

## KEMIRA GROUP STATEMENT FOR SLAVERY AND HUMAN TRAFFICKING

This statement covering our financial year 2019 is made pursuant to Section 54 of the Modern Slavery Act 2015 (UK), and is approved by the Board of Directors of Kemira.

### 1 OUR ORGANIZATIONAL STRUCTURE AND SUPPLY CHAINS

Kemira is a global chemicals company serving customers in water intensive industries. We provide expertise, application know-how and chemicals that improve our customers' product quality, process and resource efficiency. Our focus is on pulp and paper, oil and gas and water treatment. Kemira shares are listed on the Nasdaq Helsinki Ltd.

Our business is organized into two customer-based segments: Pulp & Paper and Industry & Water. Our Sourcing function is globally responsible for strategic spend management, while our Supply Chain Management function provides supply chain related services on a regional level to our business segments. We have approximately 13,800 suppliers consisting of 1,700 Direct material suppliers and 13,100 Indirect suppliers. Despite the large number of suppliers, approximately 10% of all suppliers account for around 90% of the total spend. Geographically, approximately half of our suppliers reside in Europe.

### 2 OUR KEY POLICIES CONCERNING OUR BUSINESS RELATIONSHIPS

Our supplier risk and compliance management defines the requirements for suppliers to do business with Kemira, as well as provides tools and processes for mitigating sustainability risks with our suppliers.

**Kemira Code of Conduct** sets the minimum standards of expected behavior for our employees and business partners, including respect and support to the human rights. Our internal policies and procedures provide more detailed guidance to steer our daily work and decision-making. Every Kemira employee receives regular training on our Code of Conduct. Kemira has zero tolerance for violations of this Code.

According to Kemira's Sourcing and Procurement policy, all of our suppliers must follow our **Code of Conduct for Business Partners (CoC-BP)** in relation to all of their dealings with Kemira. The CoC-BP sets standards for business integrity, respecting human rights and appropriate working conditions, and protecting the environment. The CoC-BP is communicated to all suppliers through the ordering process as part of Kemira terms and conditions. Supplier adherence to these principles is controlled in different stages of our Sourcing processes starting from the new supplier screening / new vendor creation process, to contracting where the commitment to our CoC-BP is integrated in the contract templates. Finally, we have continuous monitoring in place for those contracts exceeding certain spend thresholds to make sure we are reasonably covered. Reporting on any misconduct relating to Kemira or our business partners can be sent to email address [compliance\[at\]kemira.com](mailto:compliance[at]kemira.com).

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### 3 KEY ACTIVITIES IN 2019 TO ENSURE COMPLIANCE WITH OUR POLICIES ON BUSINESS RELATIONSHIPS

**Code of Conduct training of Kemira employees:** Every employee is expected to comply with Kemira's Code of Conduct. All people managers and leaders are responsible for implementing the Code within their teams. Since 2013, we have required all of our employees to regularly complete the Code of Conduct training, which is currently available in 21 languages. We also train selected employee groups on more specific compliance matters, such as anti-bribery, competition compliance and insider information.

**Sustainability assessments of suppliers:** We continued enrolling new suppliers into our Sustainability program. A total of 220 suppliers have now gone through the assessment and have recorded an average score of 54, which is higher than industry average on assessed average on the platform. Results with low scores were reviewed together with suppliers and improvement plans were made accordingly. In most cases, low scores were due to lack of supporting documentation provided by the vendor to the assessment company. Around 61% of the 171 reassessed suppliers were able to improve their score.

**Ethical audits of suppliers:** In 2019, we conducted five Corporate Social Responsibility audits with no business stopping results. Audit results were reviewed together with supplier and improvement plans created and followed up accordingly as part of our supplier management practices. Most common corrective actions were related to working hours and wages as well as improving the safety at supplier's site.

**Quality audits of suppliers:** Large spend suppliers also undergo quality audits, which include management systems, workplace health and safety standards, production quality and supply security. In 2019, 26 quality audits were conducted.

**Integrated management system covering our operations:** Kemira has a principle that all operations under our Integrated Management System meet the international standards ISO 9001:2015 for Quality, ISO 14001:2015 for Environment, and OHSAS 18001:2007 for Occupational Health and Safety. Our Energy Management System is certified to ISO 50001:2001. Our Integrated Management System is externally audited through a three-year audit scheme. In 2019, we had 54 internal and external management systems audits, including manufacturing sites, major office locations and R&D centers.

Jari Rosendal  
President and CEO, Kemira Oyj

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