adjust production capacity - Unsuccessful transformation of IT operations - Execution of the rightsizing program - Service center ramp-up in Vilnius 	<ul style="list-style-type: none"> - Monthly forecasts and hedging reviews - Pricing and margin management process - Demand planning process - Detailed execution plans for transformation projects in place
Employees & safety	<ul style="list-style-type: none"> - Lack of competences in key areas - Safety risks in manufacturing at plants 	<ul style="list-style-type: none"> - External coaching of key persons - Strategic workforce and succession planning - Companywide safety standards and guidelines at each location - Bonuses tied to safety achievements
Intellectual property rights, plants & property	<ul style="list-style-type: none"> - Infringement of intellectual property rights - Hazards such as fires, explosions, and natural incidents like floods and storms 	<ul style="list-style-type: none"> - Highlighted awareness and patent filings - Contingency and recovery plans at each site
Legal & regulation	<ul style="list-style-type: none"> - Non-compliance with new and current legislation and regulation 	<ul style="list-style-type: none"> - Legal and compliancy training - Trade Compliance Policy
Environment	<ul style="list-style-type: none"> - Impact from operations on air, water and land 	<ul style="list-style-type: none"> - Life-cycle assessment in product development - Wood fiber sourced only from sustainably managed forests

Materiality

Defining our most important sustainability topics

In 2014, we reviewed our materiality analysis and based on the results updated the matrix below. The review included stakeholder interviews, customer satisfaction and employee engagement surveys, and top management discussions and workshops. The matrix was approved by our President & CEO.

As a new feature, we have divided the materiality aspects into three categories: pre-requisites, enablers and targets. The relative importance of the aspects to Ahlstrom is shown on the horizontal axis, whereas the relative importance of the aspects to the company's stakeholders is shown on the vertical axis. In our view, all listed aspects are material within and outside the organization.

Based on the review, the most material aspects for Ahlstrom and its stakeholders are:

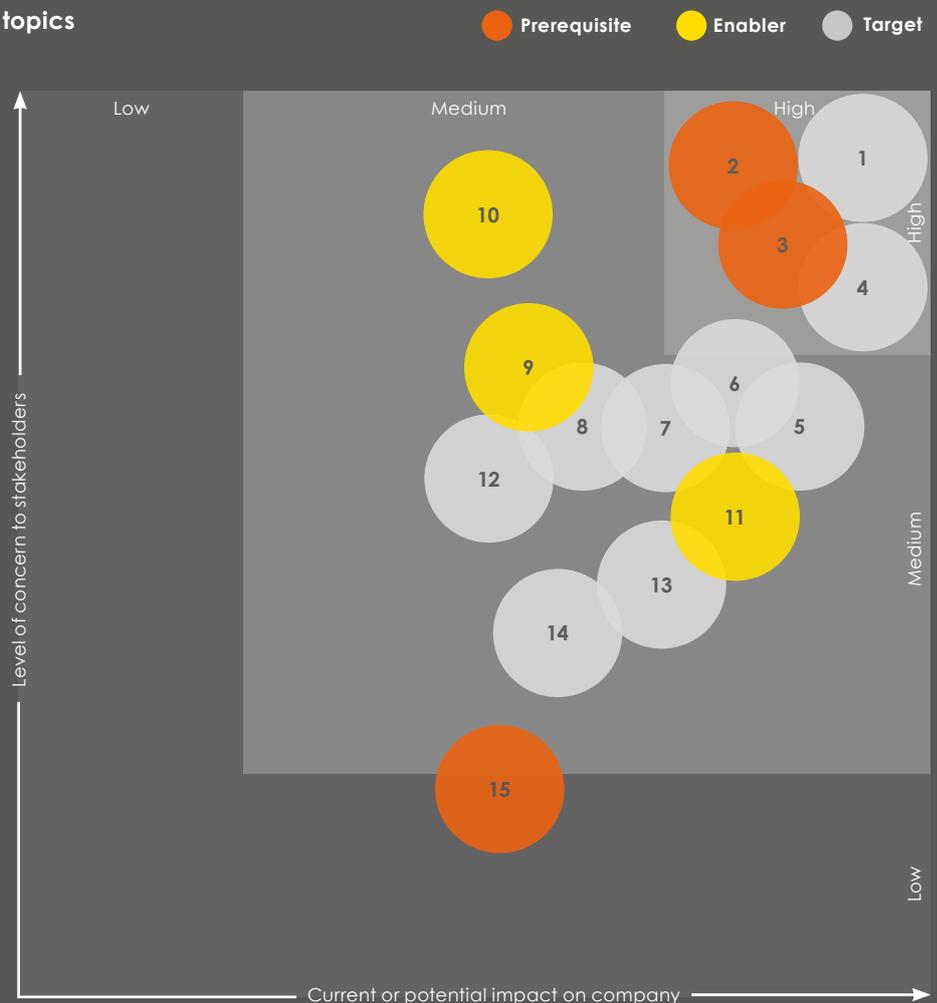
- Partnering with customers for improved performance
- Ethics
- Financial performance
- Safety

Partnering with customers emerged as a completely new material aspect compared to the previous report, while the relative importance of financial performance increased.

Sustainability together with commercial success is at the heart of our operations as it enables us to partner with customers for improved performance, and ultimately create value for our stakeholders. Our interaction with different stakeholders, both external and internal, and how sustainability aspects are managed are shown on the following pages.

Our most important sustainability topics

- 1 Partnering with customers for improved performance (t)
 - Commercial success
 - Sustainability
- 2 Ethics (pr)
 - Values
 - Human rights & freedom of association
 - Code of Conduct
 - Anti-corruption
- 3 Financial performance (pr)
- 4 Safety (t)
- 5 Open communication (t)
- 6 Resource efficiency (t)
 - Energy use
 - Raw materials/waste
 - Water
 - CO₂
 - EcoDesign
- 7 Responsible sourcing (t)
- 8 Minimizing emissions (t)
- 9 Communication of the sustainability benefits of our products (e)
- 10 Business agility (e)
- 11 Innovation (e)
- 12 Community and stakeholder relations (t)
- 13 Well-being and engagement of workforce (t)
- 14 Competence development (t)
- 15 Diversity (pr)



Interaction with stakeholders

Interaction with our external and internal stakeholders is a critical part of our operations and success. We invite anybody with an interest in what we do to enter into dialog with us and provide feedback. In line with our value of

learning and renewing, to continuously improve our way of working and enhance performance is very important. The table below lists some of our most important stakeholders and how we engaged with them in 2014.

	Engagement	Topics & issues
Customers	<ul style="list-style-type: none"> - Customer satisfaction and loyalty survey and feedback - Face-to-face meetings, site visits and other contacts with sales - Website, e-newsletters, social media - Joint product development projects - Sustainability reporting 	<ul style="list-style-type: none"> - Following an organizational change, each business area directly responsible for sales and marketing - Customer satisfaction survey results improved for the fourth consecutive year - Focus on improving response time inquiries and overall customer service - Sales tools training
Suppliers	<ul style="list-style-type: none"> - Face-to-face meetings - Supplier performance evaluations - Joint projects in supply chain improvement, product development, cost reduction and sustainability issues 	<ul style="list-style-type: none"> - Sharing of short and medium term supply needs - Supplier Relationship Management system initiated - Working capital and supply security agreements - Regular monitoring of innovation project KPIs - Corrective action plans
Employees	<ul style="list-style-type: none"> - Performance management process - Employee surveys - Training programs - Behavioral Based Safety programs - Intranet, videos, information sessions, internal magazine - Cooperation and dialog with unions and employee representatives at local and Group level 	<ul style="list-style-type: none"> - Changes due to the rightsizing program - Employee survey indicated that Ahlstrom's values and objectives appreciated and worth aiming for - Concern over employer image, leadership and operative culture - Employee engagement survey results will be taken as a baseline for creating a new Ahlstrom
Shareholders, Investors, Media	<ul style="list-style-type: none"> - Full-year and interim financial reports - Quarterly result briefings - Stock exchange and press releases - Website - One-on-one meetings - Capital markets day - Seminars - Private investor events - Background briefings 	<ul style="list-style-type: none"> - Management change - Financial performance - Strategic transformation - Execution of the rightsizing program - Corporate governance - Dividend payment in cash and Munksjö Oyj shares - Split of acquisition costs between Ahlstrom and Munksjö shares following the demerger of Label and Processing business
Governments, communities, NGOs & Academia	<ul style="list-style-type: none"> - Cooperation with local authorities - Research and development projects - Recruitment fairs at schools and universities - Open house events - Public hearings 	<ul style="list-style-type: none"> - Clean water project in Africa in cooperation with the Aalto University and Walter Ahlström Foundation
Industry Associations	<ul style="list-style-type: none"> - EDANA - CleanTech Finland - FIBS Corporate Responsibility Network 	<ul style="list-style-type: none"> - Sustainability credentials of non-woven products - Industry support

“We invite anybody with an interest in what we do to enter into dialog with us and provide feedback.”



Customers

The satisfaction of our customers is vital to our success and they are the most important stakeholder group for us. We have used the Net Promoter Index (NPI) to measure customer satisfaction and their loyalty since 2011. The results have improved for the fourth consecutive year, especially in offering high quality products. However, Ahlstrom's NPI score remains below good and exceptional levels. Improving the skills of our contact people and customer service are our most important areas for development.

Customer visits to Ahlstrom sites have become a more important and popular way of interaction. For example, our product and technology center in Shanghai has had the pleasure of hosting a growing number of customer visits last year. Meetings have helped to build customer relations and foster two-way creativity, as well as serving as a great eye-opener into Ahlstrom's wide range of capabilities.

Employees

We gauge the engagement of our employees in annual surveys as the main way to assess progress. By engagement we mean the extent to which employees hold a positive attitude toward their work, the organization, and its values, and are willing to apply discretionary effort to contribute to the success of the organization. The global survey is already well established. It was conducted for a fifth time in September-October 2014 in 17 languages. The response rate was high at 81.2% showing great commitment (85% in 2013). A solid response rate provides confidence that the results represent the opinions of all Ahlstrom employees and gives a good basis for the action planning.

Some of the key findings from the survey can be read from the matrix on the left hand side.

Results call for action

The survey results will be cascaded throughout the organization and the results will be shared and discussed in town hall and team meetings at all locations. Teams are also expected to agree together on needed development actions.

Collective bargaining

Collective bargaining is a form of dialog between the employees, their representatives and the company. We do not collect information on the number of organized employees, but we estimate that approximately 50% of the permanent blue-collar employees were covered by collective bargaining agreements, mainly in Europe.

Ahlstrom's European Dialog (AED) is a way for employee representatives from each European country to give feedback to Group management about topics of current interest, and hear about developments within the company. The AED held its meeting in November 2014.

Read more on our employees on pages 24-27.

Investors

Our shareholders and the financial community at large have shown a great deal of interest in Ahlstrom's management change last year. In addition, the progress of the rightsizing program and financial performance of the company has been under the microscope.

Quarterly interim reports and briefings are regular disclosure updates that Ahlstrom provides to the financial community and public at large. The recordings of the briefings are available on-demand on the company's website. In addition, several meetings with analysts, investors and representatives of the media were held during the year. Also, management presentations were held in conjunction with the issuance of a new EUR 100 million bond.

Ahlstrom's Investor Relations function maintains a continuous dialog with the financial community. The main goal of this is to support a true and fair valuation of the Ahlstrom share at all times by providing correct, adequate and consistent information to the market in a timely manner. Ahlstrom follows the principle of transparency and impartiality and aims to provide good service to its stakeholders. For more details, please read our Disclosure Policy on our website www.ahlstrom.com/investors.

Management approach

Our management approach aims for high performance in product development, sourcing, operations, health & safety and human rights. We have set long-term targets and responsibilities for each key area and we follow the developments carefully. Sustainable way of working is embedded in all of our operations and functions.

The overall accountability for corporate responsibility and sustainability aspects is held by the President & CEO and the Executive Management Team members reporting to the CEO. Executive Vice President, Operations, oversees the targets and daily practices in manufacturing, engineering, logistics and environmental performance. Person responsible for health and safety reports to this position.

	Long-term targets	Performance 2014	Tools and policies	Responsibility
Product development	<ul style="list-style-type: none"> - Commercial success with new products - Speed up the process from idea to successful market launch - Sales from new products 20% 	<ul style="list-style-type: none"> - Sales from new products 15% - 12 new inventions were filed during 2014 	<ul style="list-style-type: none"> - 'Idea to product' core process - Intellectual property policy and guidelines - EcoDesign approach in product development to minimize the products' environmental impacts over the whole life-cycle. 	<ul style="list-style-type: none"> - EVP, Product Development
Sourcing	<ul style="list-style-type: none"> - Long-term competitive advantage via partnering with strategic suppliers - Continuous improvement of our total cost ownership (TCO) - Ensure security of supply 	<ul style="list-style-type: none"> - Cost reduction targets exceeded - Launched Supplier Relationship Management process with three strategic suppliers for all business areas - Reduced supply risk on 14 identified products - Supplier Code of Conduct signed by 85% of suppliers 	<ul style="list-style-type: none"> - Sourcing Policy - Supplier Code of Conduct - Supplier Manual - Vendor Evaluation Tool - Integrated Sourcing Performance reporting tool 	<ul style="list-style-type: none"> - EVP, Commercial Excellence, Customer Service and Sourcing
Operations	<ul style="list-style-type: none"> - World-class operations - Reduce energy consumption - Minimize environmental impact by reducing emissions (air, water and soil) - Global sharing of best practices 	<ul style="list-style-type: none"> - On-time deliveries (OTAPIF) at 87% with most of the plants at over 90% in the last quarter. - Cost of claim per net sales 0.43% (0.56% in 2013) - Efficiency actions reduced energy costs (excl. the impact from product mix change) - Waste to landfill reduced by 42% 	<ul style="list-style-type: none"> - LEAN manufacturing as continuous improvement methodology - Regular follow up of Key Performance Indicators (KPIs) with benchmarking reference - Investment steering to prioritize projects - Monitor risk and anticipate regulatory compliance 	<ul style="list-style-type: none"> - EVP, Operations
Health & Safety	<ul style="list-style-type: none"> - Accident-free work places - Zero Lost Time Accidents - Employee well-being 	<ul style="list-style-type: none"> - Accident Frequency Rate 2.8 per million working hours - 18 Lost Time Accidents - Behavioral Based Safety (BBS) program implemented in 8 plants - Internal safety audit program conducted in 8 plants 	<ul style="list-style-type: none"> - Behavioral Based Safety programs - Internal HSE standard - HSE auditing team - HSE network sharing the best practices 	<ul style="list-style-type: none"> - EVP, Operations - VP, Health, Safety, Environment & Asset Management
Human rights and compliance	<ul style="list-style-type: none"> - Human rights are respected throughout the whole value chain - No compliance violations - Code of Conduct e-learning completed for 100% of white-collar employees - No anti-corruption violations 	<ul style="list-style-type: none"> - Zero human rights violations were reported - 89% of white-collar employees have completed The Code of Conduct e-learning - Employee engagement index 63.4 (64.1 in 2013) - Clear improvement in behavior based on Ahlstrom Values - About 230 employees and leaders participated in trade compliance trainings in 2014 	<ul style="list-style-type: none"> - Human rights policy - Compliance Framework approved - Code of Conduct e-learning - Employee engagement survey - Compliance trainings - New trade compliance policy approved and cascaded 	<ul style="list-style-type: none"> - EVP, Human Resources and EVP, Legal, General Counsel - Trade compliance officers

CASE



Clean water in East Africa together with academia and local NGO

Ahlstrom participates in “New Global” innovation program, which supports Finnish companies in finding new business solutions for low income people in emerging countries. The program is managed by Finland’s Aalto University and it brings together companies, researchers, students, local communities and non-governmental organizations.

As part of the initiative, we will work together for roughly a year with Aalto University student groups and a local water-related NGO in Tanzania to develop business model concept and an affordable solution of Ahlstrom’s Disruptor technology for water purification. These two projects include feasibility evaluation and creating a localized and affordable product concept, as well as a business model concept. The Walter Ahlström Foundation, which is a Helsinki-based foundation supporting science and research, will fund the initiative by approximately EUR 35,000.

Ahlstrom’s Disruptor technology is a chemical-free filtration solution that does not require electricity in various water treatment applications.

CASE

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent non-profit organization working to reduce the greenhouse gases emitted by organizations around the world, and promote sustainable water use. Ahlstrom participated for the seventh time in the CDP Carbon Disclosure in 2014, and for the third time in the Supply Chain CDP and Forest Disclosure CDP. The results are available at www.cdproject.net.

CASE



Better indoor air quality with lower energy consumption and operational costs

Our ambition is to provide millions of people with cleaner air and at the same time bring cost savings to filter manufacturers and property owners. Ahlstrom offers a comprehensive portfolio of indoor air filtration products. Our latest addition in 2014 was the Ahlstrom Pleat2Save™, which is targeted at residential, commercial and healthcare HVAC (heating, ventilation and air conditioning) applications. This together with the Ahlstrom Flow2Save™, which was introduced in 2013, and microglass filter media offerings form our state-of-the-art portfolio of high efficiency air applications.

Ahlstrom Flow2Save™, with its enhanced pressure drop characteristics, offers more than 30% energy savings and lower operational costs for the air treatment system compared to conventional microglass filters. Ahlstrom Pleat2Save™ provides superior durability during demanding processes and usage conditions compared to other similar products. We used EcoDesign approach to minimize environmental impacts over the whole life-cycle in developing both of these new products. In 2014, we won several orders from new and existing customers for our indoor air products.

Governance, ethics and compliance

In its governance, Ahlstrom complies with applicable laws and regulations, its Articles of Association and the Finnish Corporate Governance Code.

Ahlstrom Corporation is a Finnish limited liability company that is listed on the NASDAQ OMX Helsinki Ltd stock exchange (Helsinki exchange). In its governance, Ahlstrom complies with applicable laws and regulations, its Articles of Association and the Finnish Corporate Governance Code.

The Corporate Governance report explains in detail Ahlstrom's governing bodies, their responsibilities and compositions. It covers the processes in decision making and specifies the people charged with governance. In addition, it identifies the main risks the company faces and how these risks are managed and mitigated. The election of Auditors and their fees as well as how the company deals with compliance matters are also included.

The statement has been approved by the company's Audit Committee and examined by the company's auditor. It is published as a separate document on the website www.ahlstrom.com and is also included in the Financial statements 2014.

General meeting

The General Meeting is the ultimate decision-making body of Ahlstrom, and normally convenes once a year. Its tasks and procedures are defined in the Finnish Companies' Act and the Company's Articles of Association. Certain important matters, such as amending the Articles of Association, approval of the Financial Statements, approval of the dividend, election of the members of the Board of Directors and the auditors fall within the sole jurisdiction of the General Meeting.

The Annual General Meeting was held in Helsinki, Finland, on March 25, 2014.

Board

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the Company. The Board is responsible for the Company's management and the proper organization of its operations. In 2014, the Board convened 14 times, including five

meetings held as telephone or audio visual meetings. In addition, the Board made six written resolutions.

Board Committees

The Board annually appoints an Audit Committee and may also appoint other permanent committees if considered necessary at its constitutive meeting following the General Meeting. According to the Board's rules of procedure, the Board shall also appoint a Human Resources Committee.

Shareholders Nomination Board

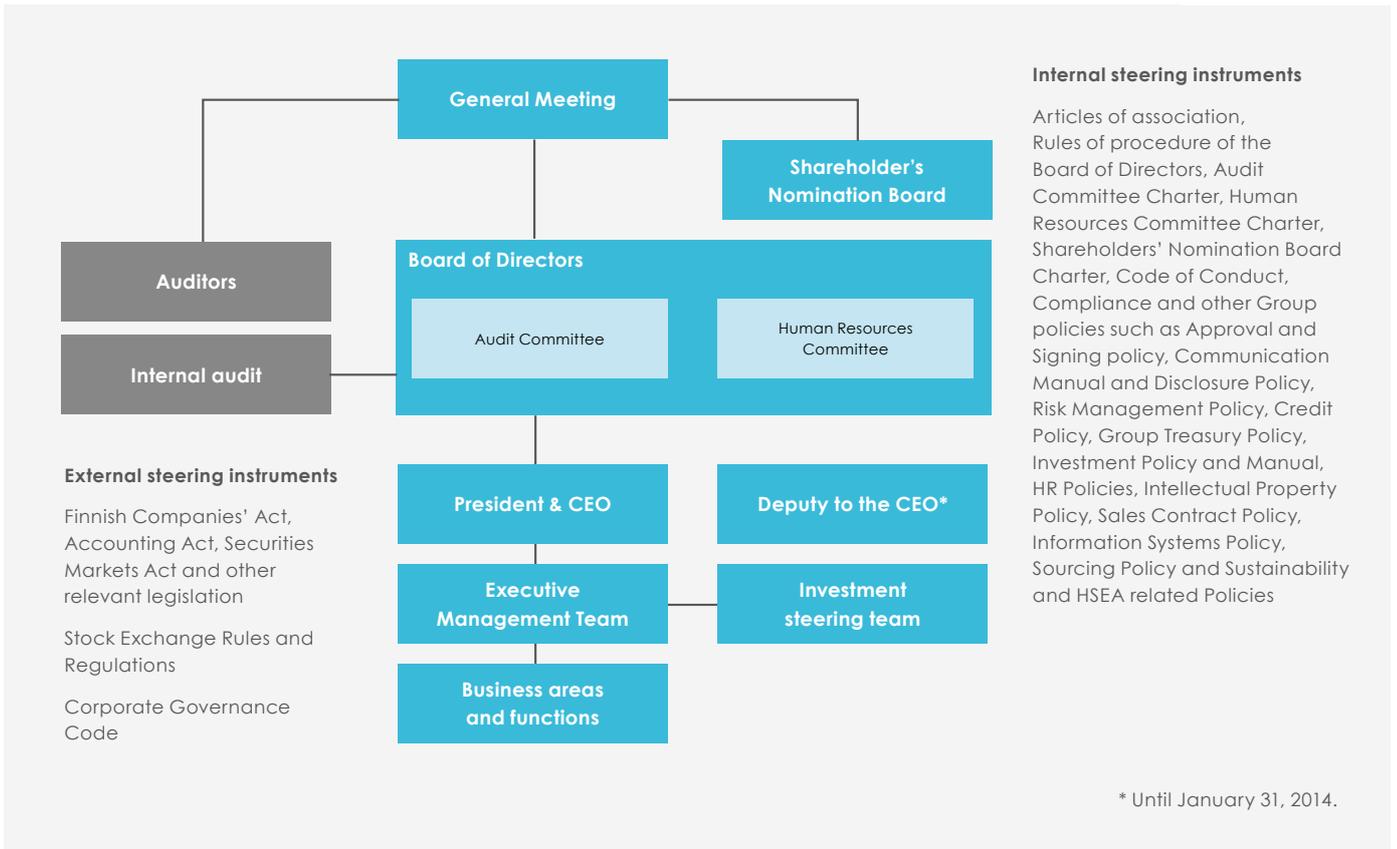
The Shareholders' Nomination Board prepares proposals to the AGM for the election and remuneration of the members of the Board of Directors and the remuneration of the Board committees and the Nomination Board. The Nomination Board comprises representatives of the three largest shareholders of Ahlstrom as of May 31, 2014, and in addition, Chairman of the company's Board of Directors and a person nominated by the company's Board of Directors as members.

The statement also includes remuneration of the Board members and senior executives as well as the number of Board and committee meetings held and respective attendance rates. More information on remuneration including bonus, incentive and pension plans is included in the Remuneration statement 2014 published on the website www.ahlstrom.com.

Pictures and brief biographical details and shareholdings of the Board of Directors and members of the Executive Management Team are available in the Financials on pages 68-69. More detailed information can be found on the website www.ahlstrom.com.

Ethics and compliance

Ahlstrom is committed to conduct its business in an ethical and honest manner around the world. This commitment is also embedded in our value of Acting responsibly. We have a comprehensive compliance program that is dynamic, reflecting changes in legal requirements where we operate. In 2014, we created the Ahlstrom Compliance Framework,



where our Code of Conduct is the foundation for all the policies within the framework. These other key policies are: Approval & Signing Policy, Anti-bribery Policy, Competition and Anti-trust Policy, Donation Policy, Trade Compliance Policy, Insider Rules, and Risk Management Policy.

The goal of these and other policies is to ensure that Ahlstrom's compliance standards meet or exceed requirements of changing anti-bribery, environmental, trade sanctions, export controls and other laws affecting international commerce. Reflecting the dynamic nature of these efforts, in response to recent changes in trade sanction and export control requirements, we have revised multiple trade-related processes, policies and trainings to ensure compliance. About 230 employees participated in trade compliance trainings last year.

The Code of Conduct has been updated as appropriate and The Code is available in eight languages, while an e-learning program can be completed in English, German and Chinese. The program is part of the induction process for all new employees.

We have designed our processes at operational levels to promote an effective application of the Code of Conduct throughout our global business operations. In a consistent manner, we have aligned our Supplier Code of Conduct with the Code of Conduct to integrate our principal suppliers into Ahlstrom's compliance efforts. It has been successfully implemented with our main raw material suppliers.

Our Anti-Bribery Policy clarifies the rules that we follow in relation to bribery and other corrupt practices such as facilitation payments, kickbacks and secret rebates, gifts, expenses and hospitality, and donations.

We also have a separate Human Rights Policy, which is aligned with the principles of the ISO26000 social responsibility standard and is derived from the Universal Declaration of Human Rights. Our policy commits us to support human rights throughout our whole value chain and not only in our own operations and suppliers but also with our customers.

The Code of Conduct, Supplier Code of Conduct and Human Rights Policy can be obtained from our website www.ahlstrom.com/Sustainability.

Monitoring

We have a channel that employees and other stakeholders can use to report any suspected misconduct and compliance violations to our Compliance Officer. In 2014, the reported number of grievances was two and both cases were appropriately investigated. There were also no fines or non-monetary sanctions for non-compliance with rules and regulations and zero incidents for human rights violations. Our legal department assists all of our employees on ethical and lawful behavior related matters.

Looking ahead

Our roadmap with five key priorities is gaining momentum and we expect to raise our performance level in the near term future.

Most of the initiatives of our rightsizing program were completed last year and the full benefits should be visible by the end of 2015. Also, as part of the roadmap, we have a new and simplified organization in place to enable faster execution and stronger accountability within business areas.

In 2014, we achieved good sales and profit growth in three of our business areas, helped by better pricing and product mix. However, our overall profitability is not where it should. In 2015, the focus will be on margin improvement, supported by our Commercial Excellence program. In addition, we will need to address our underperforming businesses and turn them around.

We have also made good progress in increasing sales from new products. Still, we must shorten further the time from idea to successfully commercialized products. For this purpose we have reprioritized our product development process to address customer needs better and more quickly.

Our growth in the mid to long-term perspective is supported by global megatrends such as resource scarcity, emerging needs in healthcare as well as demographics and urbanization. We believe our product offering for a clean and healthy environment is a clear match to this enabling us to create value for all of our stakeholders over time. Sustainability will continue to be in the heart of our operations and our products are designed to offer more with less.

Outlook

Ahlstrom provides a full-year outlook on net sales as a range in euros. The outlook for operating profit excluding non-recurring items is given as a range in percentage of net sales. The guidance is published in the Outlook section of the Financial Statements Bulletin and interim reports.

Long-term financial targets over the economic cycle as set by the Board of Directors

Net sales: at least 5% underlying annual growth

Sales from new products: at least 20%

Operating profit:

- at least 7% of net sales by 2016, implying ROCE of 13%
- at least 10% of net sales beyond 2016, implying ROCE of 15%

Gearing: to be maintained within 50-80% range

GRI content index

General standard disclosures

Strategy and Analysis		pages
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, Chairman, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	2
Organization profile		pages
G4-3	Name of the organization	1
G4-4	Primary brands, products, and services	4
G4-5	Location of the organization's headquarters	1
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	5
G4-7	Nature of ownership and legal form	1, FS*
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	4-5
G4-9	Scale of the organization, including: <ul style="list-style-type: none"> - Total number of employees - Total number of operations - Net sales (for private sector organizations) or net revenues (for public sector organizations) - Total capitalization broken down in terms of debt and equity (for private sector organizations) - Quantity of products or services provided 	1, 4, 7, 18
G4-10	<ul style="list-style-type: none"> - Total number of employees by employment contract and gender - Total number of permanent employees by employment type and gender - Total workforce by employees and supervised workers and by gender - Total workforce by region and gender - Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors - Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries) 	24-27, 31
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	31
G4-12	Describe the organization's supply chain	16-17
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> - Changes in the location of, or changes in, operations, including facility openings, closings, and expansions - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) - Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	16-17, 24-27, 41, FS*
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	17
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	30
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> - Holds a position on the governance body - Participates in projects or committees - Provides substantive funding beyond routine membership dues - Views membership as strategic This refers primarily to memberships maintained at the organizational level	30
Identified material aspects and boundaries		pages
G4-17	<ul style="list-style-type: none"> - List all entities included in the organization's consolidated financial statements or equivalent documents - Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report The organization can report on this standard disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents	FS*, 41

* FS=Financial Statements

G4-18	- Explain the process for defining the report content and the aspect boundaries - Explain how the organization has implemented the reporting principles for defining report content	29
G4-19	List all the material aspects identified in the process for defining report content.	29
G4-20	For each material aspect, report the aspect boundary within the organization, as follows: - Report whether the aspect is material within the organization - If the aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: - The list of entities or groups of entities included in G4-17 for which the aspect is not material or - The list of entities or groups of entities included in G4-17 for which the aspects is material Report any specific limitation regarding the aspect boundary within the organization	29
G4-21	For each material aspect, report the aspect boundary outside the organization, as follows: - Report whether the aspect is material outside of the organization - If the aspect is material outside of the organization, identify the entities, groups of entities or elements for which the aspect is material. In addition, describe the geographical location where the aspect is material for the entities identified - Report any specific limitation regarding the aspect boundary outside the organization.	29
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	20-23, 41
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	29, 41
Stakeholder engagement		pages
G4-24	Provide a list of stakeholder groups engaged by the organization	30
G4-25	Basis for identification and selection of stakeholders with whom to engage	30-31
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	30-31
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	30-31
Report profile		pages
G4-28	Reporting period (such as fiscal or calendar year) for information provided	41
G4-29	Date of most recent previous report (if any)	41
G4-30	Reporting cycle (such as annual, biennial)	41
G4-31	Provide the contact point for questions regarding the report or its contents	41
G4-32	- Report the 'in accordance' option the organization has chosen - Report the GRI Content Index for the chosen option (see tables below) - Report the reference to the external assurance report, if the report has been externally assured GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the guidelines.	41
G4-33	- Organization's policy and current practice with regard to seeking external assurance for the report - If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided - Relationship between the organization and the assurance providers - Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	41
Governance		pages
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	32, 34-35
Ethics and integrity		pages
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	24-27, 34-35

Specific standard disclosures

Material aspects	DMA and indicators
Partnering with customers for improved performance	2-3, 29
Ethics	24-27, 34-35
Financial performance	8-9, G4-EC1
Safety	17, G4-LA6
Open communication	24-27
Resource efficiency	20-23, G4-EN3, EN8, EN18-19
Responsible sourcing	16-17, G4-EN1-2

Minimized emissions	20-23, G4-EN15, EN21-23
Communication of the sustainability benefits of our products	11, 31
Business agility	2-3, 29
Innovation	18, 32
Community and stakeholder relations	14-15, 19, 30-31
Well-being and engagement of workforce	24-27
Competence development	24-27
Diversity	24-27, G4-LA12

Economic performance

	pages
G4-EC1 Direct economic value generated and distributed	9

Environmental performance

	pages
Materials	pages
G4-EN1 Materials used by weight or volume	20-23
G4-EN2 Percentage of materials used that are recycled input materials	20-23
Energy	pages
G4-EN3 Energy consumption within the organization	20-23
G4-EN5 Energy intensity	20-23
G4-EN6 Reduction of energy consumption	20-23
G4-EN7 Reductions in energy requirements of products and services	20-23
Water	pages
G4-EN8 Total water withdrawal by source	23
Biodiversity	pages
G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	17
Emissions	pages
G4-EN15 Direct greenhouse gas (ghg) emissions (scope 1)	22-23
G4-EN18 Greenhouse gas (ghg) emissions intensity	22-23
G4-EN19 Reduction of greenhouse gas (ghg) emissions	22-23
G4-EN21 NO _x , SO _x , and other significant air emissions	22-23
Effluents and waste	pages
G4-EN22 Total water discharge by quality and destination	23
G4-EN23 Total weight of waste by type and disposal method	23 (partly)
G4-EN24 Total number and volume of significant spills	23
Products and services	pages
G4-EN27 Extent of impact mitigation of environmental impacts of products and services	15, 33
Compliance	pages
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations overall	23
G4-EN31 Total environmental protection expenditures and investments by type	20-23
Supplier environmental assessment	pages
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	16-17

Social performance

Labor practices and decent work

	pages
Employment	pages
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	24-27 (partly)
Occupational health and safety	pages
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	16-17 (partly)
Training and education	pages
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	24-27 (partly)

Diversity and equal opportunity		pages
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 labor practices	24-27
Grievance mechanisms		pages
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	25
Human rights		
Investment		pages
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	23-27 (partly)
Non-discrimination		pages
G4-HR3	Total number of incidents of discrimination and corrective actions taken	25
Indigenous rights		pages
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	34-35
Supplier human rights assessment		pages
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	16-17
Human rights grievance mechanisms		pages
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	34-35
Society		
Local communities		pages
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	9, 14-15 (partly)
Anti-corruption		pages
G4-SO4	Communication and training on anti-corruption policies and procedures	34-35
G4-SO5	Confirmed incidents of corruption and actions taken	34-35
Public policy		pages
G4-SO6	Total value of political contributions by country and recipient/beneficiary	15
Anti-competitive behavior		pages
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	34-35
Compliance		pages
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	34-35
Product responsibility		
Product and service labeling		pages
G4-PR5	Results of surveys measuring customer satisfaction	31

Adherence to the 10 principles of the UN Global Compact

HUMAN RIGHTS		pages
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	34-35
Principle 2	Business should make sure that they are not complicit in human rights abuses	34-35
LABOR RIGHTS		pages
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	31, 34-35
Principle 4	the elimination of all forms of forced and compulsory labor;	34-35
Principle 5	the effective abolition of child labor; and	34-35
Principle 6	the elimination of discrimination in respect of employment and occupation.	24-27, 34-35
ENVIRONMENT		pages
Principle 7	Business should support a precautionary approach to environmental challenges;	16-17
Principle 8	Undertake initiatives to promote greater environmental responsibility, and;	14-15, 20-23, 33
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	14-15, 20-23
ANTI-CORRUPTION		pages
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	34-35

Report profile

Our annual reporting for the calendar year 2014 is divided into two parts: Ahlstrom Yearbook 2014 and Ahlstrom Financials 2014. The Yearbook describes how we create value over time in a sustainable manner and our interaction with different stakeholders. Not only does it take a look on the past year, but also on how we see the future and what are our forward looking plans and goals. Corporate responsibility reporting is embedded to the publication in an integrated approach and we no longer publish a stand-alone sustainability report (previous sustainability report was published in March 2014). Based on our own assessment, the reporting complies with the Global Reporting Initiative's (GRI) G4 guidelines at "core level".

Ahlstrom Financials 2014 includes audited consolidated financial statements, report of operations as well as corporate governance and information for shareholders sections.

All GRI related data in 2014 reporting refers to continuing operations unless otherwise stated and covers all functions under Ahlstrom's control, including all subsidiaries. Discontinued operations included the Brazilian operation of the former Home and Personal business area until February 10, 2014. Emissions of the Osnabrück boiler is calculated based on the energy purchased from AK Energie GmbH following the split of the site (Ahlstrom holds 50% stake in AK Energie).

In 2014, our reporting related to GRI guidelines was not assured by a third party as per top management decision. However, as our certification table available on our website shows our plants are subject to multiple audits by third parties every year. In addition, we have a well-functioning internal HSE audit system and our sites are also subject to many customer audits for the qualification of our products.

Data collection for material balance, headcount and internal controls were carried out centrally by the Group's sourcing, operations, human resources and legal functions. Consolidated financial statements were prepared by the Group's finance function in accordance with the International Financial Reporting Standard (IFRS) as adopted by the European Union. Accounting principles are described in the financials statements on pages 15-21.

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Stay ahead™

Our annual reporting for the year 2014 is divided into two separate parts: **Ahlstrom Yearbook** and **Ahlstrom Financials**. Both documents are available in PDF form on our website www.ahlstrom.com and can also be ordered as printed versions.



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