

2.2.2024

KEMIRA GROUP STATEMENT FOR SLAVERY AND HUMAN TRAFFICKING

This Kemira Group statement covering the financial year 2023 is published in accordance with the UK Modern Slavery Act 2015, and is approved by the Board of Directors of Kemira.

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OUR BUSINESS AND SUPPLY CHAINS

Kemira is a global leader in sustainable chemical solutions for water-intensive industries. Our customers include industrial and municipal water treatment operators, and pulp & paper industry among others. We provide the best-suited products and services to improve our customers’ product quality, process, and resource efficiency. Our focus is on water treatment, renewable solutions, and digital services. Kemira shares are listed on the Nasdaq Helsinki Ltd.



Figure 1 Kemira global operations

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Our business is organized into two customer 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 13,400 suppliers consisting of 1,700 Direct material suppliers and 11,700 Indirect suppliers. Despite the large number of suppliers, approximately 9% of all suppliers account for around 80% of the total spend. Geographically, approximately half of our suppliers reside in Europe.

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 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).

In the Kemira **Sustainability Policy** we also set standards for our approach to human rights issues. The policy covers topics like safe working conditions, ensuring human rights and creating a diverse workplace and inclusive culture.

OUR MANAGEMENT APPROACH TO HUMAN RIGHTS RELATED MATTERS

Respect for human rights (including slavery and human trafficking)	
International frameworks	United Nations Sustainable Development Goals (SDGs) United Nations Global Compact The Universal Declaration of Human Rights International Labour Organizations (ILO) Core Principles United Nations Guiding Principles on Business and Human Rights Responsible Care ®

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Code of Conduct	Code of Conduct Code of Conduct for Business Partners
Policies and standards	Sustainability policy Logistics and transportation policy and processes Sourcing and procurement policy Recruitment policy Investigation procedure
Hazards and risks	<ul style="list-style-type: none"> • Potential violations of human and labor rights and unethical business practices can impact Kemira’s reputation and thus financial position. • Based on human rights impact assessment, amongst main human rights risks are e.g. production and raw material sourcing of suppliers and supply chain partners.
Risk/Hazard management	<ul style="list-style-type: none"> • Ethics and compliance Hotline for raising a concern or reporting potential misconduct. • Supplier sustainability assessment and audits globally. • Mandatory Code of Conduct and Human Rights for Business trainings. • Reporting system in place for violations of Code of Conduct. • Human Rights impact assessment carried out • Mechanisms, processes and procedures supporting the precautionary principle • Grievance mechanisms • Emphasized focus through corporate programs on safety and diversity and inclusion • Internal Human Rights Council for discussions and improvement of human rights related processes
Due diligence	<ul style="list-style-type: none"> • In human rights issues, reporting to Audit Committee of Board of Directors. • Suppliers are required to accept Kemira's Code of Conduct to business partners. Kemira also constantly monitors, assesses and audits its supplier base by performing periodic checks either through routine processes or annual internal audits by competent sourcing members. Based on conducted assessments prioritized supplier are invited to take more detailed assessment or audit.
Outcomes of policies and due diligence processes	<ul style="list-style-type: none"> • Human Rights issues identified and mitigated in own operations and value chain. • Meeting on group level the EU Taxonomy minimum safeguards of most recognized human rights guidelines and guiding principles. • Sourcing & Procurement policy, processes and procedures mitigate and prevent supplier's violations related to any type of non-legal practices, they also ensure that suppliers are operating at or above the levels required by Kemira from the economical, environmental, social and human rights point of view.

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TRAINING AND CAPACITY BUILDING

We educate our people continuously on human rights related matters. We have a global 90-day onboarding program for new hires (white collars) that automatically assigns online courses on Code of Conduct and Human Rights and Business. By the end of 2023, 77% of white collar new hires have completed the basic training on Human rights and Business as part of their onboarding program. All relevant sales team members are trained on third party due diligence for potential new business partners and a new process is introduced to further develop our third-party risk management.

KEY ACTIVITIES IN 2023 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 19 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 477 (396 in 2022) suppliers have now gone through the assessment and have recorded an average score of 59 (57 in 2022), 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 57% of the 242 reassessed suppliers were able to improve their score.
- **Corporate Social Responsibility audits of suppliers:** In 2023, we conducted one Corporate Social Responsibility audit. Usually in audits results are being reviewed together with suppliers and improvement plans are created and followed up accordingly as part of our supplier management practices.
- **Quality audits of suppliers:** Direct material large spend suppliers also undergo quality audits, which include management systems, workplace health and safety standards, production quality and supply security. In 2023, 22 (11 in 2022) 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 ISO 45001:2018 for Occupational Health and Safety. Kemira's Energy Management System is certified according to ISO 50001:2018 for selected sites. Our Integrated Management System is externally audited through a three-year audit scheme. In 2023, we had 73 internal and external management systems audits, including manufacturing sites, major office locations and R&D centers.

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- **Other activities:** Kemira participated in the United Nations Global Compact Business & Human Rights Accelerator in 2023, during which an analysis of the most critical human rights risks was performed and for the highest risk, a detailed mitigation plan was created.

Petri Castrén
Interim President and CEO, Kemira Oyj

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