# Kemira Oyj

# Financial Statements 2024

Kemira Oyj
Energiakatu 4
FI-00180 Helsinki, Finland
www.kemira.com

Tel. +358 10 8611
Fax +358 108621 119

Business ID 0109823-0
Registered office Helsinki

Financial Statements 2024

# Table of contents



*) Part of the audited Financial Statements 2024

This is a translation of the Finnish original Financial Statements and Board of Directors' Review 2024.

# Board of Directors' Review 2024

In 2024, Kemira Group's revenue decreased by 13% to EUR 2,948.1 million (3,383.7) due to the divestment of Oil & Gas and. Revenue in local currencies, excluding acquisitions and divestments, decreased by 1% following lower revenue in the Pulp & Paper segment. Sales volumes increased in both segments. Sales prices declined, particularly in the Pulp & Paper segment, as sales prices for energy-intensive pulp and bleaching chemicals declined in H1 2024 from an elevated comparison period in H1 2023.

Operative EBITDA decreased by 12%, to EUR 585.4 million (666.7), mainly due to the divestment of Oil & Gas. The Oil & Gas divestment adjusted operative EBITDA decreased to EUR 582.1 million (595.9). The Oil & Gas divestment adjusted operative EBITDA in Industry & Water increased, while it declined in the Pulp & Paper segment due to lower sales prices. The operative EBITDA margin increased slightly to 19.9% (19.7%). The Oil & Gas adjusted operative EBITDA margin was strong, at 20.0% (20.6%), with solid margin performance in both segments.

EBITDA increased by 2% to EUR 550.7 million (540.0). The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to Kemira's new organization and the expected underutilization of a single-asset energy company in Pori, Finland, majority owned by Kemira via Pohjolan Voima. Items affecting comparability in the comparison period were mainly related to the loss from the divestment of the Oil & Gas business.

Operative EBIT decreased by 14% to EUR 398.7 million (463.0) compared to the previous year, mainly due to the divestment of Oil & Gas. Oil & Gas divestment adjusted operative EBIT decreased by 5% to EUR 395.5 million (415.5). EBIT increased by 8% to EUR 363.2 million (336.4).

Cash flow from operating activities was solid, at EUR 484.6 million (546.0).

EPS (diluted) increased by 25%, to an all-time high EUR 1.61 (1.28). The comparison period was impacted by the loss from the divestment of the Oil & Gas business.

The Board of Directors proposes to the Annual General Meeting 2025 a cash dividend of EUR 0.74 per share (0.68), totaling EUR 114 million (104). It is proposed that the dividend be paid in two installments, in April and in November.

## The Oil & Gas divestment

Kemira divested its Oil & Gas (O&G)-related portfolio on February 2, 2024. All comparisons in this report are made to the comparison period which includes the Oil & Gas-related portfolio. Kemira's 2024 figures include around EUR 45 million of revenue and around EUR 3 million of operative EBITDA from Oil & Gas. Kemira has also presented the Oil & Gas divestment adjusted figures and performance in the relevant parts of the report, which reflect the underlying business performance of Kemira's Pulp & Paper and Industry & Water segments. Kemira's management follows the Oil & Gas divestment adjusted figures. The adjusted figures for the comparison period are also available in a separate stock exchange release, published on February 9, 2024 and on **kemira.com/investors**. Kemira's outlook for 2024 includes the Oil & Gas-related portfolio until the closing date of the divestment, February 2, 2024.

## KEY FIGURES AND RATIOS

| EUR million | 2024 | 2023 | 2022 |
|---|---|---|---|
| Revenue | 2,948.1 | 3,383.7 | 3,569.6 |
| Revenue, O&G divestment adjusted | 2,903.5 | 2,889.0 | 3,141.1 |
| Operative EBITDA | 585.4 | 666.7 | 571.6 |
| Operative EBITDA, O&G divestment adjusted | 582.1 | 595.9 | 518.3 |
| Operative EBITDA, % | 19.9 | 19.7 | 16.0 |
| Operative EBITDA %, O&G divestment adjusted | 20.0 | 20.6 | 16.5 |
| EBITDA | 550.7 | 540.0 | 558.8 |
| EBITDA, % | 18.7 | 16.0 | 15.7 |
| Operative EBIT | 398.7 | 463.0 | 361.6 |
| Operative EBIT, O&G divestment adjusted | 395.5 | 415.5 | 331.7 |
| Operative EBIT, % | 13.5 | 13.7 | 10.1 |
| Operative EBIT %, O&G divestment adjusted | 13.6 | 14.4 | 10.6 |
| EBIT | 363.2 | 336.4 | 347.6 |
| EBIT, % | 12.3 | 9.9 | 9.7 |
| Net profit for the period | 262.7 | 211.3 | 239.7 |
| Earnings per share, diluted, EUR | 1.61 | 1.28 | 1.50 |

| EUR million | 2024 | 2023 | 2022 |
|---|---|---|---|
| Capital employed* | 1,920.1 | 2,155.5 | 2,238.0 |
| Capital employed*, O&G divestment adjusted | 1,920.1 | 1,856.0 | |
| Operative ROCE*, % | 20.8 | 21.5 | 16.2 |
| Operative ROCE*, %, O&G divestment adjusted | 20.6 | 22.4 | |
| ROCE*, % | 18.9 | 15.6 | 15.5 |
| Cash flow from operating activities | 484.6 | 546.0 | 400.3 |
| Capital expenditure excl. acquisition | 167.3 | 204.9 | 197.9 |
| Capital expenditure, excl. acquisitions, O&G divestment adjusted | 167.3 | 187.7 | 176.2 |
| Capital expenditure | 170.5 | 206.8 | 197.9 |
| Cash flow after investing activities | 411.8 | 349.3 | 222.3 |
| Equity ratio, % at period-end | 53 | 48 | 46 |
| Equity per share, EUR | 11.59 | 10.84 | 10.89 |
| Gearing, % at period-end | 16 | 32 | 46 |
| Personnel (average) | 4,746 | 4,946 | 4,936 |
| Wages and salaries | 335.0 | 343.5 | 339.2 |

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

Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2023.

Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and by Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities and gearing provide useful information on Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation from the equivalent IFRS measures, and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the definitions of the key figures in this report, as well as at www.kemira.com > Investors > Financial information. All the figures in this report have been individually rounded and consequently the sum of the individual figures may deviate slightly from the total figure presented.

In addition to the above key figures and ratios, other key figures which are describing the Group's financial performance are presented in the Other financial information section under Group key figures.

# Financial performance in 2024

**Revenue** decreased by 13% due to the divestment of Oil & Gas and and revenue in local currencies, excluding acquisitions and divestments, decreased by 1% following lower revenue in the Pulp & Paper segment. Sales volumes increased in both segments. Sales prices declined, particularly in the Pulp & Paper segment, as sales prices for energy-intensive pulp and bleaching chemicals declined in H1 2024 from an elevated comparison period in H1 2023.

| Revenue | 2024 EUR, million | 2023 EUR, million | Δ% | Organic growth*, % | Currency impact, % | Acq. & div. impact, % |
|---|---|---|---|---|---|---|
| Pulp & Paper | 1,646.7 | 1,748.2 | -6 | -4 | -1 | -1 |
| Industry & Water | 1,301.4 | 1,635.5 | -20 | +3 | 0 | -28 |
| **Total** | 2,948.1 | 3,383.7 | -13 | -1 | 0 | -14 |
| Industry & Water, O&G divestment adjusted | 1,256.9 | 1,140.9 | +10 | | | |
| **Total, O&G divestment adjusted** | 2,903.5 | 2,889.0 | +1 | | | |

The Industry & Water, O&G divestment adjusted revenue of EUR 1,256.9 million includes contract manufacturing for Sterling Specialty Chemicals (the acquirer of Kemira's Oil & Gas business). Organic growth excludes the impact of contract manufacturing for Sterling Specialty Chemicals.
*Revenue growth in local currencies, excluding acquisitions and divestments. .

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 52% (48%), the Americas 38% (43%) and Asia Pacific 10% (9%).

**Operative EBITDA** decreased by 12%, to EUR 585.4 million (666.7), mainly due to the divestment of Oil & Gas. The Oil & Gas divestment adjusted operative EBITDA decreased to EUR 582.1 million (595.9). The Oil & Gas divestment adjusted operative EBITDA in Industry & Water increased, while it declined in the Pulp & Paper segment due to lower sales prices. The operative EBITDA margin increased slightly to increased to 19.9% (19.7%). The Oil & Gas adjusted operative EBITDA margin was strong, at 20.0% (20.6%), with solid margin performance in both segments.

| Variance analysis, EUR million | Jan-Dec |
|---|---|
| **Operative EBITDA, 2023** | 666.7 |
| Sales volumes | +63.2 |
| Sales prices | -175.7 |
| Variable costs | +148.8 |
| Fixed costs | -33.7 |
| Currency exchange | -0.2 |
| Others | -14.4 |
| Divestments | -69.3 |
| **Operative EBITDA, 2024** | 585.4 |

| Operative EBITDA | 2024 EUR, million | 2023 EUR, million | Δ% | 2024 %-margin | 2023 %-margin |
|---|---|---|---|---|---|
| Pulp & Paper | 303.1 | 330.9 | -8 | 18.4 | 18.9 |
| Industry & Water | 282.3 | 335.8 | -16 | 21.7 | 20.5 |
| **Total** | 585.4 | 666.7 | -12 | 19.9 | 19.7 |
| Industry & Water, O&G divestment adjusted | 279.1 | 265.0 | +5 | 22.2 | 23.2 |
| **Total, O&G divestment adjusted** | 582.1 | 595.9 | -2 | 20.0 | 20.6 |

**EBITDA** increased by 2% to EUR 550.7 million (540.0). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting comparability** were mainly related to Kemira's new organization and the expected underutilization of a single-asset energy company in Pori, Finland, majority owned by Kemira via Pohjolan Voima. Items affecting comparability in the comparison period were mainly related to the loss from the divestment of the Oil & Gas business.

| Items affecting comparability, EUR million | 2024 | 2023 |
|---|---|---|
| **Within EBITDA** | -34.8 | -126.7 |
| Pulp & Paper | -20.6 | -22.9 |
| Industry & Water | -14.1 | -103.7 |
| **Within depreciation, amortization and impairments** | -0.7 | 0.0 |
| Pulp & Paper | -0.7 | 0.0 |
| Industry & Water | 0.0 | 0.0 |
| **Total items affecting comparability in EBIT** | -35.5 | -126.7 |

**Depreciation, amortization, and impairments** were EUR 187.4 million (203.6), including the EUR 5.8 million (6.9) amortization of purchase price allocation.

**Operative EBIT** decreased by 14% compared to the previous year, mainly due to the divestment of Oil & Gas. Oil & Gas divestment adjusted operative EBIT decreased by 5%. **EBIT** increased by 8% and the difference between the two is explained by items affecting comparability which are described in the EBITDA section above. Items affecting comparability in the comparison period are also described in the EBITDA section above.

**Net finance costs** totaled EUR -26.9 million (-44.4). The decrease was driven by lower net debt and resulting lower net interest expenses. **Income taxes** were EUR -73.6 million (-80.7), with the reported tax rate being 22% (28%). **Net profit** for the period increased by 24% as the comparison period was impacted by the loss from the divestment of the Oil & Gas business.

## Financial position and cash flow

Cash flow from operating activities in January-December 2024 was solid, at EUR 484.6 million (546.0). Cash flow after investing activities increased to EUR 411.8 million (349.3). In addition, Kemira received proceeds during Q1 2024 following the divestment of its Oil & Gas business. Kemira's supplementary pension fund, Neliapila, also returned excess capital totaling EUR 12 million during Q1 2024. Net working capital decreased compared to end of year 2023.

At the end of the period, interest-bearing liabilities totaled EUR 810.7 million (937.8), including lease liabilities of EUR 132.2 million (121.4). The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 2.8% (2.8%) and the duration was 13 months (16).

Due to a strong cash position, fixed-rate loans accounted for 114% (77%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities, maturing in the next 12 months, amounted to EUR 263.6 million. On December 31, 2024, cash and cash equivalents totaled EUR 519.2 million (402.5). In Q4 2024, Kemira drew down on a bilateral loan of EUR 50 million with maximum 10 year maturity. The Group retains a EUR 400 million undrawn committed credit facility, maturing in 2026.

At the end of the period, Kemira Group's net debt was EUR 291.5 million (535.2), including lease liabilities. The equity ratio was 53% (48%) while gearing was 16% (32%). At the end of December 2024, net debt / operative EBITDA was at a record-strong level of 0.5.

Kemira is exposed to transaction and translation currency risks. The Group's most significant transaction currency risks arise from the US dollar, the Chinese renminbi, the Canadian dollar and the Swedish krona. At the end of the year, the US dollar denominated exchange rate risk against EUR had an equivalent value of approximately EUR 142 million, of which 62% was hedged on an average basis. The Chinese renminbi denominated exchange rate risk against EUR had an equivalent value of approximately EUR 121 million, of which 74% was hedged on an average basis. The Canadian dollar denominated exchange rate risk against EUR was approximately EUR 41 million, of which 73 % was hedged on an average basis. The Swedish krona denominated exchange rate risk against EUR had an equivalent value of approximately EUR 39 million, of which 71% was hedged on an average basis. In addition, Kemira is exposed to smaller transaction risks against EUR, mainly in relation to the Danish krona, the Polish zloty, the Korean won and the Norwegian krona and against USD mainly in relation to the Brazilian real and the Canadian dollar, with annual exposure in those currencies being approximately EUR 144 million.

As Kemira's consolidated financial statements are compiled in euros, Kemira is also subject to a currency translation risk to the extent to which the income statement and balance sheet items of subsidiaries located outside Finland are reported in a currency other than the euro. The most significant currency translation exposure derives from the US dollar and the Canadian dollar. The strengthening of these currencies against the euro would increase Kemira's revenue and EBITDA through a translation effect.

## Capital expenditure

In January-December 2024, capital expenditure excluding acquisitions decreased by 18%, to EUR 167.3 million (204.9). Oil & Gas divestment adjusted capital expenditure decreased by 11%, to EUR 167.3 million (187.7). Capital expenditure excluding acquisitions (capex) can be broken down as follows: expansion capex 12% (16%), improvement capex 25% (28%) and maintenance capex 64% (55%)
.

## Research and Development

In January-December 2024, total research and development expenses were EUR 33.8 million (34.2), representing 1.1% (1.0%) of the Group's revenue. Sustainable and renewable solutions are cornerstones of Kemira's strategic priorities, and consequently they are also the focus of a majority of Kemira's R&D projects. In addition, over half of Kemira's ongoing R&D projects are being worked in collaboration with external partners.

Kemira's research and development is an enabler of growth and further differentiation. New product launches contribute to the efficiency and sustainability of customer processes as well as to improved profitability. Both Kemira's future market position and profitability depend on the company's ability to understand and meet current and future customer needs and market trends, as well as on its ability to innovate with differentiated products and applications.

At the end of 2024, Kemira had 388 (419) patent families, including 1,868 (2,041) granted patents and 929 (963) pending applications. During 2024, Kemira applied for 54 (55) new patents and started 21 new product development projects, 81% of them aiming to improve customer' resource efficiency. At the same time, Kemira started the commercialization of 24 new products, originating from 14 different projects. Kemira has also started several external partnerships in order to innovate and commercialize new renewable solutions for its customers. During 2024, Kemira R&D implemented a program to improve the time-to-market of R&D projects (the time required from project start to commercial launch). The program resulted in a significant shortening of the time-to-market, with a 43% improvement compared to 2023.

## Human resources

At the end of the period Kemira Group had 4,698 employees (4,915). Kemira had 779 (790) employees in Finland, 1,738 (1,709) employees elsewhere in EMEA, 1,242 (1,484) in the Americas and 939 (932) in APAC. The number of employees decreased from the comparison period due to the divestment of Oil & Gas.

## Sustainability

Kemira's sustainability work is guided by the UN's Sustainable Development Goals (SDGs) and covers economical, environmental and social topics. Our focus is on Clean Water and Sanitation (SDG 6), Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12) and Climate Action (SDG 13). More information on sustainability at Kemira can be found in the 2024 Sustainability Statement, prepared according to the Corporate Sustainability Reporting Directive requirements (CSRD).

### SUSTAINABILITY PERFORMANCE IN 2024

**SAFETY**

TRIF* in 2024 was 3.2 (2023: 2.5). In 2024, Kemira ran a global safety training program with the aim of training all 350 first line managers at all Kemira manufacturing sites. Kemira also re-evaluated the safety target and adjusted it from 1.5 to 2.2 by end of 2025, and from 1.1 to 1.5 by end of 2030.

**PEOPLE**

Kemira's target is to reach the top 10% cross industry benchmark for Diversity & Inclusion (DEI) by the end of 2025, as measured by our Inclusion Index. The current gap to the top 10% is 3 points. In 2024, our DEI program progressed as planned. During the year, over 86% of employees had completed DEI awareness eLearning and 21 inclusive leaders workshops were completed, covering key themes such as psychological safety and inclusive leadership behaviors. In January 2025, Kemira was ranked among the top ten Large Cap-listed companies in Finland in the Nordic Business Diversity Index 2025, based on the data collection period October-December 2024.

## CIRCULARITY

Kemira continued to progress its renewable solutions strategy in 2024. Kemira e.g. announced together with IFF a successful completion of a renewable polymer plant in Finland and that it is exploring options to expand the partnership with IFF by setting up a manufacturing joint venture in Finland. Renewable solutions revenue increased to EUR 240 million in 2024. In 2024, Kemira continued to reduce waste volumes in its manufacturing operations - both hazardous and non-hazardous waste. Since 2019, Kemira's total waste in manufacturing operations has decreased by over 50% (hazardous waste by 70% and non-hazardous waste by more than 40%). The decrease is mostly due to decrease in the proportion of waste-intensive products. Kemira's disposed production waste intensity increased to 4.2 in 2024.

## WATER

In line with our ambition to expand the water business, Kemira entered the activated carbon market for micropollutants removal via an acquisition in the United Kingdom. In 2024, Kemira continued to reduce water consumption in its manufacturing operations. Since 2019 Kemira's water consumption in manufacturing operations has decreased by over 25%. The decrease is mostly due to decrease in the proportion of water-intensive products. In 2024, Kemira also continued efforts to reduce water impacts in our own operations. Kemira's life cycle assessment capabilities were further strengthened to better understand water impacts throughout the value chain. The new CDP Water Security ratings were published in February 2025. Kemira has retained a B score (Management level) since the first full reporting questionnaire in 2021, even as the scoring criteria have been tightened in the intervening years..

## CLIMATE

The Science Based Targets Initiative (SBTi) validated Kemira's scope 1, 2 and 3 emission reduction targets in October 2024. Kemira has committed to reducing scope 1 and 2 emissions by 51.23% by the end of 2030, from a 2018 base year, and scope 3 emissions by 32.5% by the end of 2033 from a 2021 base year. During 2024, Kemira's scope 1, 2 and 3 emissions were rather stable despite higher sales volumes, which is aligned with the SBTi target trajectory. The new CDP Climate Change 2024 ratings were published in February 2025. Kemira retained its B score.

| SDG | KPI | UNIT | 2024 | 2023 |
|---|---|---|---|---|
| 8 DECENT WORK AND ECONOMIC GROWTH | **SAFETY**<br>TRIF* 2.2 by the end of 2025 and 1.5 by the end of 2030<br>*TRIF = total recordable injury frequency per million hours, Kemira + contractors | | 3.2 | 2.5 |
| 8 DECENT WORK AND ECONOMIC GROWTH | **PEOPLE**<br>Reach Glint top 10% cross industry norm for Diversity & Inclusion by the end of 2025 | | Slightly outside the top 25% | In the top 25% |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | **CIRCULARITY**<br>Reduce waste intensity** by 15% by the end of 2030 from a 2019 baseline of 4.4<br>**kilograms of disposed production waste per metric tonnes of production | kg/tonnes of production | 4.2 | 4.1 |
| | Renewable solutions > EUR 500 million revenue by the end of 2030 | EUR million | 240 | 226 |
| 6 CLEAN WATER AND SANITATION | **WATER**<br>Reach the Leadership level (A) in water management by the end of 2025 measured by CDP Water Security scoring methodology. | Rate scale A-D | B | B |
| 13 CLIMATE ACTION | **CLIMATE**<br>Scope 1 and 2**** emissions -51.23% by the end of 2030, compared to 2018 baseline of 894 $ktCO_2e$. | $ktCO_2e$ | 586 | 589 |
| | Scope 3 emissions by -32.5% by the end of 2033 from a 2021 base year of 2,337.5 ktCO2e. | | 1,881 | 1,863 |

**After the divestment of the Oil & Gas business, Kemira's waste target was adjusted in Q2 to exclude the impact of all divestments since the baseline year 2019. Reported figures for 2022 and 2023 have also been adjusted.

***Kemira's climate target has been updated to align with the SBTi validated target. Baseline years and years 2023 and 2024 have been adjusted to reflect the divestment of the Oil & Gas business and other minor divestments.

****Scope 1: Direct greenhouse gas emissions from Kemira's manufacturing sites, e.g. the generation of energy and emissions from manufacturing processes. Scope 2: Indirect greenhouse gas emissions from external generation and purchase of electricity, heating, cooling and steam. Scope 3: Indirect greenhouse gas emissions from purchased raw materials, traded goods and transportation of materials.

# Segments

## PULP & PAPER

Pulp & Paper has unique expertise in applying chemicals and in supporting pulp and paper producers in innovating and constantly improving their operational efficiency as well as end product performance and quality. The segment develops and commercializes new products to meet the needs of its customers, thus ensuring a leading portfolio of products and services for the bleaching of pulp as well as the paper wet-end, focusing on packaging, board and tissue. Pulp & Paper continues to leverage its strong application portfolio in North America and EMEA while also building a strong position in the emerging Asian and South American markets. As of Q1 2025, the Pulp & Paper business will be split into two business units: Packaging & Hygiene Solutions and Fiber Essentials to sharpen strategic focus and to accelerate profitable growth.

| EUR million | 2024 | 2023 |
|---|---|---|
| Revenue | 1,646.7 | 1,748.2 |
| Operative EBITDA | 303.1 | 330.9 |
| Operative EBITDA, % | 18.4 | 18.9 |
| EBITDA | 282.4 | 308.0 |
| EBITDA, % | 17.2 | 17.6 |
| Operative EBIT | 183.8 | 216.3 |
| Operative EBIT, % | 11.2 | 12.4 |
| EBIT | 162.4 | 193.4 |
| EBIT, % | 9.9 | 11.1 |
| Capital employed* | 1,286.7 | 1,282.0 |
| Operative ROCE*, % | 14.3 | 16.9 |
| ROCE*, % | 12.6 | 15.1 |
| Capital expenditure excl. M&A | 99.2 | 124.4 |
| Capital expenditure incl. M&A | 99.2 | 126.2 |
| Cash flow after investing activities | 202.4 | 216.3 |

*12-month rolling average

The segment's **revenue** decreased by 6%. Revenue in local currencies, excluding divestments and acquisitions, decreased by 4%.This was mainly due to lower sales prices, particularly in energy-intensive pulp and bleaching chemicals where sales prices declined in H1 2024 from an elevated comparison period, before stabilizing during the second half of 2024. Sales volumes increased in all product groups and in all geographical regions, particularly in specialty chemicals and geographically in the EMEA region.

In **EMEA**, revenue decreased by 9%, to EUR 813.2 million (891.4), mainly due to lower sales prices in bleaching chemicals, where sales prices declined from an elevated comparison period. Sales volumes increased, particularly in sizing chemicals.

In **the Americas**, revenue decreased by 2%, to EUR 560.9 million (573.1). Revenue in local currencies, excluding acquisitions and divestments, increased by 1% as sales volumes increased across product groups, particularly in specialty chemicals. Sales prices decreased in all product groups.

In **APAC**, revenue decreased by 4%, to EUR 272.6 million (283.6). Revenue in local currencies, excluding acquisitions and divestments, decreased by 2% due to lower sales prices in all product groups. Sales volumes increased, particularly in specialty chemicals.

**Operative EBITDA** decreased by 8% as lower sales prices and higher fixed costs were not fully offset by successful variable cost management and higher sales volumes. The operative EBITDA margin declined slightly, to 18.4%. **EBITDA** decreased by 8%. The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to Kemira's new organization and the expected underutilization of a single-asset energy company in Pori, Finland, majority owned by Kemira via Pohjolan Voima. Items affecting comparability in the comparison period mainly consisted of a provision related to the expected underutilization of a single asset energy company in Pori, Finland, majority owned by Kemira via Pohjolan Voima and to a loss from the divestment of most of our colorants business.

## INDUSTRY & WATER

Industry & Water offers a wide range of innovative solutions to optimize all stages of the water treatment process, while also safely achieving water quality targets and meeting constantly tightening regulations. The segment serves both municipal and industrial customers. Kemira's water treatment product portfolio mainly consists of coagulants and polymers which play a critical role in enabling resource-efficient operations at our customers' sites. Kemira has a strong market presence in water treatment in Europe and in North America. Water is expected to be a key contributor for Kemira's future revenue growth going forward and our new long-term ambition is to double our revenue in water. As of Q1 2025, the business unit will be called Water Solutions.

The segment's **revenue** decreased by 20% due to the divestment of Oil & Gas. Revenue in local currencies, excluding acquisitions and divestments, increased by 3%. Sales volumes increased in both polymers and coagulants. Sales prices decreased across product groups. Currencies had a positive impact.

In **EMEA**, revenue was stable at EUR 730.6 million (730.4). Sales volumes increased in all product groups, particularly in polymers. Sales prices decreased.

In **the Americas**, revenue decreased by 38%, to EUR 552.0 million (885.1) due to the divestment of Oil & Gas. Revenue in local currencies, excluding acquisitions and divestments, increased by 7%, following higher sales volumes in coagulants. Sales prices also increased.

In **APAC**, revenue decreased by 6%to EUR 18.8 million (20.0).

**Operative EBITDA** decreased by 16% following the divestment of Oil & Gas. The operative EBITDA margin increased to 21.7%. Oil & Gas divestment adjusted operative EBITDA increased by 5%, to EUR 279.1 million (EUR 265.0 million). The Oil & Gas divestment adjusted operative EBITDA margin was strong at 22.2% (23.2%), following successful variable cost management and higher sales volumes. **EBITDA** increased by 16% and the difference to operative EBITDA is explained by items affecting comparability which were mainly related to the divestment of Oil & Gas and Kemira's new organization. Items affecting comparability in the comparison period were mainly related to the expected loss from the divestment of Oil & Gas.

| EUR million | 2024 | 2023 |
|---|---|---|
| Revenue | 1,301.4 | 1,635.5 |
| Revenue, O&G divestment adjusted | 1,256.9 | 1,140.9 |
| Operative EBITDA | 282.3 | 335.8 |
| Operative EBITDA, O&G divestment adjusted | 279.1 | 265.0 |
| Operative EBITDA, % | 21.7 | 20.5 |
| Operative EBITDA %, O&G divestment adjusted | 22.2 | 23.2 |
| EBITDA | 268.2 | 232.0 |
| EBITDA, % | 20.6 | 14.2 |
| Operative EBIT | 214.9 | 246.7 |
| Operative EBIT, O&G divestment adjusted | 211.7 | 199.2 |
| Operative EBIT, % | 16.5 | 15.1 |
| Operative EBIT %, O&G divestment adjusted | 16.8 | 17.5 |
| EBIT | 200.8 | 143.0 |
| EBIT, % | 15.4 | 8.7 |
| Capital employed* | 633.5 | 873.5 |
| Operative ROCE*, % | 33.9 | 28.2 |
| Operative ROCE*, %, O&G divestment adjusted | 33.4 | 34.7 |
| ROCE*, % | 31.7 | 16.4 |
| Capital expenditure excl. M&A | 68.2 | 80.5 |
| Capital expenditure, excl. acquisitions, O&G divestment adjusted | 68.2 | 63.4 |
| Capital expenditure incl. M&A | 71.3 | 80.5 |
| Cash flow after investing activities | 328.8 | 242.5 |

*12-month rolling average

Kemira divested its Oil & Gas-related portfolio on February 2, 2024. Kemira's 2024 figures includes the Oil & Gas-related portfolio until February 2, 2024. The Oil & Gas-related portfolio had a revenue of EUR 44.6 million and operative EBITDA of EUR 3.3 million until the closing of the divestment. Kemira has also presented Oil & Gas divestment adjusted figures, which reflect the underlying business performance of the segment.

## The parent company's financial performance

Kemira Oyj's revenue decreased to EUR 1,950.3 million (2,030.4) in 2024. EBITDA was EUR 148.5 million (195.7). The parent company's financing income and expenses were EUR 97.9 million (-24.9) following a lower write-off of group company shares and higher dividend income, currency exchange income and other financial income. The net result for the financial year increased to EUR 183.6 million (104.2) following increased financing income. Total capital expenditure was EUR 15.4 million (18.2), excluding investments in subsidiaries.

Kemira Oyj had 506 (2023: 500, 2022: 502) employees on average during 2024.

Related party transactions as defined in the Finnish Company Act have been presented in Note 24 Related Party Transactions.

## Kemira Oyj's shares and shareholders

On December 31, 2024, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles the holder to one vote at the Annual General Meeting.

At the end of December 2024, Kemira Oyj had 48,255 registered shareholders (49,659 on December 31, 2023). Non-Finnish shareholders held 38.3% of the shares (34.7% on December 31, 2023), including nominee-registered holdings. Households owned 18.1% of the shares (19.0% on December 31, 2023). Kemira held 1,359,348 treasury shares (1,722,725 on December 31, 2023), representing 0.9% (1.1% on December 31, 2023) of all company shares.

Kemira Oyj's share price increased by 16% during the reporting period and closed at EUR 19.52 on the Nasdaq Helsinki at the end of December 2024 (16.79 on December 31, 2023). The shares registered a high of EUR 24.58 and a low of EUR 15.96 in January-December 2024 and the average share price was EUR 19.84. The company's market capitalization, excluding treasury shares, was EUR 3,006 million at the end of December 2024 (2,579 on December 31, 2023).

In January-December 2024, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 892 million (EUR 688 million in January-December 2023). The average daily trading volume was 183,567 shares (174,707 in January-December 2023). The total volume of Kemira Oyj's share trading in January-December 2024 was 63 million shares (57 million shares in January-December 2023), 25% (23% in January-December 2023) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

Kemira was included in the Euro Stoxx 600 index in June 2024 and in the Finnish OMX25 index in August 2024.

### FLAGGING NOTIFICATIONS

**February 13, 2024:** Solidium Oy's shareholding decreased to below 5% as Solidium Oy sold all the Kemira shares in its possession.

## Management shareholding

The members of the Board of Directors as well as the Interim President and CEO and his Deputy held 280,562 (214,529) Kemira Oyj shares on December 31, 2024 or 0.18% (0.14%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Antti Salminen, President and CEO, held 99,166 shares on December 31, 2024. Members of the Management Board, excluding the President and CEO and his Deputy, held a total of 286,517 shares on December 31, 2024 (245,128), representing 0.18% (0.16%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Up-to-date information regarding the shareholdings of the Board of Directors and Management is available on Kemira's website at **kemira.com/investors**.

| | Amount of shares | | % of shares | |
|---|---|---|---|---|
| Owners | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2024 | Dec 31, 2023 |
| Board of Directors | 63,309 | 55,702 | 0.04 | 0.04 |
| President and CEO* | 99,166 | 56,140 | 0.06 | 0.04 |
| CEO's Deputy | 118,087 | 102,687 | 0.08 | 0.07 |
| Members of the Management Board (excl. CEO and CEO's Deputy) | 286,517 | 245,128 | 0.18 | 0.16 |

*Petri Castrén acted as Interim President and CEO as of July 18, 2023. Antti Salminen started as the President and CEO on February 12, 2024.

## OWNERSHIP DECEMBER 31, 2024

| Owners | % of shares and votes 2024 | 2023 |
|---|---|---|
| Corporations | 26.9 | 26.0 |
| Financial and insurance corporations | 5.0 | 4.0 |
| General government | 9.1 | 13.6 |
| Households | 18.1 | 19.0 |
| Non-profit institutions | 2.4 | 2.7 |
| Non-Finnish shareholders incl. nominee registered | 38.3 | 34.7 |

## SHAREHOLDING BY NUMBER OF SHARES HELD DECEMBER 31, 2024

| Number of shares | Number of shareholders | % of shareholders | Shares total | % of shares and votes |
|---|---|---|---|---|
| 1 - 100 | 18,959 | 39.3% | 884,776 | 0.6 |
| 101 - 500 | 17,674 | 36.6% | 4,649,936 | 3.0 |
| 501 - 1,000 | 5,561 | 11.5% | 4,250,058 | 2.7 |
| 1,001 - 5,000 | 5,105 | 10.6% | 10,614,751 | 6.8 |
| 5,001 - 10,000 | 535 | 1.1% | 3,823,615 | 2.5 |
| 10,001 - 50,000 | 337 | 0.7% | 6,471,254 | 4.2 |
| 50,001 - 100,000 | 32 | 0.1% | 2,260,115 | 1.5 |
| 100,001 - 500,000 | 37 | 0.1% | 7,631,223 | 4.9 |
| 500,001 - 1,000,000 | 7 | 0.0% | 5,342,805 | 3.4 |
| 1,000,001 - | 8 | 0.0% | 109,414,024 | 70.4 |
| **Total** | 48,255 | 100.0% | 155,342,557 | 100.0 |

## LARGEST SHAREHOLDERS DECEMBER 31, 2024

| | Shareholder | Number of shares | % of shares and votes |
|---|---|---|---|
| 1 | Oras Invest Ltd | 35,103,000 | 22.6 |
| 2 | Varma Mutual Pension Insurance Company | 5,732,678 | 3.7 |
| 3 | Nordea Funds | 4,540,904 | 2.9 |
| 4 | Ilmarinen Mutual Pension Insurance Company | 3,959,870 | 2.6 |
| 5 | Elo Mutual Pension Insurance Company | 2,330,000 | 1.5 |
| 6 | Etola Group Oy | 1,000,000 | 0.6 |
| 7 | Veritas Pension Insurance Company Ltd. | 870,000 | 0.6 |
| 8 | Laakkonen Mikko Kalervo | 770,000 | 0.5 |
| 9 | The State Pension Fund | 760,000 | 0.5 |
| 10 | Säästöpankki Funds | 651,936 | 0.4 |
| 11 | Nordea Life Assurance Finland Ltd. | 640,721 | 0.4 |
| 12 | Pohjola Fund Management | 500,641 | 0.3 |
| 13 | Seligson Funds | 494,153 | 0.3 |
| 14 | Paasikivi Pekka Johannes | 462,200 | 0.3 |
| 15 | Valio Pension Fund | 379,450 | 0.2 |
| | Kemira Oyj | 1,359,348 | 0.9 |
| | Nominee registered and foreign shareholders | 59,106,429 | 38.1 |
| | Others, Total | 36,681,227 | 23.6 |
| | **Total** | 155,342,557 | 100.0 |

### SHARE KEY FIGURES

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **PER SHARE FIGURES** | | | | | |
| Earnings per share (EPS), basic, EUR 1) | 1.62 | 1.30 | 1.51 | 0.71 | 0.86 |
| Earnings per share (EPS), diluted, EUR 1) | 1.61 | 1.28 | 1.50 | 0.70 | 0.86 |
| Net cash generated from operating activities per share, EUR 1) | 3.15 | 3.56 | 2.61 | 1.44 | 2.45 |
| Dividend per share, EUR 1) 2) | 0.74 | 0.68 | 0.62 | 0.58 | 0.58 |
| Dividend payout ratio, % 1) 2) | 45.7 | 52.4 | 41.0 | 82.2 | 67.5 |
| Dividend yield, % 1) 2) | 3.8 | 4.1 | 4.3 | 4.4 | 4.5 |
| Equity per share, EUR 1) | 11.59 | 10.84 | 10.89 | 8.68 | 7.80 |
| Price per earnings per share (P/E ratio) 1) | 12.04 | 12.95 | 9.48 | 18.88 | 15.07 |
| Price per equity per share 1) | 1.68 | 1.55 | 1.32 | 1.54 | 1.66 |
| Price per cash flow from operations per share 1) | 6.20 | 4.72 | 5.49 | 9.27 | 5.28 |
| Dividend paid, EUR million 2) | 113.9 | 104.5 | 95.1 | 88.8 | 88.7 |
| **SHARE PRICE AND TRADING** | | | | | |
| Share price, high, EUR | 24.58 | 18.22 | 14.94 | 14.66 | 14.24 |
| Share price, low, EUR | 15.96 | 13.51 | 10.36 | 12.64 | 8.02 |
| Share price, average, EUR | 19.84 | 15.36 | 12.57 | 13.67 | 11.55 |
| Share price on Dec 31, EUR | 19.52 | 16.79 | 14.33 | 13.33 | 12.94 |
| Number of shares traded (1,000) 3) | 46,801 | 43,852 | 37,017 | 57,478 | 75,885 |
| % on number of shares | 30 | 29 | 24 | 38 | 50 |
| Market capitalization on Dec 31, EUR million 1) | 3,006 | 2,579 | 2,198 | 2,041 | 1,979 |
| **NUMBER OF SHARES AND SHARE CAPITAL** | | | | | |
| Average number of shares, basic (1,000) 1) | 153,921 | 153,573 | 153,320 | 153,092 | 152,879 |
| Average number of shares, diluted (1,000) 1) | 155,234 | 155,051 | 154,261 | 153,785 | 153,373 |
| Number of shares on Dec 31, basic (1,000) 1) | 153,983 | 153,620 | 153,352 | 153,127 | 152,924 |
| Number of shares on Dec 31, diluted (1,000) 1) | 155,409 | 155,303 | 154,894 | 154,068 | 153,744 |
| Increase (+) / decrease (-) in number of shares outstanding (1,000) | 363 | 267 | 225 | 203 | 275 |
| Share capital, EUR million | 221.8 | 221.8 | 221.8 | 221.8 | 221.8 |

1) Number of shares outstanding, excluding the number of treasury shares.
2) The dividend for 2024 is the Board of Directors' proposal to the Annual General Meeting.
3) Shares traded on Nasdaq Helsinki only)

Definition of key figures are disclosed in the section on the Definition of key figures.

# AGM decisions

### ANNUAL GENERAL MEETING

Kemira Oyj's Annual General Meeting. held on March 20, 2024, approved the Board of Directors' dividend proposal of EUR 0.68 per share for the financial year 2023. The dividend was paid in two installments. The first installment of EUR 0.34 per share was paid on April 4, 2024. The Annual General Meeting also authorized the Board of Directors to decide on the record date and the payment date for the second installment of the dividend.

The Board of Directors decided on the record date and the payment date for the second installment of the dividend of EUR 0.34 at its meeting on October 24, 2024. The payment date of the second installment of the dividend was November 5, 2024. Kemira announced the resolution of the Board of Directors with a separate stock exchange release and confirmed both the record and the payment dates.

The 2024 AGM authorized the Board of Directors to decide upon the repurchase of a maximum of 6,500,000 of the company's own shares ("Share repurchase authorization"). This corresponds to approximately 4.2% of all shares and votes in the company. The shares shall be repurchased by using unrestricted equity, either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the company's shareholders (directed repurchase). The price paid for the shares repurchased through a tender offer under this authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the shares quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. The price paid for the shares repurchased through directed repurchase under the authorization shall be based on the share price formed in public trading on the date of the repurchase or a price otherwise formed on the market. The shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki and the rules of Euroclear Finland Ltd, as well as other applicable regulations. The shares may be repurchased to be used in implementing or financing mergers and acquisitions, or for developing the company's capital structure, improving the liquidity of the company's shares or for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. In order to realize the aforementioned objectives, the shares acquired may be retained, transferred further or cancelled by the company. The Board of Directors shall decide upon how the shares are to be repurchased and on the other terms related to any share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting. The authorization was not used by December 31, 2024.

The Annual General Meeting authorized the Board of Directors to decide to issue, through one or through several share issues, a maximum of 15,600,000 of new shares and to transfer a maximum of 7,800,000 of the company's own shares currently held by the company ("Share issue authorization"). The new shares may be issued and the company's own shares held by the company may be transferred, either for consideration or without consideration. The new shares may be issued and the company's own shares held by the company may be transferred to the company's shareholders in proportion to their current shareholdings in the company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or, if it is justified, for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the company's share-based incentive plans. The subscription price of new shares shall be recorded in the invested unrestricted equity reserves. The consideration payable for the company's own shares shall be recorded in the invested unrestricted equity reserves. The Board of Directors shall also decide upon any other terms related to the share issues. The Share issue authorization is valid until May 31, 2025. The share issue authorization has been used and shares owned by the Group were conveyed to members of the Board of Directors and key employees in connection with their remuneration.

The Annual General Meeting decided for the Articles of Association to be amended in full, to better reflect market practices and to update certain wordings and phrases to reflect current applicable regulations.

Furthermore, the Annual General Meeting issued the advisory resolution on the acceptance of the Remuneration Report 2023. The Annual General Meeting also issued the advisory resolution on the acceptance of the Remuneration Policy for the Governing Bodies.

The AGM elected Ernst & Young Oy to serve as the company's auditor, with Mikko Rytilahti, Authorized Public Accountant, acting as the key audit partner. Ernst & Young Oy was also elected as the sustainability assurance provider with Mikko Rytilahti, Authorized Public Accountant and Authorized Sustainability Auditor, assuring the sustainability report.

## Corporate governance and group structure

Kemira Oyj's corporate governance is based on the Articles of Association, on the Finnish Companies Act and on Nasdaq Helsinki's rules and regulations on listed companies. Furthermore, the company complies with the Finnish Corporate Governance Code. The company's corporate governance is presented as a separate statement on the company's website.

### BOARD OF DIRECTORS

On March 20, 2024, the Annual General Meeting elected eight members to the Board of Directors. The Annual General Meeting re-elected Tina Sejersgård Fanø, Werner Fuhrmann, Matti Kähkönen, Timo Lappalainen, Fernanda Lopes Larsen, Annika Paasikivi, Kristian Pullola and Mikael Staffas. Matti Kähkönen was elected as the Chair of the Board of Directors and Annika Paasikivi was elected as the Vice Chair. Fernanda Lopes Larsen resigned from the Board as of July 31, 2024 for time management reasons and as she was elected as a member of the Board of Directors of another company. In 2024, Kemira's Board of Directors met 11 times, with a 99% attendance rate.

Kemira Oyj's Board of Directors has appointed two committees: the Personnel and Remuneration Committee and the Audit Committee. The Personnel and Remuneration Committee is chaired by Annika Paasikivi and has Tina Sejersgård Fanø, Timo Lappalainen and Mikael Staffas as members. Matti Kähkönen was a member of the committee until the Annual General Meeting. In 2024, the Personnel and Remuneration Committee met 8 times, with a 94 % attendance rate. The Audit Committee was chaired by Timo Lappalainen until the Annual General Meeting and by Kristian Pullola after that. The Committee's third member is currently Werner Fuhrmann. In addition, Fernanda Lopes Larsen was a member until her resignation July 31, 2024. In 2024, the Audit Committee met 5 times, with a 100% attendance rate.

### STRUCTURE

In 2024, Kemira divested its Oil & Gas-related portfolio. The divestment of the Oil & Gas business was closed on February 2, 2024.

## Short-term risks and uncertainties

### PRICE AND AVAILABILITY OF RAW MATERIALS AND COMMODITIES

A significant and sudden increase in the cost of raw materials, commodities or logistics could place Kemira's profitability at risk if Kemira is not able to pass on such increases in product prices without delay. For instance, considerable and/or rapid changes in oil and gas derivatives or in electricity prices could materially impact Kemira's profitability. Changes in the raw material supplier field, such as a consolidation or decreasing capacity may also increase raw material prices. Furthermore, significant demand changes in industries that are the main users of certain raw materials may lead to raw material price fluctuations. In 2024, raw material and commodity prices, including the prices of energy and electricity, decreased compared to 2023.

Poor availability of certain raw materials may affect Kemira's production and profitability if Kemira fails to prepare adequately, by mapping out alternative suppliers or opportunities for process changes. Raw material and commodity-related risks can be monitored effectively and be managed by Kemira's centralized Sourcing unit. Risk management measures include, for instance, forward-looking forecasting of key raw material and commodity prices, the synchronization of raw material purchase and sales agreements, captive manufacturing of some of the critical raw materials, strategic investments in energy-generating companies and hedging a portion of the total energy and electricity spend. Kemira demonstrated good resilience in managing its raw material risks in 2024.

### SUPPLIERS

The continuity of Kemira's business operations is dependent on the reliable supply of good-quality products and services. Kemira has numerous partnerships and other agreements with third-party product and service suppliers in place, to help secure its business continuity. Certain products used as raw materials are considered critical as purchases can only be made economically from a sole supplier or from a single source. In the event of a sudden and significant loss or interruption to the supply of such a raw material, Kemira's operations could be impacted and this would have a negative effect on Kemira's business. Ineffective procurement planning, supply source selection, contract administration as well as inadequate supplier relationship management create a risk of Kemira not being able to fulfill its promises to customers. There were no significant raw material shortages that impacted Kemira's manufacturing operations during 2024.

Kemira sources a large share of its electricity in Finland at production cost (the Mankala principle), through its partial ownership of the electricity producing hydro and nuclear assets of Teollisuuden Voima and Pohjolan Voima. Significant long-term disruptions to the production levels of these assets could have an adverse financial impact on Kemira. Kemira sources electricity at production cost from these assets, which might be lower or higher relative to market electricity prices.

Kemira continuously aims to identify, analyze and engage third-party suppliers in a way that ensures security of supply and the competitive pricing of end products and services. Collaborative relationships with key suppliers are developed in order to uncover and realize new value and to reduce risk. Supplier performance is also regularly monitored, as a part of the supplier performance management process. Due to the high-risk environment relating to suppliers in the chemical industry, risk management and mitigation in this area is subject to a continuous level of high focus.

### HAZARD RISKS

Kemira's production activities are exposed to many hazard risks – such as fires and explosions, machinery breakdowns, natural catastrophes, exceptional weather conditions and environmental incidents – and to the consequent possible liabilities as well as the risks to employee health and safety. These risk events may derive from several factors, including (but not limited to) unauthorized IT system access by a malicious intruder or other cyber security issues causing possible damage to systems and which in turn could lead to financial losses and supply disruptions. A systematic focus on achieving set targets, certified management systems, efficient hazard prevention programs, the promotion of an active safety culture, adequate maintenance and competent personnel all play a central role in managing these hazard risks. In addition, Kemira has several insurance programs that protect the company against the financial impacts of hazard risks. Kemira is continuously and systematically maintaining and enhancing its information security procedures and technical controls, including cybersecurity measures focused on protecting digital assets. Kemira safeguards critical assets such as business-critical information, personal data and systems within business and on-premises manufacturing and cloud environments from potential threats such as cyberattacks, data breaches and unauthorized access. Kemira is committed to fostering a culture of security awareness through regular personnel training and education programs. Kemira expects all staff to report incidents promptly and efficiently, thereby enabling effective responses to any security threats. Kemira's Board of Directors regularly reviews information security-related risks. Throughout 2024, Kemira did not experience any significant information security related incidents.

Kemira's operations rely on functional and up-to-date IT systems. There were no significant IT related issues during 2024.

### CHANGES IN CUSTOMER DEMAND

A significant, unforeseen decline in the use of certain chemicals (e.g. chemicals for packaging and board production) or in the demand for customers' products and operations could have a negative impact on Kemira's business. A significant decline in certain raw material and utility prices (e.g. oil and gas derivatives and metals) may shift customers' activities towards areas where fewer chemicals are needed. Also, increasing awareness of and concern regarding climate change and more sustainable products may alter customer demand, for instance, in favor of water treatment technologies with a lower consumption of chemicals. On the other hand, possible capacity expansion by customers could increase chemical consumption and could, in such a way, challenge Kemira's current production capacity.

In order to manage and mitigate these risks, Kemira systematically monitors leading and early warning indicators that focus on market developments. Kemira has also continued to focus on the sustainability of its business and is further improving the coordination and cooperation between the Business Development, R&D and Sales units, in order to better understand the future needs and expectations of its customers. During 2024, Kemira continued the commercialization of new, renewable solutions such as biomass-balanced polymers and renewable coatings. Kemira also announced the formation of a new New Ventures & Services unit, planned to be operational in January 2025. The new unit aims to accelerate the commercialization of various renewable initiatives and services. Timely capital investments as well as continuous discussions and follow-ups with customers ensure Kemira's ability to respond to changes in demand. Kemira's geographical and customer industry diversification also provide partial protection against the risk of changing customer demands.

To respond to expected changes in customer requirements, Kemira has also revised its strategy to focus more on renewable solutions and has also started several external partnerships in order to innovate and commercialize new renewable solutions for its customers. Renewable solutions are a significant component of Kemira's growth ambitions for the future. Kemira expects to continue investing in renewable solutions projects, the commercialization of which often involves risks related to e.g. market demand.

In 2024, Kemira announced a new operating model to increase customer-centricity, the speed of product commercialization and agility. As of January 1, 2025, Kemira has three business units: Water Solutions, Packaging & Hygiene Solutions and Fiber Essentials. The way of working in R&D was also changed as of January 1, 2025 and product development was moved into the business units to increase customer-centricity. The new structure aims to better anticipate customers' changing needs and to bring new products and solutions to the market faster.

### ECONOMIC CONDITIONS AND GEOPOLITICAL CHANGES

Uncertainties in global economic and geopolitical developments are considered to include direct and indirect risks, such as a lower-growth period in global GDP and possible, unexpected trade-related political decisions, both of which could have unfavorable impacts on the demand for Kemira's products. Certain political actions or changes, especially in countries that are important to Kemira, could cause business interference or other adverse consequences. The ongoing war in Ukraine, sanctions against Russia as well as ongoing geopolitical tensions in the Middle East create uncertainty in the global economy. Possible trade or supply chain disruptions following geopolitical tensions in eastern Asia and the Middle East could also have an impact on Kemira's operations. Kemira sources materials, particularly AKD wax, and has several local manufacturing facilities in APAC, deriving around 10% of its revenue from the region. Kemira does not currently have meaningful operations in the Middle East but could be exposed to supply chain disruptions, for example.

Weak economic development may bring about customer closures or consolidations, resulting in a diminished customer base. Unfavorable market conditions may also decrease the availability and add to the price risk of certain raw materials. Kemira's geographical and customer industry diversification only provides partial protection against these risks. Kemira continuously monitors geopolitical events and changes and always aims to adjust its business accordingly. Trade war-related risks are also actively monitored and taken into account in business planning. The risk of tariffs, particularly between the US and other geographical regions has increased significantly recently, which could impact Kemira's operations as well as customers in North America. Kemira predominantly produces locally for local customers and only imports a small proportion of its raw materials to North America. Kemira is following tariff-related discussions closely and has made contingency plans should tariffs be introduced.

Possible extended strikes in Finland could negatively impact Kemira's ability to run its operations and could also create risks to near-term customer demand.

### COMPETITION

Kemira operates in a rapidly changing and competitive business environment that represents a considerable risk to meeting its goals. New players seeking a foothold in Kemira's business segments may use aggressive means as a competitive tool, which could affect Kemira's financial results. Major competitor or customer consolidations could change market dynamics and could possibly also alter Kemira's market position.

Kemira is seeking growth in product categories that might be less familiar and where new competitive situations prevail, particularly in renewable solutions. In the long term, completely new types of technology may considerably alter the current competitive situation. This risk is managed at both Group and segment levels, through the continuous monitoring of markets and competitors. Kemira aims to respond to its competition through the active management of customer relationships and through the continuous development of its products and services, to further differentiate itself from competitors and to remain competitive.

### ACQUISITIONS AND PARTNERSHIPS

Kemira is also actively looking for inorganic growth opportunities, particularly in water, that might be related to market consolidation, expanding geographic coverage or the launching of new technologies. In addition to organic growth, acquisitions are a potential way to achieve corporate goals in line with strategies. Consolidations are driven by chemical manufacturers' interests in realizing synergies and in establishing footholds in new markets. Acquisitions and/or partnerships may also be needed in order to enter totally new geographical markets and new product markets. However, the integration of acquired businesses, operations and personnel also involves risks. Joint ventures always require effective co-operation with joint venture partners. If integration is unsuccessful, the results may fall short of the targets set for such acquisitions. In a related development, Kemira acquired a small activated carbon reactivation facility in 2024.

Kemira has created mergers and acquisitions procedures and has established Group-level resources dedicated to actively managing mergers and acquisition activities and to supporting the execution of related business transactions. In addition, external advisory services are used to screen potential mergers and acquisition targets.

In November 2024, Kemira received an adverse court ruling in Yanzhou, China, related to the way Kemira's Joint Venture with Tiancheng Wanfeng Chemical Technology Co. (TCWF) is run. The joint venture, where Kemira holds 80% and TCWF 20%, mainly produces AKD wax and its key raw material, fatty acid chloride. The joint venture has been in operation in Shandong Province in China since 2018. Kemira has filed an appeal to a higher court in China as it believes the Yanzhou court ruling is without merit. There is a risk that the JV's operations might be impacted, depending on the outcome of the decision by the higher court.

### INNOVATION AND RESEARCH & DEVELOPMENT

Kemira's research and development is a critical enabler of organic growth and further differentiation. Kemira's future market position and profitability depend on its ability to understand and to meet current and future customer needs and market trends and its ability to innovate new, differentiated products and applications. Furthermore, new product launches contribute to the efficiency and sustainability of both Kemira's and its customers' processes, as well as to improved profitability. A failure to innovate or focus on disruptive new technologies and products or a failure to effectively commercialize new products and service concepts may result in the non-achievement of growth targets and may therefore negatively impact Kemira's competitive situation.

Innovation- and R&D-related risks are managed through effective R&D portfolio management and close collaboration between R&D and the two business segments. As of 2025, product development will move into the new business units, to further increase customer-centricity in the product development process. With the continuous development of innovation processes, Kemira is aiming for more effective and stringent project execution. Kemira continues to focus on the development of more differentiated and sustainable products and processes and also continuously monitors the sales of its new products and applications.

## CHANGES IN LAWS AND REGULATIONS

Kemira's business is subject to various laws and regulations which have a relevance in the development and implementation of Kemira's strategy. Laws and regulations can generally be considered an opportunity for Kemira, as tightening regulation is expected to drive water treatment market growth, with the phosphorus removal of effluent before discharge to a recipient for example. However, certain legislative initiatives supporting, for instance, the use of biodegradable raw materials or biological water treatment or limiting the use of aluminum, may also have a negative impact on Kemira's business. Significant changes in chemical, environmental or transportation laws and regulations may also impact Kemira's profitability through an increase in production and transportation costs. At the same time, such changes may also create new business opportunities for Kemira. As an example, possible restrictions on plastic packaging would likely benefit the fiber-based packaging industry and Kemira. In addition, Kemira is actively following the European Commission's proposal for Packaging and Packaging Waste Regulations and its implications, particularly for disposable packaging.

Inclusion of new substances in the REACH authorization process may also place further requirements on Kemira, where failure to obtain the relevant authorization could impact Kemira's business. Certain legislative proposals, especially in Europe, such as the PFAS restriction proposed during 2023, may in the long-term result in additional requirements for managing Kemira's manufacturing assets. However, tightening PFAS regulation is also expected to drive the demand for water treatment applications, e.g. activated carbon, and to be a driver of future growth. In addition, changes in import/export and customs-related regulations create a need for monitoring and mastering global trade compliance, in order to ensure compliant product importation, for example.

Kemira continuously follows regulatory developments, in order to maintain its awareness of proposed and upcoming changes to those laws and regulations that may have an impact, for instance, on its sales, production and product development needs. Kemira is actively collaborating with industry groups and other stakeholders and has established an internal process to manage substances of potential concern and to create management plans for them. These plans cover the options for replacing certain substances if they become subject to stricter regulation, for example. Kemira has also increased its focus and resources in the management of global trade compliance.
Regulatory effects are also systematically taken into consideration in strategic decision making. Kemira takes an active role in regulatory discussions, whenever this is justified from the perspective of the industry or the business. In Europe in particular, after the election of a new EU Parliament and Commission, the political focus during the 2024-2029 mandate is on strengthening the EU's competitiveness and on the simplification and implementation of previous legislation which may have a positive impact on the chemical industry in general. In addition, new opportunities are expected in critical areas for Kemira, such as the Clean Industrial Deal, a revision of the EU Bioeconomy strategy and the upcoming Water Resilience Strategy which will be published during summer 2025. Based on these planned announcements, Kemira anticipates an increase in positive awareness, especially with regard to Kemira's water treatment activities and the renewable solutions portfolio. The planned revision of REACH, a regulatory cornerstone for chemical safety in Europe, will be closely followed by Kemira, in order to mitigate any potential regulatory or administrative burden.

Potential regulatory implications caused by changes in the US government and any subsequent legislation and trade policies is also being continuously monitored and assessed.

## TALENT MANAGEMENT

To secure competitiveness and profitable growth, as well as to improve operational efficiency, it is essential to attract and to retain personnel with the right blend of skills and competence. Kemira continuously seeks to identify people with high potential and the key competencies for future needs. Through the systematic development and improvement of compensation schemes, learning programs and career development programs, Kemira aims to ensure the continued presence and availability of skilled personnel in the future.

## CLIMATE-RELATED RISKS

Kemira has identified certain climate-related risks that could have an impact on its operations or on customer demand. Increased awareness of and concern regarding climate change and more sustainable products may, for example, change customer demand in favor of water treatment technologies with a lower consumption of chemicals. A proportion of Kemira's raw materials are fossil-based. Kemira has taken action to increase the share of renewable and recyclable raw materials in its portfolio and to reduce reliance on oil and gas derivatives. Many of Kemira's customers, particularly in the Pulp & Paper segment, have ambitions to be carbon neutral, which will likely have implications for Kemira and on the chemicals used in the customers' processes. Extreme weather patterns related to climate change, such as hurricanes and floods, could also impact Kemira's supply chain and suppliers as well as Kemira's own manufacturing sites. Several climate-related risks are included in Kemira's enterprise risk management portfolio and active monitoring and mitigation planning continues. In 2024, Kemira continued efforts on climate risk scenario analysis, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Complementing these efforts, an in-depth geographical climate risk assessment will be completed in 2025, strengthening our resilience against future regulatory requirements such as carbon pricing mechanisms that can impact energy and chemical raw materials. In late 2023, Kemira conducted a geographical climate risk assessment in cooperation with an external third party.

A detailed description of Kemira's risk management principles is available on the company's website at **kemira.com/investors** Financial risks are described in the Notes to the Financial Statements for the year 2024, which will be published on February 21, 2025.

## Dividend policy and dividend distribution

On December 31, 2024, Kemira Oyj's distributable funds totaled EUR 794,029,352of which net profit for the period was EUR 183,609,785. No material changes have taken place in the company's financial position after the balance sheet statement date.

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 20, 2025 that a dividend of EUR 0.74 per share, totaling EUR 114 million, be paid on the basis of the adopted balance sheet for the financial year that ended on December 31, 2024. The dividend will be paid in two installments. The first installment, EUR 0.37 per share, will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment: March 24, 2025. The Board of Directors proposes that the first installment of the dividend be paid out on April 3, 2025. The second installment, of EUR 0.37 per share, will be paid in November 2025. The second installment will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2025. The record date is planned for October 28, 2025 and the dividend payment date for November 4, 2025 at the earliest. Kemira's dividend policy aims for a competitive dividend that increases over time.

## Changes to Kemira's Management Board

On **January 29, 2025**, Kemira announced that Simon Bloem has been appointed as Chief Operations Officer and a member of Kemira's Group Leadership Team as of May 1, 2025. He joins Kemira from Envalior where he's been VP Global Manufacturing Materials since 2023

On **August 16, 2024,** Kemira announced changes to its operating model to better meet its profitable growth ambitions. Kemira also announced a new Leadership Team, which will be effective as of January 1, 2025. The new operating model and new Leadership Team members are described in more detail below.

On **February 9, 2024,** Kemira announced that Harri Eronen has been appointed as Interim President of Kemira's Pulp & Paper segment and as a member of Kemira's Management Board as of February 12, 2024. The former President of the Pulp & Paper segment, Antti Salminen, started as President & CEO of Kemira on February 12, 2024.

## New operating model and Leadership Team as of January 1, 2025

On August 16, 2024, Kemira announced its plans to move to a new operating model and organizational structure to better enable profitable growth. The new operating model became effective on January 1, 2025. The changes aim to increase customer centricity, strategic focus and speed of delivery as well as to accelerate growth and shareholder value creation. As of January 1, 2025, Kemira moved to three externally reported business units: Water Solutions, Packaging & Hygiene Solutions and Fiber Essentials.

Water Solutions is Kemira's largest business unit, reflecting Kemira's ambitions to significantly grow the water business both organically and inorganically. The Packaging & Hygiene Solutions business unit focuses on, among others, the growing renewable solutions market, particularly packaging, where Kemira's renewable product offering supports customers on their sustainability journey. The Fiber Essentials business unit focuses on the pulp and bleaching market where Kemira's products play an essential role in the value chain.

In addition, Kemira established a centralized Operations unit and changed the ways of working in Research & Development. A New Ventures and Services unit was also established.

The new Group Leadership Team members started in their roles on January 1, 2025, led by the President and CEO **Antti Salminen**.

**Petri Castrén**, Chief Financial Officer
**Tuija Pohjolainen-Hiltunen**, Executive Vice President, Water Solutions
**Harri Eronen**, Executive Vice President, Packaging & Hygiene Solutions
**Antti Matula**, Executive Vice President, Fiber Essentials
**Simon Bloem**, Chief Operations Officer, Operations (will start May 1, 2025)
**Eeva Salonen**, Executive Vice President, People & Culture
**Linus Hildebrandt**, Executive Vice President, Strategy & Sustainability
**Sampo Lahtinen**, Executive Vice President, Research & Innovation
**Peter Ersman**, Executive Vice President, New Ventures & Services

Petri Castrén, Tuija Pohjolainen-Hiltunen, Eeva Salonen and Linus Hildebrandt were members of the previous Management Board. Harri Eronen was Interim President of the Pulp & Paper Segment and has been a member of the Management Board since February 2024.

## Other events during the review period

### PROPOSALS OF THE NOMINATION BOARD TO THE ANNUAL GENERAL MEETING 2025

On **December 17, 2024,** Kemira announced the proposals of the Nomination Board to the Annual General Meeting 2025.

The Nomination Board proposes to the Annual General Meeting of Kemira Oyj that eight members be elected to the Board of Directors and that the present members Tina Sejersgård Fanø, Werner Fuhrmann, Timo Lappalainen, Annika Paasikivi, Kristian Pullola and Mikael Staffas be re-elected as members and Susan Duinhoven and Matti Lehmus elected as new members of the Board of Directors. In addition, the Nomination Board proposes that Annika Paasikivi be elected as the Chair of the Board of Directors and Susan Duinhoven elected as the Vice Chair.

All the nominees have given their consent to the position and are independent of the company's significant shareholders except for Annika Paasikivi. Annika Paasikivi is the President & CEO of Oras Invest Oy and Oras Invest Oy owns over 10% of Kemira Oyj's shares.

Current Chair of the Board of Directors, Matti Kähkönen, has informed that he will no longer be available for re-election to the next term of the Board of Directors. Matti Kähkönen has served in Kemira's Board of Directors since 2021 and as the Chair since 2022. The Nomination Board wishes to thank Matti Kähkönen for his important work at the Board of Directors and significant contribution to Kemira Oyj during the past four years.

Susan Duinhoven, Ph.D. (Physical Chemistry), University of Wageningen, B. Sc. (Physical Chemistry), University of Amsterdam, born 1965, has served in multiple leadership positions, latest as the President and CEO of Sanoma Oyj from 2015 till January 1, 2024. She is a member of the Board of Directors of KONE Oyj. Susan Duinhoven is a Dutch citizen living in Finland.

Matti Lehmus, M. Sc. (Chemical engineering), Helsinki University of Technology and eMBA, Helsinki School of Economics, born 1974, has held several leadership positions in the chemical industry at Neste Corporation, latest as the President and CEO at Neste Corporation from 2022 until October 2024. Matti Lehmus is a Finnish citizen.

Regarding the selection procedure for the members of the Board of Directors, the Nomination Board recommends that shareholders take a position on the proposal as a whole at the Annual General Meeting. This recommendation is based on the fact that Kemira's shareholders' Nomination Board is separate from the Board of Directors, in line with a good Nordic governance model. The Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competences, is responsible for making sure that the proposed Board of Directors as a whole also has the best possible expertise and experience for the company and that the diversity principles of the company will be met, and that the composition of the Board of Directors meets other requirements of the Finnish Corporate Governance Code for listed companies.

The Nomination Board proposes that the remuneration paid to the members of the Board of Directors will be increased as follows (current remuneration in parentheses): for the Chair EUR 132,000 per year (EUR 125,000), for the Vice Chair and the Chair of the Audit Committee EUR 74,000 per year (EUR 70,000), for the Chair of the Personnel and Remuneration

Committee (if the person is not the Chair or Vice Chair of the Board of Directors) EUR 68,000 per year (EUR 65,000) and for the other members EUR 57,000 per year (EUR 54,000).

The Nomination Board proposes that a fee payable for each meeting of the Board of Directors and the Board Committees to be kept at the current level, and a fee be paid based on the method of participation and place of the meeting as follows: participating remotely or in a meeting arranged in the member's country of residence EUR 750, participating in a meeting arranged on the same continent as the member's country of residence EUR 1,500 and participating in a meeting arranged in a different continent than the member's country of residence EUR 3,000.

Travel expenses are proposed to be paid according to Kemira's travel policy.
In addition, the Nomination Board proposes to the Annual General Meeting that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's interim report January 1 – March 31, 2025. The meeting fees are proposed to be paid in cash.

**Members of the Nomination Board**
The Nomination Board has consisted of the following representatives: Ville Kivelä, Chief Investment Officer of Oras Invest Oy as the Chair of the Nomination Board; Hanna Kaskela, Senior Vice President, Sustainability and Communications, Varma Mutual Pension Insurance Company; Lisa Beauvilain, Global Head of Sustainability & Stewardship, Executive Director, Impax Asset Management plc and Annika Ekman, Head of Equities, Ilmarinen Mutual Insurance Company as members of the Nomination Board and Matti Kähkönen, Chair of Kemira's Board of Directors, as an expert member.

On **December 13, 2024,** Kemira announced that the new operating model is ready for January 2025. Kemira announced changes to its operating model and leadership team in August to better meet its profitable growth ambitions.

On **November 27, 2024,** Kemira announced that its change negotiations, initiated on October 14, 2024 had concluded. 23 employees in Finland will be made redundant as a result of these negotiations.

On **November 15, 2024,** Kemira announced its plans to construct a re-activation plant for activated carbon – the pre-engineering phase is ongoing and Kemira plans to expand its Helsingborg manufacturing site in Sweden and to invest a figure in the low double-digit millions of euros to construct the reactivation plant for activated carbon.

On **October 30, 2024,** Kemira announced its plans to close its manufacturing site in Vancouver, Canada. Kemira plans to consolidate some Pulp & Paper chemical production in North America, resulting in the closure of the manufacturing site in Vancouver, Canada. The Vancouver site has been producing process and functional chemicals for the Pulp & Paper segment.

On **October 17, 2024,** Kemira announced that the Science Based Targets Initiative (SBTi) had validated its climate targets. Kemira has committed to a 51.23% cut in greenhouse gas emissions from its own operations (scope 1 and 2 emissions) by 2030, relative to a 2018 baseline. This target is in line with limiting global warming to 1.5°C, currently the most ambitious criteria for science-based climate and emissions targets. Additionally, Kemira has committed to reducing absolute scope 3 greenhouse gas emissions from purchased goods and services and from upstream and downstream transportation and distribution processes by 32.5% by 2033, from a 2021 base year.

On **October 9, 2024,** Kemira announced that it will start change negotiations in Finland as it plans for a new operating model and organization to be effective as of January 1, 2025. The planned changes may lead to the reduction of a maximum of 40 employees.

On **September 25, 2024,** Kemira announced that it has updated its long-term financial targets to reflect profitable growth ambitions and a structurally higher margin profile.

On **September 24, 2024,** Kemira announced that it will explore the broadening of the strategic cooperation with IFF and also announced the successful completion of a market-entry scale renewable polymer plant in Finland.

On **September 23, 2024,** Kemira announced that it had completed an expansion of ASA sizing agents capacity in Nanjing, China, in response to increased market demand.

On **September 18, 2024,** Kemira announced that it will invest in increased coagulant capacity in Norway, to respond to increased market demand.

On **July 25, 2024,**Kemira announced that it will expand sodium chlorate production capacity in South America, to cater for growing pulp and paper market opportunities

On **July 9, 2024,** Kemira announced that it is expanding coagulant production capacity in Spain, to cater for growing demand, for biogas applications and phosphorus removal in particular.

On **June 10, 2024**, Kemira upgraded its outlook for 2024, particularly for operative EBITDA. Kemira's end-markets have continued to recover and Kemira's strong performance in both segments has continued. Kemira now expects revenue to be between EUR 2,800 and 3,200 million and operative EBITDA to be between EUR 540 and 640 million in 2024. Earlier, Kemira had expected revenue to be between EUR 2,700 and EUR 3,200 million and operative EBITDA to be between EUR 480 and EUR 580 million. The assumptions behind Kemira's outlook were also updated.

On **March 18, 2024**, Kemira announced that it has received 115,000 shares from Kemira's supplementary pension fund, Neliapila. The shares were transferred to Kemira gratuitously, as part of the return of excess capital. Neliapila returned a total of EUR 12 million of excess capital to Kemira during Q1 2024.

## Acquisitions and divestments

On **September 3, 2024,** Kemira announced that it has completed the acquisition to purchase Norit's UK reactivation business, Purton Carbons Limited.

On **July 1, 2024,** Kemira announced the acquisition of Norit's UK reactivation operations. This acquisition marks the first step for Kemira in terms of expanding in to the activated carbon market for micropollutants removal.

On **February 2, 2024,** Kemira announced that it had completed the divestment of its Oil & Gas-related portfolio to Sterling Specialty Chemicals LLC, a US subsidiary of Artek Group, a global industrial chemicals group based in India. Approximately 250 employees transferred to the buyer as part of the transaction, which includes Kemira's manufacturing facilities in Mobile, Columbus and Aberdeen in the United States as well as the novel liquid polymer (NLP) manufacturing assets in Botlek, the Netherlands. The closing of the Teesport manufacturing facility in the United Kingdom is expected to happen later, subject to site-specific closing conditions.

## Events after the review period

No significant events after the review period.

## Outlook for 2025

### REVENUE

Kemira's revenue is expected to be between EUR 2,800 and EUR 3,200 million in 2025 (reported 2024 revenue: EUR 2,948.1 million).

### OPERATIVE EBITDA

Kemira's operative EBITDA is expected to be between EUR 540 and EUR 640 million in 2025 (reported 2024 operative EBITDA: EUR 585.4 million)

### ASSUMPTIONS BEHIND THE OUTLOOK

Kemira's end-market demand (in volumes) is expected to grow slightly during the year. The water treatment market is expected to grow in all regions. Both the pulp and the packaging and hygiene markets are expected to start to recover. Input costs are expected to be stable or to increase slightly. The outlook assumes no major disruptions to Kemira's manufacturing operations, to the supply chain or to Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels.

## Financial targets

On September 25, 2024, Kemira announced that its Board of Directors had approved the company's updated, long-term financial targets. Kemira's target for average annual organic growth has been changed to over 4% (previously: above the market growth) and the operative EBITDA margin target has been increased to 18–21% (previously 15–18%). Operative ROCE of over 16% has been added as the third, new target.

Helsinki, February 10, 2025

Kemira Oyj
Board of Directors

All forward-looking statements in this review are based on the management's current expectations and beliefs about future events. Actual results may differ materially from the expectations and beliefs contained in the statements.

# Sustainability statement

## General disclosures

### BASIS OF PREPARATION FOR CONSOLIDATED SUSTAINABILITY STATEMENT

Kemira previously disclosed non-financial information based on the Non-Financial Reporting Directive (NFRD) and prepared the sustainability information in accordance with the Global Reporting Initiative (GRI) disclosures. Starting from 2024, Kemira now reports according to the Corporate Sustainability Reporting Directive (CSRD) requirements.

As of 2024, Kemira will no longer publish a separate Sustainability Report based on the Global Reporting Initiative (GRI). As the disclosure requirements between CSRD and GRI differ, some previously reported KPIs and metrics required by GRI will no longer be reported in this Sustainability Statement. Kemira has compiled a GRI index to ease the transition to CSRD reporting. The GRI index is available on Kemira's website.

In 2023, the European Union implemented the Corporate Sustainability Reporting Directive (CSRD) to strengthen sustainability reporting practices within the EU. The Corporate Sustainability Reporting Directive is aligned with the EU's objective to achieve climate neutrality by 2050 and to elevate sustainability reporting to a level of importance equal to financial reporting. The Corporate Sustainability Reporting Directive builds upon the foundation of the Non-Financial Reporting Directive and also expands the scope of reporting obligations on companies operating within the EU.

Kemira Group's Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), as issued by the European Financial Reporting Advisory Group (EFRAG) in 2023. The sustainability disclosures and key metrics are based on Kemira's Double Materiality Assessment (hereafter materiality assessment) conducted during 2023-2024. The Sustainability Statement covers Kemira's value chain from upstream to downstream in full. Metrics, identified under topical standards, cover Kemira's own operations, unless otherwise specified. Further details regarding Kemira's value chain, the materiality assessment process and its findings are outlined under *Business model, value chain and strategy,* and *Double Materiality Assessment.*

The Sustainability Statement has been assured (limited assurance) by Ernst & Young Oy, an independent third-party. Assurance was conducted in accordance with the international assurance standards ISAE 3000.

**Structure and content**

Kemira's Sustainability statement is structured based on the order and requirements of ESRS. It includes General disclosure and three main topical standard sections: Environmental information, Social information and Governance information. General disclosure includes e.g Kemira's materiality assessment process, threshold and identified material impacts, risks and opportunities. Material impacts, risks and opportunities and a management summary are presented at the beginning of each material topic section, these are then followed by Kemira's policies, actions, targets and metrics which are connected in each instance. More detailed content index based on ESRS can be found end of this *General disclosures* section.

**Scope of consolidation**

The consolidated sustainability information comprises the parent company Kemira Oyj and subsidiaries controlled by Kemira Oyj. Subsidiaries are all legal entities that Kemira Oyj has control over, as defined in the Financial Statements (in note 6.2. The Group's subsidiaries and investments in associates). The Scope of consolidation is the same as for the Financial Statements but associates are not included in the sustainability reporting. Consolidation of all sustainability data follows the principles above, unless otherwise specified.

The reporting period applicable to the Sustainability Statement coincides with the financial reporting period: January 1, 2024 to December 31, 2024. Comparisons in this statement are made to the corresponding period of 2023, and are provided when comparisons are available.

**Sources of estimation and outcome uncertainty**

When preparing the Sustainability Statement in accordance with ESRS, management is required to make estimates and assumptions on the metrics. As a basis for calculation and preparation of the sustainability metrics Kemira applies quality controls to ensure data completeness. Sustainability data collection includes direct measurements, calculations and estimations. Estimates and assumptions are continuously evaluated and are based on past experience and an expectation of future events that may have material implications and are considered to be reasonable under the circumstances. Sources of estimation and outcome uncertainty are described in the reporting principles of each section.

## SUSTAINABILITY GOVERNANCE

This Sustainability Statement describes sustainability governance at Kemira. Further information about Kemira's governance bodies, their tasks and duties as well as internal control processes and risk management can be found in the Corporate Governance Statement which is available on Kemira's website. Kemira's new operating model came in to force January 1st 2025 which will lead to changes in the organizational responsibilities during 2025. This Sustainability statement is based of the organizational structure of 2024.

**Kemira's sustainability governance**

The Board of Directors and the President & CEO are responsible for Kemira's management and operations, including sustainability matters, as defined in the Finnish Companies Act and Kemira's Articles of Association. Sustainability work is carried out throughout the organization as sustainability is integrated into Kemira's strategy. The materiality assessment, combined with Kemira's strategic ambitions, identified material sustainability topics, impacts, risks and opportunities forms the basis of Kemira's Sustainability Statement's topics.

**Sustainability governance chart**


### Board of Directors and Board Committees

The Board of Directors' key duties include establishing Kemira's long-term goals and the strategy for achieving these. Sustainability is a key driver of Kemira's strategy and a requirement for Kemira's long-term success. By approving the company's strategy and monitoring its implementation, the Board of Directors is directly involved in setting the sustainability agenda at Kemira. The Board of Directors is responsible for approving Kemira's values, the sustainability targets and the Sustainability Statement. The Board of Directors has appointed two Committees to assist in fulfilling its responsibilities:

1. **The Audit Committee** assists with oversight responsibilities for the financial and sustainability reporting process, the system of internal control, the internal and external audit and assurance process and Kemira's process for monitoring compliance with laws and regulations.
2. **The Personnel and Remuneration Committee** assists in preparation of matters such as compensation linked with sustainability-related key performance indicators.

### Governance bodies' roles related to business conduct

The Board of Directors approves Kemira's values and the Code of Conduct which are the foundation of Kemira's business ethics and corporate culture. The responsibilities of the Audit Committee include, among others above, reviewing the effectiveness of the company's system for monitoring compliance with laws and regulations; reviewing the results of the management's investigations of any instances of noncompliance and their follow-up actions; reviewing the findings of any examinations by regulatory agencies, and any auditor observations; reviewing the company's process for communicating the Code of Conduct to company personnel and for monitoring compliance therewith.

The Management Board approves the company's policies that relate to business conduct matters. These policies are described in the *G1 Business conduct* section under *Other business conduct policies*. The Management Board has acknowledged the importance of synchronizing corporate culture and strategy, which will lead to improved employee engagement, higher customer satisfaction, and ultimately increased sales and profitability. To this end, Kemira's Management Board has defined a set of principles, habits and behaviors that are the basis of Kemira's corporate culture. The Management Board members include the heads of both business segments and the main functions of the company and they consequently have versatile expertise in business conduct matters.

Separate **Ethics and Compliance Committee** is tasked with safeguarding an impartial and competent assessment of internally and externally submitted misconduct reports alleging a potential violation of laws, the Code of Conduct or the company's policies. The Compliance Committee reports periodically to the Audit Committee. The members of the Ethics and Compliance Committee have expertise in the areas of legal compliance, business ethics, conducting investigations and human resources leadership.

### Composition and diversity of the Board of Directors

The Annual General Meeting (AGM) elects the Chair, Vice Chair and other members of the Board of Directors. In accordance with the Articles of Association, the Board of Directors comprises 5–10 members. On March 20, 2024, the Annual General Meeting elected eight members to the Board of Directors. The AGM re-elected Tina Sejersgård Fanø, Werner Fuhrmann, Matti Kähkönen, Timo Lappalainen, Fernanda Lopes Larsen (resigned as of July 31, 2024), Annika Paasikivi, Kristian Pullola and Mikael Staffas to the Board of Directors. Matti Kähkönen was elected the Board's Chair and Annika Paasikivi was elected the Vice Chair. Company's Group General Counsel Jukka Hakkila acts as the Secretary of the Board of Directors.

The Board of Directors has adopted the following principles and targets concerning the diversity of the Board of Directors. When designing the composition of the Board of Directors, the Nomination Board of the company assesses the Board's composition from the viewpoint of the company's current and future business needs, while taking into account the diversity of the Board. The diversity of the Board of Directors will be assessed from various angles. Kemira's Board of Directors shall have sufficient and complementary experience and expertise in the key industries and markets relevant to Kemira's business. In addition, an essential element is the personal characteristics of the members and their diversity. The company's aim is that the Board of Directors represent diverse expertise in different industries and markets, diverse professional and educational backgrounds, diverse age distribution and both genders. The objective is that both genders are represented in the Board by at least two members. Kemira's current Board of Directors conforms to the Company's diversity targets. Versatile expertise from various industries and markets is represented in the Board of Directors, as are various professional and educational backgrounds. The Board of Directors also has access to relevant expertise concerning sustainability and the CSRD within Kemira's organization and can give advice when needed.

| Board of Directors' and Management Board's diversity, % | 2024 | 2023 |
|---|---|---|
| **Independent members of Board of Directors** | 100 | 100 |
| **Non-executive members of Board of Directors** | 100 | 100 |
| **Board of Directors by gender** | | |
| Females | 29 | 38 |
| Males | 71 | 63 |
| **Management Board by gender** | | |
| Females | 25 | 25 |
| Males | 75 | 75 |

### The Group's President & CEO and the Management Board

The President & CEO is responsible for managing and developing Kemira in accordance with the guidance given by the Board of Directors and for implementing its decisions. The President & CEO reports regularly to the Board of Directors on financial and non-financial matters as well as on the business environment.

The Management Board is an operative management body, responsible for maintaining the long-term strategic development of the company. Kemira measures in the sustainability priority areas progress through group-level key performance indicators and targets approved by the Management Board or Board of Directors. Responsibility for individual corporate sustainability targets is shared between the members of the Management Board.

### The Sustainability Steering Team

The Sustainability Steering Team is a cross-company senior-level management team with participants from wide ranging backgrounds, representing Kemira's relevant business units and functions. The main task of the Sustainability Steering Team is to prepare proposals for the Management Board on how to develop Kemira's corporate sustainability strategy, vision and ambition, and to steer the corporate sustainability-related programs. This includes ensuring the implementation of sustainability strategy, in addition to frequent follow-ups and reporting on the development to the Management Board and the Board of Directors.

| Level of expertise by Board of Directors | Matti Kähkönen | Annika Paasikivi | Tina Sejersgård Fanø | Werner Fuhrmann | Timo Lappalainen | Kristian Pullola | Mikael Staffas | Fernanda Lopes Larsen |
|---|---|---|---|---|---|---|---|---|
| **Qualification and expertise** | | | | | | | | |
| Board experience 1) | ● | ● | | ● | | ● | | |
| CEO experience 2) | ● | | | | ● | | ● | |
| CFO experience 2) | | | | | | ● | ● | |
| Executive Committee experience 2) | ● | ● | ● | ● | ● | ● | ● | |
| Governance and compliance expertise 3) | | ● | ● | | | ● | ● | |
| International experience 4) | | | | | | | | |
| EMEA | ● | ● | ● | ● | ● | ● | ● | |
| Americas | | | | | | | | ● |
| APAC | | | | | | | | |
| Experience in chemical industry 5) | ● | | ● | ● | ● | | | ● |
| Experience in driving growth 6) | ● | | ● | ● | ● | ● | ● | ● |
| Experience in driving sustainability 6) | ● | | ● | | | ● | | ● |
| Experience in profitability improvement 6) | ● | ● | ● | ● | | ● | ● | ● |
| Experience in driving innovation 6) | | | ● | | ● | ● | | ● |
| Experience in advancing digitalization 6) | | | ● | | | ● | | ● |
| **Additional qualification and information** | | | | | | | | |
| Year of birth | 1956 | 1975 | 1969 | 1953 | 1962 | 1973 | 1965 | 1974 |
| Gender | Male | Female | Female | Male | Male | Male | Male | Female |
| Nationality | FIN | FIN | DEN | GER | FIN | FIN | SWE | BRA/GB |
| Member since | 3/2021 | 2/2022 | 3/2022 | 5/2020 | 3/2013 | 3/2021 | 3/2023 | 3/2023-7/2024 |

1) The Board member has acted or is currently acting as a Chair or member of a Board (other than in Kemira) in a public listed company or a large (private) company. A company is considered large if its annual revenue is in excess on EUR 1.5 billion.
2) The Board member has acted or is currently acting as a CEO, CFO or member of an Executive Committee in a public listed company or a large (private) company (as defined above)
3) The Board member has acted in a leading position in governance, audit or compliance for at least five years.
4) The Board member has acted in a management position within the specific region for at least three years
5) The Board member has at least three years of experience within the past ten years from chemical industry, as part of a Board or an executive committee in a listed or large (private) company (as defined above)
6) The Board member has at least three years of experience from driving the respected areas strategy successfully, as part of a Board or an executive committee or has acted in the Management Board in a respected position in a listed or large (private) company (as defined above)

### The Sustainability Reporting Compliance Team

The Sustainability Reporting Compliance Team is a separate team focusing on sustainability reporting and compliance, which is formed of senior-level management and sustainability experts from different functions. It is responsible for leading the comprehensive alignment and the implementation of the reporting required by the Corporate Sustainability Reporting Directive, reporting to the Management Board and forward to the Audit Committee.

**Kemira's impacts, risks and opportunities management**

Kemira's Board of Directors oversees the implementation of strategy and regulation, including impacts, risks and opportunities management in sustainability matters through the materiality assessment. The Management Board is responsible for implementing actions to manage impacts, risks and opportunities as defined in the materiality assessment, coordinated by The Sustainability Reporting Compliance Team and conducted by subject matter experts in the business segments and functions. The progress of the impacts, risks and opportunities management is reported to the Sustainability Steering Team and the Management Board, and from there onwards to the Audit Committee. The Sustainability Steering Team reviews the results of the materiality assessment and shares guidance implementation of the sustainability programs, governance and targets for the Board of Directors and the Management Board. The Sustainability Steering Team is lead by Kemira's EVP of Strategy and it has overall responsibility for impacts, risks and opportunities management. Kemira's CFO and the Global Finance & Accounting function are accountable for that the Sustainability Statement is prepared based on the requirements and regulations. Kemira's Corporate Sustainability function together with the subject matter experts in individual business segments and functions are responsible for sustainability reporting.

The Board of Directors oversees the highest level of the implementation of the European Sustainability Reporting Standards and new reporting practices. The implementation of the European Sustainability Reporting Standards and other sustainability topics were presented in all Board of Directors meetings by Kemira's management to the members of the Board in 2023 and 2024:

- Sustainability strategy and targets
- The Sustainability program and policy updates
- The Sustainability report 2023 review
- The Modern slavery statement
- Sustainability reporting developments related to EU Taxonomy and the implementation of the Corporate Sustainability Reporting Directive
- Kemira's safety performance and other sustainability related key figures
- The progress of the materiality assessment process and results, material impacts, risks and opportunities

The Audit Committee complies with Kemira's sustainability reporting in all meetings. The main sustainability topics discussed by the Audit Committee and prepared by Kemira's management in 2023 and 2024:

- Sustainability reporting developments related to EU taxonomy and the implementation of the Corporate Sustainability Reporting Directive (CSRD)
- The Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standard implementation plan, including a timeline, gap analysis and roles and responsibilities
- The Financial Supervisory Authority's inquiry on sustainability reporting implementation
- The progress of the materiality assessment process and results, material impacts, risks and opportunities
- Risk related to the implementation of new sustainability reporting practices
- A validation review of the Science Based Target initiative
- The Sustainability Statement 2024 draft

**Risk management over sustainability reporting**

Kemira’s Board of Directors defines the main principles of risk management and approves the Group’s Risk Management Policy. The business segments and functions are responsible for identifying, assessing and managing risks involved in their areas of operation. The Group’s Risk Management function coordinates and supports risk management. This is a continuous process which is based on an iterative and collaborative methodology. The Group Risk Management function is also responsible for the group level risk overview, based on input from the business segments and functions and is further responsible for ensuring that risks are reported to and reviewed by the Management Board and the Board of Directors. The Internal Audit function is responsible for monitoring and evaluating the effectiveness of Kemira’s risk management system.

Kemira Oyj's risk management is based on the Finnish Corporate Governance Code, the Kemira Code of Conduct and on Kemira's values. The principles of Kemira's risk management are also in compliance with international risk management frameworks and standards such as ISO 31000 (Risk Management – Principles and Guidelines).

In accordance with its Enterprise Risk Management (ERM) process, Kemira conducts systematic and proactive assessments and mitigation of identified risks. Risks are grouped under various risk categories, with clearly defined responsibilities. The objective of risk management is to identify risks and opportunities in a proactive manner, to help ensure Kemira's long-term strategic development and to achieve Kemira's strategic and operational targets by supporting decision making by taking uncertainty and its effects into account.

Sustainability reporting risks are managed through Kemira's Integrated Management System, by precisely determined reporting processes and stringent internal controls. Kemira's internal control system covers all Group operations, including sustainability reporting. The internal control activities are carried out at all organizational levels, as a part of the Group's daily operations.

**Sustainability reporting and controls**

The sustainability reporting complies with Kemira's reporting principles and processes for annual financial reporting, risk management and internal controls. Kemira regularly assesses risks and related controls over the sustainability reporting processes, as part of Kemira's Enterprise Risk Management process. Internal process controls are in place for the reporting of sustainability data. Potential risks and uncertainties related to sustainability reporting are regularly addressed by the Audit Committee. Sustainability reporting compliance is assured by external auditors, by limited assurance.

Risks identified in the sustainability reporting relate to the completeness of qualitative and quantitative information as well as to the timing of reporting. In order to ensure that the reported information is accurate and timely, Kemira has implemented reporting systems and processes and has established internal controls. These controls include implementing a reporting governance structure and specifying the roles related to sustainability reporting within the corporate functions and business segments.

Kemira maintains risk management and internal control systems to ensure the effectiveness and efficiency of its operations, including the reliability of financial, non-financial and operational reporting and compliance with the applicable regulations, policies and practices. More details on this and on the governance model for internal controls can be found in the Corporate Governance Statement.

**Integration of sustainability-related performance in incentive schemes**

To ensure that sustainability transformation remains a high priority and drives profitable growth, Kemira has integrated key sustainability priorities into its incentive programs. Kemira provides performance-driven remuneration packages. Key sustainability priorities are reflected in the Group's incentive programs and are aligned with Kemira's sustainable and profitable growth strategy. Kemira has both long- and short-term incentive plans, with the long-term incentive plans targeted for selected individuals of senior management. Safety, with a 5% weight, has been a key performance indicator of the short-term incentive plan for several years and the short-term incentive program for 2024 includes a new target for strategic revenue growth.

The aim of the long-term incentive plan is to align the objectives of the shareholders and the persons participating in the plan, to increase the value of Kemira, to commit the participants to Kemira and to offer them a competitive reward plan. In addition to financial targets, sustainability targets are incorporated in the two latest performance periods (2023–2025 and 2024–2026) of the long-term incentive program. Revenue Growth of Renewable Solutions and the climate target for Scope 1 and 2 have been included in the long-term incentive plan since the beginning of 2023, both with a weight of 10%. The climate target reflects Kemira's commitment to annual reduction rate, in line with the Science Based Targets Initiative (SBTi) commitment.The Board of Directors defines and approves the main principles for the incentive schemes within Kemira, its values, sustainability targets and the Code of Conduct. More details on remuneration can be found in Kemira's Remuneration Report.

**Due diligence**

Kemira believes that acting ethically and responsibly is not only the correct thing to do but that it also benefits our business and stakeholders. Kemira works in accordance with the United Nations Guiding Principles, which require companies to conduct due diligence to protect and respect human rights and remedy the victims of business-related abuses. Kemira's Sustainability statement is structured according to our due diligence processes. Further information on Kemira's due diligence processes in the topical standard sections is shown in the table below.

| Steps of due diligence | In the sustainability statement |
|---|---|
| Assess impacts and risks | Material impacts, risks and opportunities under General disclosure |
| Integrate and act to address impacts and risks | Action related to topical standards |
| Track the effectiveness of the efforts | Targets related to topical standards |
| Communicate impacts and risks | Material impacts, risks and opportunities under topical standards |
| Stakeholder engagement in due diligence processes | Policies related to topical standards<br>Stakeholder engagement in General disclosure |

## BUSINESS MODEL, VALUE CHAIN AND STRATEGY

Kemira provides sustainable chemical solutions for water-intensive industries. Kemira has two business areas: Pulp & Paper and Industry & Water. Kemira had operations in 38 countries and had 58 manufacturing facilities at the end of 2024. In Pulp & Paper, Kemira provides chemical solutions for bleaching, packaging, tissue and printing and writing products. The main product categories in Pulp & Paper are bleaching chemicals, sizing and strength chemicals, various process chemicals and polymers. In Industry & Water, Kemira offers chemical solutions for municipal and industrial water treatment for both drinking water and waste water treatment. The main product categories in Industry & Water are coagulants and polymers. Kemira has three regional business areas: EMEA, APAC and the Americas. Kemira has a new operating model, effective from January 1, 2025 onwards. The new operating model has three business units: Water Solutions, Packaging and Hygiene Solutions and Fiber Essentials. The new operating model will increase customer centricity as well as speed and agility. Kemira will assess the impact of the new operating model on sustainability matters in 2025.

More information on Kemira's segments' and regions' financial performance (ESRS2 SMB-1, 40 (b, c), changes to our operations and the number of personnel by geographical area (ESRS2 SMB-1, 40 (a) i-iii) can be found in the Financial Statements (Board of Directors' Review, Financial performance 2024 and Segments, in notes 2.1. Segment information, 2.2 Other operating income and expenses and 3.6 Business combinations). Profitable sustainable growth is Kemira's strategic objective. Sustainability is integrated into Kemira's strategy and long-term success as Kemira's customers are increasingly asking for sustainable solutions. Kemira provides its customers with solutions that help them to improve the resource efficiency of their operations. In 2024, 58% of Kemira's revenue came from products that improve customer resource efficiency, e.g. energy and water efficiency and reduced waste generation. Kemira's customers focus increasingly on their products' end-of-life properties such as recyclability and biodegradability. As a result, renewable solutions remain a strategic priority for Kemira. Kemira's renewable solutions strategy is covered in more detail in the Annual Review. Kemira aims to expand its renewable solutions, to reach EUR 500 million in revenue by the end of 2030.

One of the key aims of Kemira's strategy is to become the leading provider of sustainable chemical solution for water-intensive industries. This will be achieved by building on our product portfolio, increasing our focus on water treatment and improving our own use of renewable and recycled raw materials. Kemira continues to innovate and to look for new growth from sustainable products and markets while continuously improving its own processes.

**Kemira's value chain**
Kemira has a global raw material supply chain. Kemira's products are dependent on refined mineral, fossil, renewable and recycled raw material feedstocks. Kemira's position in the value chain is utilizing primary chemicals and further refining those into specialty chemicals.

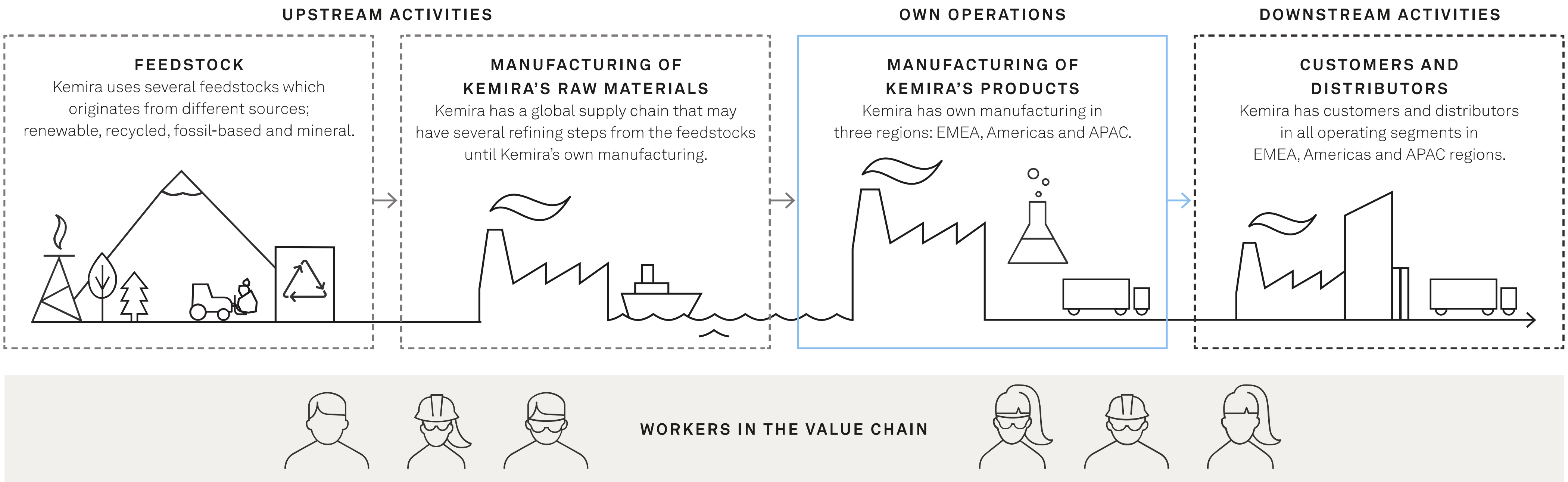
Kemira's offering in both business segments, in Pulp & Paper and in Industry & Water, focuses on:

- products and services which enhance customers' process efficiency and lead to lower energy, water and virgin raw material consumption
- new renewable carbon-based chemistry concepts to lower the carbon footprint in customer end products
- chemistry concepts which enhance the quality of the end products
- digital services to optimize the customers' processes

Based on the materiality assessment outcomes, Kemira's sustainability priorities focus on the most material impacts, risks and opportunities. The materiality assessment considers external and internal stakeholders' expectations, covers the full value chain from upstream to downstream and also considers varying timeframes, from short-term to long-term.

**Interests and views of stakeholders**
Kemira regularly reviews stakeholders' expectations and potential concerns. Our approach to stakeholder engagement includes activities ranging from information sharing to active dialogue and collaboration on issues of mutual interest. The feedback and information gathered from these activities are integrated into Kemira's operational development and decision-making. Stakeholder feedback is considered in setting company strategy. The views of stakeholders were used in the materiality assessment carried out in 2024, which is described in more detail in the Material impacts, risks and opportunities section which follows.

## KEMIRA VALUE CHAIN



## STAKEHOLDER ENGAGEMENT

| Stakeholders | Purpose of engagement | How engagement is organized | Outcomes and impacts on operations, business model and strategy |
|---|---|---|---|
| **Own workforce** | • Direct impact on value creation, operational and sustainability performance<br>• Contribution to a sustainable workplace and working conditions (Health & Safety)<br>• Labor and human rights<br>• Diversity, equity and inclusion (DEI) | • Performance management - Personal development dialogues<br>• Co-operation with employee representatives<br>• Ethics and Compliance hotline and training<br>• Local well-being programs<br>• Surveys and workplace assessment | • Strategy communication<br>• Performance and competence development<br>• Rewards and recognition<br>• Communication from management<br>• Global Initiatives and campaigns<br>• Certified Management System and Internal policy updates |
| **Shareholders and lenders** | • Value creation through dividends and interest payments<br>• Expectations for return on investment, good corporate governance practices and sustainability performance (Climate change mitigation and emissions reduction across the value chain)<br>• Human rights and diversity<br>• Attracting responsible investors<br>• Enhancing transparency | • Regulatory financial communications: financial reporting and stock exchange communication<br>• Roadshows, conference calls and one-to-one meetings<br>• ESG ratings<br>• Capital Market days<br>• Annual General Meeting<br>• Materiality assessment | • Transparent and regular reporting and verified disclosure<br>• Participation in CDP Climate Change and CDP Water Security questionnaires<br>• Responding to rating company and investor questionnaires<br>• ESG rating improvement plans<br>• Communication on sustainability practices |
| **Customers** | • Revenue creation<br>• Providing sustainable solutions<br>• Enabling customers to achieve their targets<br>• Building trust | • Direct customer contacts and customer survey<br>• Customer webinars, events and newsletters<br>• Business partner due diligence<br>• Materiality assessment and sustainability assessments | • Sustainable Product Development and sustainability performance data, like Product Carbon Footprints. Product and process certification<br>• Customer satisfaction (Net Promoter Score) |
| **Suppliers** | • Suppliers' sustainability performance impact on Kemira's business - decarbonization of our value chain<br>• Promoting responsible sourcing and a sustainable value chain - Evaluation of raw material product carbon footprints and emission reduction road map (Climate change, Biodiversity, Circular economy)<br>• Compliance with our Code of Conduct<br>• Protection of human and labour rights of workers | • Active dialogue with suppliers<br>• Supplier performance evaluations<br>• Supplier due diligence<br>• Materiality assessment<br>• Compliance and Ethics channel | • Supplier sustainability assessments and audits<br>• Sourcing sustainable raw materials<br>• Suppliers' commitment to the Code of Conduct for Business Partners<br>• Supplier improvement plans<br>• Harmonized health & safety management system for the company's own and service providers' employees |
| **Affected communities** | • Value creation through tax payments, education and employment<br>• Safety and environmental performance<br>• Building trust and community support<br>• Addressing community concerns, questions and feedback | • Dialogue and collaboration to address community concerns | • EHSQ risk assessments<br>• Open dialogue with communities<br>• Support of local projects |
| **Regulatory bodies** | • Capability to influence political decisions on legislation with an impact on our operations and business<br>• Ensuring regulatory compliance<br>• Promoting sustainable performance<br>• Addressing climate-related transition risks and opportunities | • Subject-specific dialogue with regulatory bodies<br>• Answering public consultations and surveys<br>• Bilateral meetings<br>• Compliance and Ethics channel<br>• Materiality assessment | • Dialogue on EU directive proposals<br>• Business model and strategy alignment<br>• Value creation and risk mitigation from compliance<br>• Resource efficient value chain |
| **Trade associations** | • Developing industry standards on sustainability<br>• Enabling the industry to engage policymakers<br>• Understanding views of value chain workers' representatives | • Memberships in industrial trade associations<br>• Joint initiatives and programs<br>• Inputs into strategic directions<br>• Workshops and knowledge sharing<br>• Bilateral meetings | • Participation in European Chemical Industry Council (CEFIC)<br>• Participation in the Chemical Industry Federation of Finland<br>• Alignment on sustainability practices and measurement standards<br>• Design of value chain workers initiatives |

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Sustainability is embedded into all operations, including Strategy and Enterprise Risk Management (ERM). From the Enterprise Risk Management perspective, integrating sustainability is crucial to mitigating risks and to ensuring long-term resilience. The materiality assessment helps to prioritize the most important risks in the annual review process. Kemira has systematic procedures in place to evaluate and address the environmental, social and governance material impacts of its own operations and business relationships. Kemira's sustainability work is based on day-to-day responsible practices in all our operations. Our corporate sustainability priorities are based on the most material impacts across our business; on the increasing expectations of our customers, investors and other stakeholders and on our commitment to the Kemira Code of Conduct and internationally agreed sustainability principles.

**Double materiality assessment**

The materiality assessment was based on Kemira's strategic priorities and the management's view on Kemira's most important sustainability matters. Kemira's sustainability-related impacts, risks and opportunities were identified and prioritized in a materiality assessment. Kemira's first materiality assessment based on the European Sustainability Reporting Standard was conducted in 2023. It covered Kemira's entire value chain, including own activities as well as activities in the upstream and downstream value chain. The initial results were communicated in the 2023 Sustainability report. The materiality assessment was revised in 2024 to reflect business changes, mainly the divestment of the Oil & Gas business. The materiality scoring was also reviewed and realigned.

The materiality assessment followed General disclosure requirements and the materiality scoring was linked to Kemira's existing internal Enterprise Risk Management scale, both in impact materiality and financial materiality assessments.

Kemira's materiality assessment was a cross-functional work, covering the view of all critical Kemira operations and stakeholders. It brought together expertise from both the financial and sustainability perspectives. Both business segments were represented throughout the assessment. The global approach and engagement of Kemira's higher management and a wide range of internal subject matter experts ensured that high-risk factors were covered in the materiality assessment. All the participants paid attention to the company's impacts on the environment, society, employees and other stakeholders, as well as to the qualitative and financial risks and opportunities for the company's business related to sustainability matters.

Kemira defined six phases for conducting the materiality assessment. The process started with the scoping of impacts, risks and opportunities which were finally validated by Kemira's stakeholders and management. The phases in the materiality assessment were:

1. **Scoping of impacts, risk and opportunities**
   The identification of impacts, risks and opportunities started with a comprehensive review of Kemira's internal documents. This documentation review was complemented with a benchmark study of typical industry-related impacts, risks and opportunities.

2. **Engagement of stakeholders to identify impacts, risks and opportunities**
   For the interviews, key higher management representatives and subject matter experts were identified within Kemira's organization. Stakeholder interviews also included Kemira's customers and investors. The two first phases focused on collecting a list of potential impacts, risks and opportunities for further assessment.

3. **Assessment of identified individual impacts, risks and opportunities**
   Based on the material collected in the first two phases, the impacts, risks and opportunities were reviewed and scored in internal workshops. Separate workshops were held for impact materiality and financial materiality. Impact materiality was scored for severity and likelihood and both positive and negative impacts were scored. Financial materiality was scored for both the scale of potential impacts and their likelihood, considering both risks and opportunities. As a result of the workshops, a comprehensive materiality assessment covering environment, social and governance impacts, risks and opportunities was achieved.

4. **Revision of materiality assessment**
   The materiality assessment was revised and validated several times during the process. The final revision was conducted in 2024. In the latest revision, there were no major changes in the scope of materiality compared to the initial results communicated in the 2023 reporting.

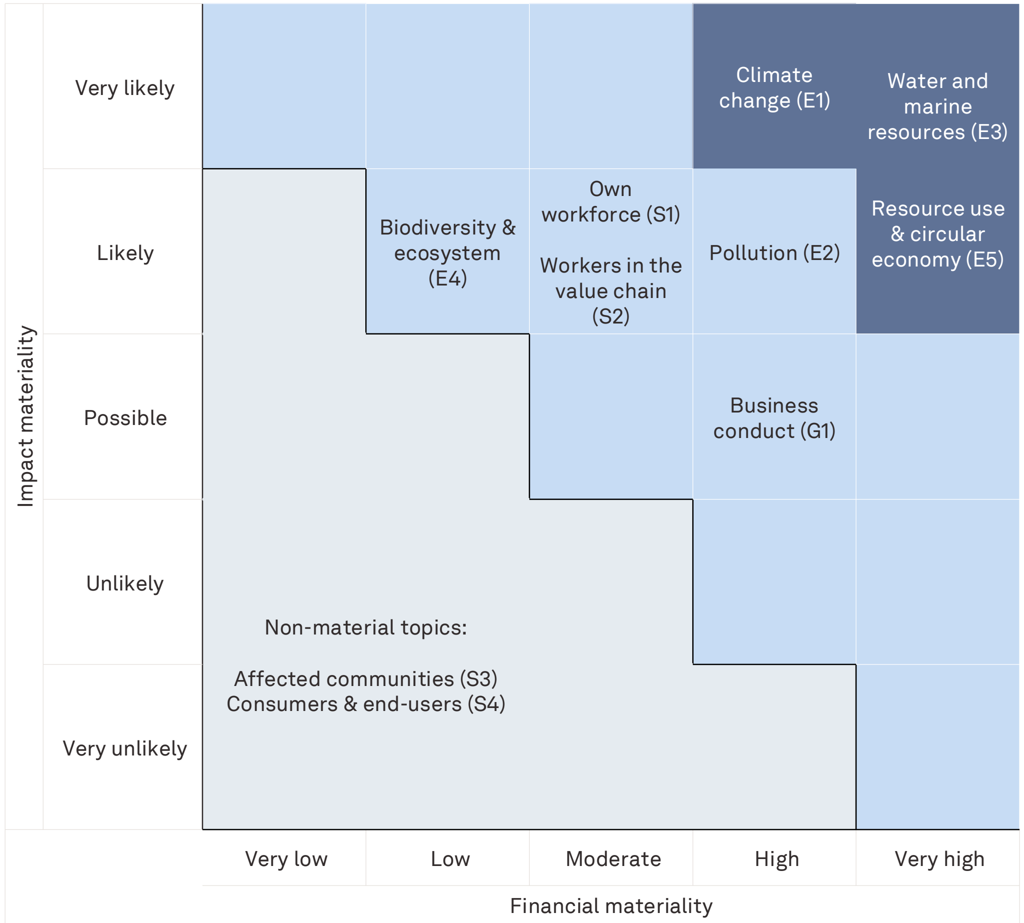
5. **Prioritization of impacts, risks and opportunities**
   The materiality is two-dimensional, taking both impact materiality and financial materiality into account in the prioritization. The prioritization of sustainability related matters is determined based on the original scoring of the impacts, risks and opportunities assessment and the set threshold.

6. **Management review and validation**
   The materiality assessment and the threshold was reviewed and validated with the relevant Kemira governance bodies, the Board of Directors and the Audit Committee.

Based on the materiality assessment conducted, we identified positive and negative impacts on the environment, social and governance topics as well as sustainability-related risks and opportunities that are exposed to financial materiality. The outcome of the materiality assessment is summarized in the assessment scale. The most significant sustainability topics for Kemira in the 2024 reporting period were Climate change, Resource use and the circular economy and Water and marine resources. The result follows Kemira's strategy and anticipated future scenarios. The materiality assessment was conducted on sub-topic level, but all the sub-sub topics were considered as part of the process. The sub-topics' financial materiality were classified as moderate, high or very high and the impact materiality was classified as possible, likely or very likely. Some of the standard topics are more widely represented in the Sustainability statement since for some topics all of the sub-topics were defined to be in the scope of materiality, as presented in the *Material sustainability topics* table. Two social standard topics, Affected communities and Consumers and end-users were found not material, which underlines Kemira's position in the value chain and Kemira's business model.

The materiality assessment is a dynamic process subject to changes and it is reviewed at least annually. It is also planned for the materiality assessment to be integrated into Kemira's Strategy and Enterprise Risk Management processes.

**Assessment scale for impacts, risks and opportunities**



### Results of material impact, risks and opportunities for sustainability topics

| | | Position in the value chain | | | | | Number of impacts risks and opportunities | |
|---|---|---|---|---|---|---|---|---|
| Standard | Material topics and sub-topics | Upstream | Own operations | Down-stream | Material impacts | Financial materiality | Identified | Material |
| E - Environment | **E1 Climate change** | | | | | | **30** | **9** |
| | Energy | | ● | ↘ | Positive, Negative | Risk, Potential risk | | 4 |
| | Climate change adaptation | | ● | | | Potential risk | | 1 |
| | Climate change mitigation | ↗ | ● | ↘ | Positive, Negative | Potential opportunity, Potential risk | | 4 |
| | **E2 Pollution** | | | | | | **19** | **4** |
| | Pollution of air, water, soil | ↗ | ● | | Negative | Potential risk | | 3 |
| | Substances of concern or very high concern | ↗ | ● | ↘ | Potential negative | | | 1 |
| | **E3 Water and Marine resources** | | | | | | **18** | **6** |
| | Water | ↗ | ● | ↘ | Positive, Negative | Potential opportunity, Potential risk | | 6 |
| | **E4 Biodiversity and ecosystems** | | | | | | **16** | **2** |
| | Direct impact drivers of biodiversity loss | ↗ | | ↘ | Positive, Negative | | | 2 |
| | **E5 Resource use and circular economy** | | | | | | **28** | **11** |
| | Resource inflows including resource use | ↗ | ● | ↘ | Positive, Negative | Opportunity | | 3 |
| | Resource outflows related to products and services | | ● | ↘ | Positive | Opportunity | | 5 |
| | Waste | ↗ | ● | ↘ | Negative | | | 3 |
| S - Social | **S1 Own workforce** | | | | | | **28** | **7** |
| | Working conditions | | ● | | Positive, Negative | Potential opportunity | | 3 |
| | Equal treatment and opportunities for all | | ● | | Potential negative | Risk | | 3 |
| | Other work-related rights | | ● | | Potential negative | | | 1 |
| | **S2 Workers in the value chain** | | | | | | **15** | **4** |
| | Working conditions | ↗ | | | Negative, Potential negative | | | 3 |
| | Other work-related rights | ↗ | | | Potential negative | | | 1 |
| G - Governance | **G1 Business conduct** | | | | | | **30** | **7** |
| | Corporate culture | | ● | ↘ | Positive, Potential negative | Potential opportunity, Potential risk | | 5 |
| | Political engagement and lobbying activities | | ● | | | Potential opportunity | | 1 |
| | Corruption and bribery | ↗ | ● | ↘ | Potential negative | | | 1 |

● Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

**Identification of material impacts, risks and opportunities for sustainability topics**
Kemira's business model, strategy, policies and ways of working were part of identifying material impact risks and opportunities for environmental, social and governance topics. Based on the materiality assessment conducted, a total number of 212 positive and negative impacts, risks and opportunities were identified and 50 were found to be material.

### Environment information

Significant environmental aspects and impacts on own operations at Kemira's group-level are identified annually, based on collected environmental data. On site level, identification of significant environmental impacts, risks and opportunities are included in the sites' Environment, Health, Safety and Quality (EHSQ) Risk Assessment process that is based on Kemira's EHSQ Assessment procedure. Affected communities are included in site-level risk assessments as a stakeholder group that needs to be considered. Site-specific EHSQ Risk Assessments are internally updated and audited regularly by Kemira's EHSQ function and externally by accredited ISO 14001 auditors. Results are reported in Kemira's sustainability reporting system.

Environmental impacts and risks are initially assessed as part of the environmental permitting process of the sites and the Environmental Impacts Assessments (EIA) at the sites where the assessment is required. Both the environmental permitting process and EIA include consultation with affected communities. Communities affected by environmental permitting have the opportunity to appeal on the permit and the EIA process includes public consultation of affected communities. Results of the site-level assessment of impacts, risks and opportunities have been considered in the risk assessment at a high level, including Global Environmental Impacts and Aspects assessment, the Enterprise Risk Management Process and materiality assessment.

Actual positive and negative impacts and risks as well as potential risks and opportunities were identified in the **Climate change** topics. Together with materiality assessment and Kemira's climate risk scenario, Kemira has developed a climate risk matrix to evaluate the materiality of these climate-related impacts, risks and opportunities and to establish a methodology for risk assessment. The materiality assessment identified various climate-related impacts, risks and opportunities, including transition and physical risks, and opportunities for enhancing efficiency, adopting new technologies and accessing new markets through sustainable innovations.

From a business case perspective the most significant climate risk to Kemira's own operations is related to our energy-intensive manufacturing operations. These operations face potential regulatory restrictions, fluctuations in supply and demand, volatility in energy prices and challenges in securing renewable energy. While Kemira has implemented several mitigation actions to address these risks, we recognize the need for further investigation and improvement. Kemira is committed to further develop its methodology to better capture our exposure to climate risk and to explore additional ways to integrate climate change considerations into our existing processes. This aims to reduce uncertainties and to enhance our resilience to climate-related challenges. Information on the management of climate related impacts, risks and opportunities can be found in more detail under *Identification and management of material impacts, risks and opportunities* in the *E1 Climate change* section.

Actual negative impacts and potential risks for **Pollution of air, water and soil** and potential negative impacts for **Substances of concern or very high concern** were identified as a result of the materiality assessment. Pollution through potential spills and accidental chemical releases as well as actual and potential environmental liabilities related to soil or closed activities was identified as material aspects. Pollution of air and water through air emissions and water effluent from sites which is related to normal operations have not been identified as a material aspect. Substances of concern or very high concern may cause negative impacts on people and the environment.

Actual positive and negative impacts and potential opportunities and risks were identified for **Water**. High water consumption in own operations was identified as a material impact. **Marine resources** is not considered  a material topic for Kemira. Dependency on marine resources is limited to the withdrawal of sea water for use as cooling water at one manufacturing site with a single-pass cooling water system and the discharge of a limited amount of process water with no treatment requirement, such as cooling tower blowdown to sea at two sites.

Based on an internal study, supported by an external partner, on biodiversity impacts and dependencies in 2024, high water consumption and discharge was identified as a material negative impact part of both the upstream and downstream value chain. Based on the study, a roadmap has been created and Kemira will report in more detail on the identification and assessment of material impacts, risks and opportunities in the upcoming years.
Using location based water stress and water scarcity data and the results of site level EHSQ Assessments, sites with potential risk are selected for a more detailed water risk assessment

which includes site interviews and operational risk assessments using the WWF Water Risk Filter. Site-specific substantive freshwater use and consumption risks were not identified within the timeframe of 3 to 6 years into the future in relation to water stress and water scarcity.

Water stress and water scarcity risks in own operations are assessed by the EHSQ function annually, using World Resources Institute's (WRI) Aqueduct tool to identify sites in water stress areas and the World Wide Foundation (WWF) Water Risk Filter for water scarcity risk in different future scenarios. Most of Kemira's water consumption takes place at sites that are not located within water stress areas. Kemira has 12 sites (21% of the sites) located within water stress areas. In "high" or "extremely high" water stress areas more than 40% of available water is used by industry, households and agriculture.

Actual positive and negative impacts were identified from the upstream and downstream value chain for Direct impact drivers of biodiversity loss in **Biodiversity and ecosystems**. Kemira did not identify actual or potential material impacts, risks or opportunities on biodiversity and ecosystems at own site locations. Material negative impacts with regards to land degradation, desertification or soil sealing were also not identified.

Potential and actual material impacts and opportunities were identified in the whole value chain in **resource use and waste**. The main information sources in the materiality assessment on resource use and the circular economy were industry specific future roadmap studies, benchmarks of sustainability leaders in the chemical industry and internal and external stakeholder interviews. Stakeholders were chosen for the materiality assessment based on stakeholder engagement analysis. The focus in the selection was on the most influential stakeholders from a resource use and circular economy point of view. Kemira is planning to consult a broader set of stakeholders over the upcoming years, to complement the materiality assessment with the views of e.g. affected communities.

### Social information

Potential and actual material impacts, risks and opportunities were identified in **Own workforce** along with actual and potential negative impacts in the **Workers in the value chain**. The analysis of social related impact, risk and opportunity was based on internal interviews and materials as well as on Kemira's latest Human Rights Impact Assessment framework which was created in cooperation with an external partner. The methodology of the Human rights Impact Assessment was based on the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance.

The identified material impacts, risks and opportunities were included in a more comprehensive analysis (Human Rights Due Diligence Risk Assessment) which was carried out together with Kemira's key subject matter experts. The analysis was built on the identification and assessment of affected stakeholders and a consideration of the high-risk factors related to Kemira's business model and strategy. The most significant high risk factors were assessed to be the nature of work for the different value chain worker groups who are likely to be impacted, geographical location and chemical properties and their usage volumes. Within each worker group particularly vulnerable workers were identified. The identification was done by assessing the potential negative impact against the nature of the work and the environment in which the actual work is conducted.

### Governance information

Actual positive impacts and potential negative impacts, risks and opportunities were identified in **Corporate conduct**, potential opportunities in **Political engagement and lobbying activities**, and potential negative impacts in **Corruption and bribery**. When carrying out the materiality assessment for these topics, the following criteria were taken into consideration: industry sector, nature of operations, geographical scope of operations and the typical structure of business transactions.

# ESRS Content Index

# Environment

## EU taxonomy

The European Union's target is to reduce net greenhouse gas emissions to zero by 2050. In order to reduce greenhouse gas emissions and to better engage the private sector in the green transition, the EU has introduced the EU taxonomy, a common classification system to define environmentally sustainable economic activities. The aim of the taxonomy is to classify economic activities based on their contribution to six environmental objectives 1) climate change mitigation, 2) climate change adaptation, 3) sustainable use and protection of water and marine resources, 4) transition to a circular economy, 5) pollution prevention and control, and 6) protection and restoration of biodiversity and ecosystems. The EU taxonomy is still developing and as yet does not cover all economic activities. For 2024, companies are required to disclose what proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) are both eligible and aligned according to the EU taxonomy's two environmental objectives and eligible according to the EU taxonomy's environmental objectives 3–6. *

The manufacturing sector, which Kemira is considered to be part of, is largely out of the scope of the current legislation. Currently this mainly includes the manufacturing of basic materials and chemicals such as chlorine, soda ash and hydrogen. Kemira on the other hand mostly produces specialty chemicals and therefore its current eligibility and alignment figures are low. The EU taxonomy's third environmental objective covers the sustainable use of water. However, it does not include enabling activities for the sustainable use of water, but instead focuses more on activities that are directly linked to water infrastructure, from construction to operation to renewal of water infrastructure. Kemira's products are essential for clean drinking water and wastewater, but they are currently excluded from the scope of the EU taxonomy. Kemira is in active dialogue with the EU commission regarding the scope of the EU taxonomy and the importance of chemicals as an enabler for water infrastructure.

### ACCOUNTING PRINCIPLES

The EU taxonomy requires the disclosure of three financial indicators: turnover, capital expenditure (CapEx) and operating expenditure (OpEx). These indicators are defined by the EU taxonomy and the definitions differ from the IFRS-definitions of CapEx and OpEx, which are used elsewhere in Kemira's financial reporting. Kemira has calculated the KPIs based on the definitions used in the EU taxonomy and has taken a conservative approach when interpreting the EU Taxonomy Regulation. The EU taxonomy also requires companies to disclose how they have avoided double counting of their economic activities. Kemira avoided double-counting by ensuring that turnover, CapEx and OpEx were only allocated once to the taxonomy activities and only to one environmental objective: climate change mitigation. Kemira does not contribute to multiple environmental objectives.

### KEMIRA'S TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (PLEASE SEE TABLES ON FOLLOWING PAGES FOR A MORE DETAILED BREAKDOWN)

| Key Performance Indicator | Total (MEUR) | Share of taxonomy-eligible economic activities (%) | Share of taxonomy non-eligible economic activities (%) | Share of taxonomy aligned economic activities (%) | Share of taxonomy non-aligned economic activities (%) |
|---|---|---|---|---|---|
| Turnover | 2,948.1 | 0 | 100 | 0 | 100 |
| Capital expenditure (CapEx) as per definition of the EU Taxonomy | 208.7 | 1 | 99 | 0 | 100 |
| Operating expenditure (OpEx) as per definition of the EU Taxonomy | 109.4 | 0 | 100 | 0 | 100 |

Turnover in EU Taxonomy equals revenue in Kemira's financial reporting. Capex as per the definition of the EU taxonomy equals Kemira's reported capital expenditure with additions into right-of-use assets. Opex as per the definition of the EU taxonomy equals direct R&D and maintenance expenditure. Please refer to the Financial Statements note 2.1 for more information on revenue, 3 for capital expenditure and 2.2 for operating expenditure.

**Turnover**. Kemira's eligible turnover mainly consisted of industrial by-products, such as hydrogen and waste heat that is sold for district heating. Kemira's waste heat turnover is taxonomy-aligned, while hydrogen turnover is not taxonomy-aligned due to the lack of life-cycle-assessments in a form required by the EU Taxonomy Regulation.
**Capital expenditure.** Kemira had no revenue-related CapEx as the taxonomy-eligible turnover consisted of industrial by-products for which Kemira does not specifically spend CapEx. In terms of individually sustainable CapEx**, Kemira spent EUR 1.2 million CapEx on electric vehicles in 2024.

**Operating expenditure.** Kemira had no revenue-related OpEx as the taxonomy-eligible turnover consisted of industrial by-products on which Kemira does not specifically spend OpEx. Based on Kemira's analysis, individually sustainable OpEx** was not material in 2024.

*Taxonomy-eligibility means that an activity is classified in the taxonomy, which is an indication that it might have a substantial contribution to one of the six environmental objectives of the taxonomy. Taxonomy-aligned means that an activity is environmentally sustainable, according to the EU taxonomy criteria. Economic activities are considered to be aligned according to the EU taxonomy when they:

- Make a substantial contribution to one of the six objectives mentioned above and they comply with certain technical screening criteria.
- Do no significant harm (DNSH) to the achievement of any other objective of the EU taxonomy.
- Comply with minimum safeguards for human rights, taxation, corruption and fair competition.

Kemira has assessed its eligible revenue based on the above categories, to determine whether the taxonomy-eligible activities are also taxonomy-aligned activities. In 2023, Kemira performed a minimum safeguards self-assessment in relation to the EU Taxonomy reporting in the fields on human rights, taxation, corruption and fair competition. The conclusion from this assessment is that Kemira meets the EU Taxonomy minimum safeguards on a group level. In its taxonomy reporting, Kemira has taken into account the latest regulation regarding DNSH criteria and delegated acts.

**Individually sustainable CapEx / OpEx refers to CapEx / OpEx that enables an economic activity to be conducted in a low-carbon manner or to reduce greenhouse gas emissions.

## FORM 1 FOR THE ECONOMIC ACTIVITIES OF CERTAIN ENERGY SECTOR – NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

| Row | Nuclear energy related activities | |
|---|---|---|
| 1. | The undertaking carries out, funds or has exposures to the research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies. | NO |
| 3. | The undertaking carries out, funds or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| | **Fossil gas related activities** | |
| 4. | The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

## TURNOVER

| Financial year 2024 | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (a) (2) | Turnover (3) | Proportion of Turnover, year 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy aligned)** | | | | | | | | | | | | | | | | | | | |
| Production of heat/cool from waste heat | 4.25 | 7.4 | 0.3% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | | Y | Y | Y | Y | Y | Y | 0.2% | | |
| **Turnover of environmentally sustainable activities (Taxonomy Aligned (A.1)** | | **7.4** | **0.3%** | **0.3%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.2%** | | |
| Of which Enabling | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| Of which Transitional | | | 0.0% | 0.0% | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Manufacture of hydrogen | 3.10 | 5.2 | 0.2% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.1% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **5.2** | **0.2%** | **0.2%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.1%** | | |
| **A. Turnover of Taxonomy eligible activities (A.1+A.2)** | | **12.6** | **0.4%** | **0.4%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.4%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 2,935.5 | 99.6% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **2,948.1** | **100.0%** | | | | | | | | | | | | | | | | |

EL = eligible
N/EL= non-eligible

## CAPEX

| Financial year 2024 | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic Activities (1)** | Code (a) (2) | CapEx (3) | Proportion of CapEx, year 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy aligned)** | | | | | | | | | | | | | | | | | | | |
| Production of heat/cool from waste heat | 4.25 | 0.0 | 0.0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | | Y | Y | Y | Y | Y | Y | 0.0% | | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0.0** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.0%** | | |
| Of which Enabling | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| Of which Transitional | | | 0.0% | 0.0% | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Manufacture of hydrogen | 3.10 | 0.0 | 0.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 1.2 | 0.6% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.0% | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **1.2** | **0.6%** | **0.6%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **1.0%** | | |
| **A. CapEx of Taxonomy eligible activities (A.1+A.2)** | | **1.2** | **0.6%** | **0.6%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **1.0%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 207.5 | 99.4% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **208.7** | **100.0%** | | | | | | | | | | | | | | | | |

EL = eligible
N/EL= non-eligible

## OPEX

| Financial year 2024 | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic Activities (1)** | Code (a) (2) | OpEx (3) | Proportion of OpEx, year 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy aligned)** | | | | | | | | | | | | | | | | | | | |
| Production of heat/cool from waste heat | 4.25 | 0.0 | 0.0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | | Y | Y | Y | Y | Y | Y | 0.0% | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0.0** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.0%** | | |
| Of which Enabling | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| Of which Transitional | | | 0.0% | 0.0% | | | | | | | | | | | | | | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Manufacture of hydrogen | 3.10 | 0.0 | 0.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 0.0 | 0.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **0.0** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.0%** | | |
| **A. OpEx of Taxonomy eligible activities (A.1+A.2)** | | **0.0** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | **0.0%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 109.4 | 100.0% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **109.4** | **100.0%** | | | | | | | | | | | | | | | | |

EL = eligible
N/EL= non-eligible

# E1 Climate change

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO ENERGY AND CLIMATE CHANGE

| Material impacts, risks and opportunities | Position in the value chain | Key management areas of processes and policies |
|---|---|---|
| **Energy** | | |
| Kemira's operations, particularly production of sodium chlorate, are very energy-intensive | Own operations | • Kemira has an Integrated Management System that follows the ISO 14001 standard, with third-party verification, and the system is improved and developed continuously<br>• Kemira is committed to Finland's Energy Efficiency Agreement (2017-2025), initiated EnRe5 to reduce energy use by 5% from the 2022 baseline within two to three years, and completed by Kemira's own E3plus program<br>• Kemira's strategy focus on long-term power purchase agreements (PPA), securing guarantees of origins (GOO), and further electrification of our operations. By the end of 2025, we aim to have carbon-free electricity at all our sites in Finland.<br>• Kemira's SBTi commitment will strive for continuous improvement in Scope 1 and 2 emissions |
| The majority of the purchased energy comes from low-carbon sources | Own operations | |
| Kemira's operations generate greenhouse gas emissions from fossil-based energy especially in the USA and China | Own operations | |
| Climate-related transition risks arising from energy price volatility, which can significantly affect our operational costs and the financial performance of our energy-intensive clients | Own operations<br>↘ Downstream | • Kemira has implemented sourcing programs to mitigate energy price volatility risks<br>• Kemira has adapted manufacturing procedures for production optimization in response to energy cost fluctuations |
| **Climate change adaptation** | | |
| Climate change related risks could cause financial impacts to Kemira's operations, e.g. by disrupting manufacturing production, blocking transport routes, limiting access to facilities. Climate-related risks might require investments to mitigate risks arising from extreme weather conditions. | Own operations | • Kemira manages the physical chronic and acute climate-related risks by enhancing infrastructure robustness, optimizing critical systems maintenance, and advancing emergency and resource strategies. |
| **Climate change mitigation** | | |
| Kemira's activities generate greenhouse gas emissions (Scope 1 and 2), driven by energy use in manufacturing | Own operations | • Kemira is committed to Finland's Energy Efficiency Agreement (2017-2025), initiated EnRe5 to reduce energy use by 5% from the 2022 baseline within two to three years, and our E3plus program.<br>• Kemira has a power purchase agreements (PPA) program to phase out fossil-based energy.<br>• Kemira's SBTi commitment will strive for continuous improvement in Scope 1 and 2 emissions. |
| Kemira's upstream and downstream value chains generate over 80% of Kemira's total greenhouse gas emissions (Scope 3), which are mainly generated from purchased goods and services | ↗ Upstream<br>↘ Downstream | • Kemira's SBTi commitment will strive for continuous improvement in Scope 1, 2 and 3 emissions, also reducing Kemira's reliance on fossil-based energy.<br>• Kemira has launched a supplier-engagement program to improve Scope 3 emissions process.<br>• Kemira has an internal process to manage substances of potential concern and develop management plans for them, including the possibility of replacing substances subject to stricter regulation. |
| Inability to transition from fossil-based raw materials to alternatives creates a climate-related transition risk which might decrease the demand for Kemira's products. Restricting the use of currently used oil-based raw materials is a risk for the industry. | Own operations | |
| Increased emissions reduction requirements and moving away from fossil-based materials together with pressure to optimize industrial processes creates demand for chemicals and solutions as well as sales for renewable products | ↗ Upstream<br>Own operations<br>↘ Downstream | • Kemira's New Product Development (NPD) processes ensure that projects demonstrate both sustainability and business benefits.<br>• Kemira's Growth Accelerator unit accelerates the commercialization of new and unique renewable and biomaterials into our current markets and creates business opportunities in new adjacent markets. |

Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

**Identification of material impacts, risks and opportunities**

Kemira has identified climate-related impacts, risks and opportunities through the materiality assessment process, which can be found under *Impacts, risks and opportunities* in the *General disclosure* section. The management of identified climate-related impacts, risks and opportunities is summarized in the table on the previous page.

**Strategy and transition plan**

As a company, Kemira is committed to operating in a manner that minimizes its negative impact and maximizes our positive contributions to achieving the UN Sustainable Development Goals (SDGs). More detailed information on Kemira's SDGs can be found in the *Board of Directors' review*.

Kemira is also committed to the Science Based Targets initiative (SBTi) to ensure climate action, which is fact-based and aligned with the expectations of our stakeholders and the scientific community. Kemira's climate targets were validated by the Science Based Targets initiative in 2024. Additionally, Kemira joined the Renewable Carbon Initiative, to demonstrate our commitment to accelerate the shift from fossil carbon to renewable carbon and raw materials. Kemira's near-term Scope 1 and 2 target is in line with the Paris Agreement target to limit global warming to 1.5°C. Kemira is not excluded from the EU Paris-aligned Benchmarks (PAB). More detailed information on the SBTi targets can be found under *Targets related to Climate change*.

Kemira's supports customers in becoming more sustainable by offering sustainable chemical solutions. Climate-related impacts, risks, and opportunities are integral to our business model and strategy. The considerations of our climate-related impacts, risks, and opportunities are embed into our operations by assessing the climate resilience of our business and by focusing on climate-related transition and physical risks and opportunities, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Kemira conducted an initial climate risk scenario analysis following the TCFD framework in 2022, followed by a second phase in 2023, with support from external parties. These assessments evaluated climate risks from a global perspective and included local evaluations across Kemira's 11 manufacturing sites and 8 business functions. This established process can be applied across all of Kemira's manufacturing sites and functions over time, providing a comprehensive assessment of our climate risk.

Climate-related transition risks and opportunities are also an integrated aspect of Kemira's investment strategy. Kemira's New Product Development (NPD) process ensures that successful projects clearly demonstrate both sustainability and business benefits, with every decision to proceed to product launch. We conduct comprehensive sustainability evaluations, assessing the economic, environmental and social impacts of new products and solutions on both our operations and those of our customers. The New Product Development process aims to improve the sustainability performance of each product that is replaced, including climate-related indicators for both reducing the footprint and increasing the handprint.

The climate risk scenario analysis included interviews with Business Controllers and Finance functions, to evaluate the financial impact of identified risks on the company. The climate risk scenario analysis was evaluated across three time horizons: short-term (until 2030), medium-term (2030-2050), and long-term (2050 and beyond). The analysis included 15 transition risks, including policy and legal, reputational, technological and markets risks, as well as five physical risks, including acute and chronic risks. In addition, it identified various opportunities. Climate change scenarios from the Intergovernmental Panel on Climate Change (IPCC), specifically the Representative Concentration Pathways (RCPs), were used to evaluate these risks and opportunities. RCP 2.6 represents a scenario where the global temperature rise remains below 2°C by 2100, reflecting the strictest possible regulatory environment, while RCP 8.5 is considered a worst-case scenario with continued emissions increases through 2100, leading to severe chronic and acute climate risks. Risks and opportunities were assessed for their potential to materialize under one, both or neither of these scenarios.

As a company operating in a high climate impact sector, Kemira acknowledges a responsibility for sustainability and protecting the planet. Complementing these efforts, an in-depth geographical climate risk assessment will be completed in 2025, strengthening our resilience against future regulatory requirements, such as carbon pricing mechanisms that can impact energy and chemical raw materials. In late 2023, Kemira conducted a geographical climate risk assessment with an external third party. This assessment was based on site location coordinates and utilized several international databases, and the initial high-risk locations were identified. Kemira is committed to not only measuring and tracking greenhouse gas (GHG) emissions but also actively working to reduce them. Kemira's strategy supports the company's operations to focus on reducing reliance on fossil fuels and to significantly increase the proportion of biobased products by 2030. To mitigate potential negative impacts within their value chains, Kemira actively encourages suppliers to transition to renewable energy sources.

Since Scope 3 emissions constitute more than 80% of Kemira's total GHG emissions, engagement with value chain partners is crucial. Most of the supply chain emissions stem from purchased goods and services, primarily originating from hard-to-abate sectors. To address this, Kemira has identified and implemented several strategic levers aimed at reducing emissions within our own supply chain.

Also the transition to renewable resources is one of the core elements in Kemira’s product portfolio strategy. In 2024, Kemira intensified efforts to minimize these impacts by enhancing energy efficiency and adopting strategic energy-sourcing practices. Through ongoing improvements in energy efficiency at manufacturing sites, Kemira is consistently decreasing energy consumption, emissions and associated costs.

In 2025, Kemira will complete a climate transition plan to bind together all climate related initiatives and activities. This plan will be included in action and resource planning as well as integrated in Kemira business plans.

### POLICIES RELATED TO CLIMATE CHANGE

As Kemira strives to become the leading provider of sustainable chemical solutions, we acknowledge our dual responsibility to drive positive impacts by helping industries adopt more sustainable practices and minimize potential negative impacts, such as emissions, from our energy-intensive manufacturing operations.

Kemira is committed to operating safely and responsibly and reducing its impacts through its whole value chain whilst also continuously improving its sustainability performance following strategy, the Code of Conduct and other policies and the Integrated Management System. Kemira's Integrated Management System is intended to ensure that Kemira can meet its commitments and be compliant with the applicable requirements. The Sustainability Policy includes e.g Kemira's commitment to climate change mitigation and adaptation and to energy efficiency and renewable energy deployments. It is aligned with the Kemira Code of Conduct and other internal Kemira policies. Kemira’s sustainability approach is also contributing to the risk management process at Kemira, as defined in the Kemira Group Risk Management Policy. Key contents, scope, the process, accountability and availability of the policies is described in the *G1 Business Conduct* section, under *Corporate Culture and Business Conduct Policies.*

Kemira monitors and reviews information on the relevant interested parties and their specific requirements at least once a year. Partners in our value chain are evaluated for their sustainability performance, in line with Kemira's Code of Conduct for Business Partners policy. Kemira’s suppliers must follow our Code of Conduct for Business Partners in their business activities, with set requirements for environmental responsibility. Kemira also has a due diligence process that must be applied to all new agents and distributors who act as third parties for Kemira. In addition, Kemira continued enrolling its suppliers into the Kemira Sustainability program by assessing them through EcoVadis. In 2024, a total of 528 suppliers have gone through the assessment. This assessment also addresses the suppliers' commitment to the SBTi as well as their quantitative objectives in environmental matters. Results with low scores were reviewed together with suppliers and improvement plans were made accordingly.

### ACTIONS RELATED TO CLIMATE CHANGE

Kemira has actions which relate to climate change impacts, risks and opportunities from our suppliers to own manufacturing. Kemira's supply chain decarbonization actions focus on improving resource efficiency and on encouraging suppliers to switch to renewable energy. In 2023, Kemira launched a Supplier Engagement Program to collect product carbon footprint data ("primary data") from our suppliers, replacing general secondary data. This approach enhances our Scope 3 emissions process, identifies reduction opportunities and supports lifecycle decarbonization. The program also improves emissions data quality for raw materials, benefiting both our sustainability goals and our value chain partners, while positively impacting local communities and customers.

In 2023, Kemira assessed the top 350 Raw Material Suppliers, corresponding to 98% of cumulative emissions from raw materials and trade goods. Less than half of these suppliers publicly report Scope 1 and 2 emissions or have set targets for these emissions. Approximately 20% of the suppliers report their Scope 3 emissions and only 7% have set targets for Scope 3 reductions. Around 50 supplier entities have committed to or have set SBTi targets, either near-term or net-zero. Kemira conducted an internal abatement cost analysis for Scopes 1, 2 and 3 in 2024. For Scope 1 and 2, the analysis showed that the most cost effective way to reduce emissions is to concentrate on low carbon and carbon-free energy sourcing related to Scope 2.

**Energy**

Kemira continued implementing our E3plus (Energy Efficiency Enhancement) program throughout 2024. This initiative aims to reduce the overall specific energy consumption at Kemira's own manufacturing sites. In 2024, we achieved significant energy savings through the implementation of 55 projects across Kemira's operations, resulting in a total of 20,675 MWh per year of energy savings, equivalent to EUR 1.1 million in savings. Since the start of the E3plus program in 2010, more than 725 projects have been implemented, estimated cumulatively saving EUR 16 million. Kemira is also participating in Finland's voluntary national Energy Efficiency Agreement ("Energiatehokkuussopimus") for the period 2017–2025, which is part of Finland's national ratification of the EU's response to the Paris Climate Agreement. Since 2017, the total energy savings reported to the National Energy Authority in Finland ("Energiavirasto") amount to 125,000 MWh per year, equivalent to approximately EUR 3.8 million a year.

In addition, we continued the Energy Reduction 5% (EnRe5) program which especially targets Kemira's own coagulant and polymer manufacturing sites. This program aims to achieve a 5% reduction in energy consumption over the next two to three years, using 2022 as the base year. During 2024, 18 projects were identified which resulted in a saving of around 16,000 MWh of energy. This corresponds to a total reduction of 8.5%, which significantly surpasses the initial target of a 5% reduction in energy consumption. To date, the database includes over 68 projects, collectively achieving energy consumption savings of approximately 55,000 MWh.

**Climate change adaptation and mitigation**

Kemira launched a new Growth Accelerator unit in 2022, to accelerate the commercialization of new and unique biomaterials into our current markets and to create business opportunities in new, adjacent markets for both new and existing Kemira products. Kemira has set a target of growing the revenue from Kemira's renewable solutions to more than EUR 500 million by 2030 and achieved EUR 240 million in 2024.

Kemira has initiated several research and development projects to increase the share of renewable and recycled materials used as raw materials for own products. These projects aim to reduce the product carbon footprint of these products and to meet other sustainability market demand drivers. One of Kemira's approaches to replacing fossil raw materials is the mass balance concept, which enables quick expansion towards biobased and sustainable products and having a significantly lower carbon footprint compared to traditional products. This means that renewable raw materials can be utilized in existing production infrastructures, creating identical product quality and performance in making conventional products. The mass balanced products have an ISCC PLUS* certification for the mass-balance accreditation. Kemira produces certified biomass balance products in ISCC-accredited manufacturing sites in multiple locations and supplies them to customers globally in water-intensive industries. In 2022, Kemira was the first company in the world to sell ISCC PLUS-certified polyacrylamide (PAM) polymers.

To further reduce reliance on fossil fuels like oil and gas derivatives, Kemira focuses on obtaining renewable energy attributes and energy efficiency programs for the most emissions- and electricity-intensive manufacturing sites. Other projects, such as replacing fossil fuels with biofuels and modifying processes that use hydrogen generated from carbon-containing feedstocks to either directly purchase green hydrogen or to generate green hydrogen onsite are also due to be considered. Kemira's strategy to reduce reliance on fossil fuels is a combination of renewable power purchase agreements (RE-PPAs), equity ownership of low-emission portfolio power companies trough Teollisuuden Voima and Pohjolan Voima and the further electrification of our processes. For instance, Kemira's Mojave site in California has recently agreed to install a 927-kW photovoltaic solar system to power the site.

Kemira has two Power Purchase Agreements in wind power and an ownership in Pohjolan Voima Oyj and Teollisuuden Voima Oyj (Financial statements note 3.5 Other Shares) producing $CO_2$-free electricity with nuclear and hydro power plants in Finland. $CO_2$-emissions and energy efficiency matters are considered in capital investments, thus also affecting non-current assets (Financial note 3.3 Property, Plant and Equipment) as well as future cash flow forecasts used in goodwill impairment testing (Financial note 3.1 Goodwill).

To clarify its focus on sustainability and strategic priorities, Kemira divested its Oil & Gas related portfolio in early 2024. The divestment reduced Kemira's emissions in all three Scopes which was then taken into account in the SBTi target setting. Changes in Kemira's business structures since 2018 have corresponded to a decrease of 35,770 tonnes of CO2eq, resulting from business transactions and the closure of certain sites.

While the specific costs associated with energy and climate change mitigation and adaptation efforts have not yet been fully quantified and allocated, Kemira is proactively implementing measures to manage these risks. Climate change-related natural catastrophes, such as more frequent and severe weather events present significant risks to manufacturing infrastructure, supply chains and downstream business activities.

To address these risks, Kemira is considering several response measures, including:

- Reinforcing critical infrastructure,
- Inspecting and maintaining heating and cooling systems in manufacturing areas and warehouses,
- Establishing comprehensive preparedness plans to ensure safety, including increasing site cooling systems capacities and increasing automation to reduce manual labor,
- Installing backup generators to ensure the functionality of critical equipment during power outages,
- Increasing inventory levels before severe weather seasons,
- Preparing contingency plans with alternative raw material suppliers and implementing a dual supplier policy,
- Constructing dykes and embankments at sites susceptible to flooding.

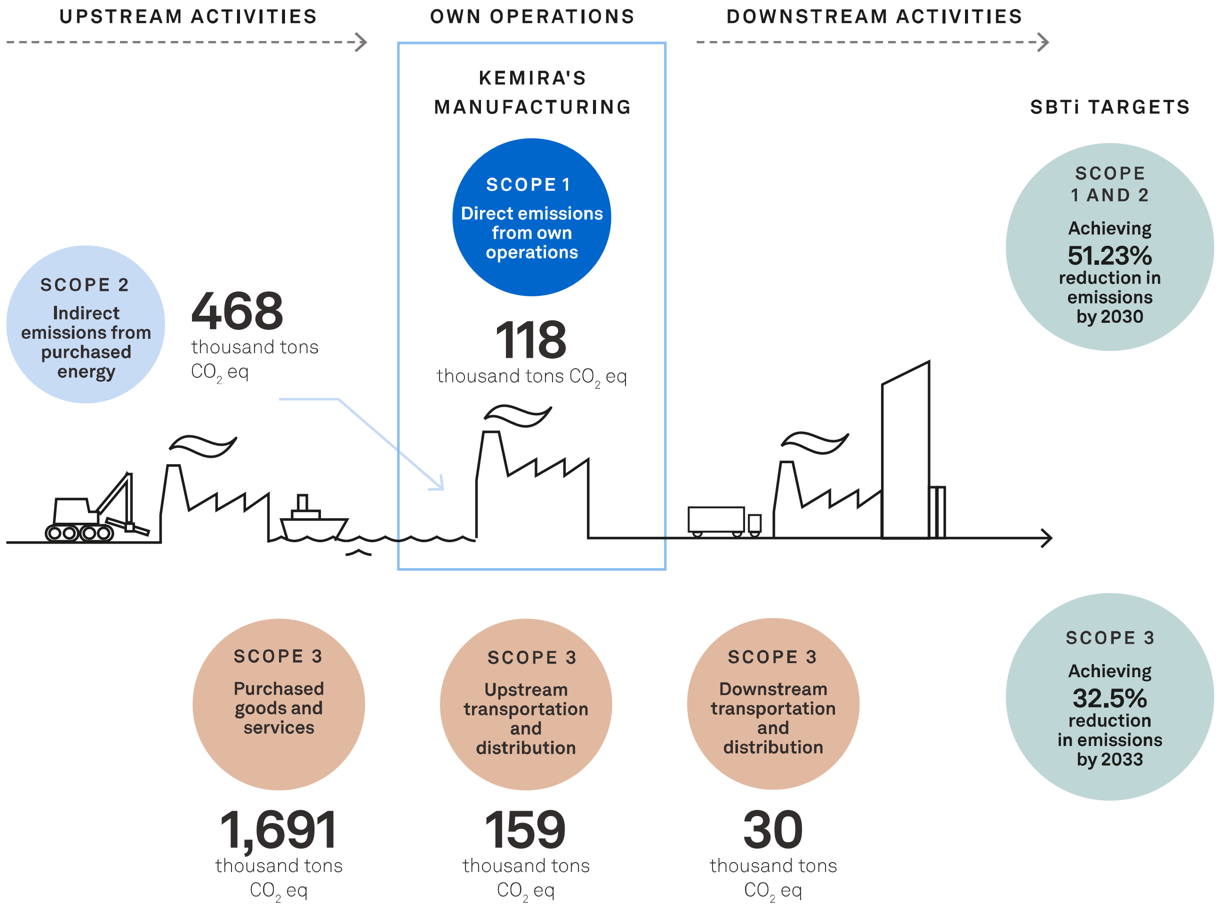
Kemira has allocated resources from different functions to execute the actions related to climate change and other Environmental topics, for example EHSQ, Sourcing, R&D, Product lines and Manufacturing.

## TARGETS RELATED TO CLIMATE CHANGE

Kemira's emission reduction targets for Scope 1 and 2 as well as Scope 3 were formally validated by SBTi in 2024, continuing progress towards the targets established as part of the updated climate commitment in 2022. The SBTi targets were developed in close collaboration with internal stakeholders such as EHSQ, sourcing, logistics and R&D.

Kemira's targets drive efforts in climate change mitigation, adaptation, energy efficiency and the increasing use of renewable energy. Kemira is making significant progress toward its climate targets, having successfully reduced Scope 1 and 2 emissions by 34.5% and Scope 3 emissions by 19.5% compared to the base year 2018.

## GREENHOUSE GAS EMISSIONS




SBTi targets include significant Scope 3 GHG emissions, but Oil & Gas business-related emissions are excluded.

Kemira's Scope 1 and 2 near-term target follows an absolute contraction approach, requiring an annual reduction rate of 4.27% from the 2018 base year to the 2030 target year. In total, it equals to 51.23% reduction in Scope 1 and 2 emissions, from 894,303 tonnes of CO2eq in 2018 to 436,000 tonnes of CO2eq by 2030. Scope 3 GHG emission reductions require a reduction rate of 2.71% annually from the 2021 base year to the 2033 target year meaning a total of a 32.50% reduction in Scope 3 emissions from 2,337,475 tonnes of CO2eq in 2021 to 1,577,000 tonnes of CO2eq by 2033. 2021 was selected as the base year for Scope 3 due to significant improvements in Scope 3 emissions data accuracy since 2018. Progress towards Kemira's climate goals is reported quarterly to Kemira's Management Board.

| | | Absolute value [1] | | Reduction % | |
|---|---|---|---|---|---|
| GHG emissions reduction | Target year | 2024 | Target | 2024 | Target |
| Scope 1 and 2 (market-based) | 2030 | 585.9 | 436.0 | 34.48 | 51.23 |
| Scope 3 | 2033 | 1880.7 | 1,577.0 | 19.54 | 32.50 |

1) Absolute value kt CO2eq

**Scope 1 and 2 emissions reduction**

Kemira's long-term ambition is to achieve carbon neutrality by 2045 for combined Scope 1 and 2 market-based GHG emissions and we will continuously evaluate this goal in response to global legislation, own strategy and advances in climate science.

As Scope 2 emissions constitute 80% of Kemira's total Scope 1 and 2 emissions, with emissions from purchased electricity accounting for approximately 79%, Kemira will focus on significant investments in renewable energy, energy efficiency and new technologies to meet our Scope 1 and 2 targets. In addition, decarbonization efforts within Scope 2 generally do not require significant CapEx, leading to a much lower cost per ton of CO2eq abated compared to Scope 1.

**Scope 3 emissions reduction**

Kemira's SBTi Scope 3 target covers emissions from Scope 3.1, 3.4 and 3.9. Scope 3.1 covers raw materials and traded goods, and Scope 3.4 and 3.9 cover intercompany transportation and outbound transportation from Kemira to customers, covering about 75% of our total Scope 3 emissions.

In 2024, Kemira conducted an internal Scope 3.1 GHG abatement analysis to identify key abatement levers. Over 50% of Kemira's Scope 3.1 abatement relies on renewable electricity and heat for our Tier 1 and Tier 2 suppliers. Key levers also consider renewable feedstocks, including renewable naphtha, ammonia and methanol and the implementation of CCS (Carbon Capture) technologies for emission intensive processes like steam methane reformers and stream crackers. These elements are included in the Kemira Supplier Engagement Program. The Scope 3.1 abatement strategy includes a combination of levers influenced by both Kemira and our suppliers. These levers include e.g. innovating sustainable material sourcing, enhancing resource circularity and improving efficiencies throughout our supply chain.

For Scope 3.4 and 3.9 emissions, we are using a bottom-up approach that consists of conducting regional logistics assessments to develop strategies for reducing CO2eq emissions in Kemira transport, combined with a top-down approach that utilizes supply chain management to assess regulatory impacts and service provider commitments for reducing emissions in line with SBTi. The levers for Scope 3.4 and 3.9 include e.g. reducing freight transportation demand as well as optimizing freight transport modes, enhancing fleet energy efficiency with the cooperation of logistics service providers and lowering the carbon intensity of energy used and market and regulations-driven emissions reduction.

Progress towards the targets for all the Scopes are reported annually in our Sustainability Statement and through CDP Climate Change and EcoVadis submissions. Kemira will reevaluate these targets in 2029 at the latest and will set reduction targets for every five years after 2030, as needed. Our near-term targets have been validated by the SBTi, ensuring they are science-based and that our Scope 1 and 2 targets are aligned with limiting global warming to 1.5°C. Kemira rates amongst the top performers in the chemical industry in CDP and EcoVadis. The new CDP Climate Change 2024 ratings were published in February 2025. Kemira retained its B score.

Future considerations, including sales volumes, mergers and acquisitions, the cost of carbon and other market drivers will be factored into our emissions reduction roadmaps. While regulatory impacts and carbon costs are subject to uncertainty, we remain committed to achieving our targets through proactive and strategic measures.

## METRICS RELATED TO CLIMATE CHANGE

### ENERGY CONSUMPTION

Kemira operates in high climate impact sectors. Sectors are defined based on the EU's Nomenclature of Economic Activities (NACE) classifications of economic activities, where Kemira operations are allocated under other organic and inorganic chemical manufacturing.

| Energy consumption and mix | 2024 | 2023 |
|---|---|---|
| (1) Fuel consumption from coal and coal products, MWh | N/A | N/A |
| (2) Fuel consumption from crude oil and petroleum products, MWh | 19,714 | 24,076 |
| (3) Fuel consumption from natural gas, MWh | 375,310 | 465,513 |
| (4) Fuel consumption from other fossil sources, MWh | 237,737 | 270,635 |
| (5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources, MWh | 604,137 | 629,042 |
| **(6) Total fossil energy consumption, MWh** | 1,236,898 | 1,389,266 |
| Share of fossil sources in total energy consumption, % | 31.3 | 34.0 |
| **(7) Other non-renewable energy consumption, MWh** | 334,966 | 325,698 |
| Share of other non-renewable sources in total energy consumption, % | 8.5 | 8.0 |
| **(8) Consumption from nuclear sources, MWh** | 1,283,988 | 1,439,084 |
| Share of consumption from nuclear sources in total energy consumption, % | 32.5 | 35.3 |
| (9) Fuel consumption from renewable sources, MWh | — | — |
| (10) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources, MWh | 1,100,753 | 927,881 |
| (11) Consumption of self-generated non-fuel renewable energy, MWh | 144 | 78 |
| **(12) Total renewable energy consumption, MWh** | 1,100,898 | 927,959 |
| Share of renewable sources in total energy consumption, % | 27.8 | 22.7 |
| **Total energy consumption, MWh (sum of lines 6, 7, 8 and 12)** | 3,956,749 | 4,082,007 |
| (13) Energy delivered off-site, MWh | 401,845 | 401,281 |
| **Total energy consumption, energy delivered off-site deducted, MWh** | 3,554,905 | 3,680,726 |

| Energy intensity | 2024 | 2023 |
|---|---|---|
| Total energy consumption in high climate impact sector, MWh | 3,956,749 | 4,082,007 |
| Net revenue from activities in high climate impact sectors, EUR million | 2,948.1 | 3,383.7 |
| Energy intensity [1] | 0.001 | 0.001 |

1) Total energy consumption per net revenue (activities in high climate impact sectors is in Kemira's total net revenue disclosed in Consolidated Income Statement in Financial Statement)

| Energy production, MWh | 2024 | 2023 |
|---|---|---|
| Renewable | 19,777 | 78 |
| Non-renewable | 425,796 | 441,651 |

### CLIMATE CHANGE ADAPTATION AND MITIGATION

#### Greenhouse gas emissions

| Greenhouse gas emissions intensity | 2024 | 2023 |
|---|---|---|
| GHG intensity (location-based) [1] | 0.001 | 0.001 |
| GHG intensity (market-based) [1] | 0.001 | 0.001 |
| Net revenue, EUR million | 2,948.1 | 3,383.7 |

1) Total GHG emissions metric tCO2eq per net revenue (Net revenue disclosed in Consolidated Income Statement in Financial Statement)

| Greenhouse gas emissions by region, tCO2eq | 2024 | | | |
|---|---|---|---|---|
| | EMEA | APAC | Americas | Total |
| GHG emissions (location-based) | 1,611,792 | 504,161 | 1,157,657 | 3,273,610 |
| GHG emissions (market-based) | 1,607,509 | 498,978 | 1,008,151 | 3,114,638 |

| Greenhouse gas emissions by region, tCO2eq | 2023 | | | |
|---|---|---|---|---|
| | EMEA | APAC | Americas | Total |
| GHG emissions (location-based) | 1,586,714 | 524,643 | 1,545,243 | 3,656,600 |
| GHG emissions (market-based) | 1,582,461 | 520,904 | 1,397,455 | 3,500,821 |

| | Retrospective | | | | | Milestones and target years | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Greenhouse gas emissions** | **Base year** | **Baseline value** | **2023** | **2024** | **Change, %** | **2025** | **2030** | **2033** | **Annual % Target / base year** |
| **Scope 1 GHG emissions** | | | | | | | | | |
| Scope 1 GHG emissions, tCO2eq | 2018 | 137,352 | 118,556 | 118,364 | -0.2 | — | — | — | — |
| Scope 1 GHG emissions from regulated emission trading schemes, % | — | — | 37.0 | 48.8 | 31.9 | — | — | — | — |
| **Scope 2 GHG emissions** | | | | | | | | | |
| Scope 2 (location-based) GHG emissions, tCO2eq | 2018 | 1,009,913 | 622,902 | 626,533 | 0.6 | — | — | — | — |
| Scope 2 (market-based) GHG emissions, tCO2eq | 2018 | 756,951 | 469,839 | 467,561 | -0.5 | — | — | — | — |
| **Scope 1 and 2 GHG (market-based) emissions** [1] | 2018 | 894,303 | 588,395 | 585,925 | -0.4 | — | 436,000 | — | 4.27 |
| **Significant Scope 3 GHG emissions** | | | | | | | | | |
| **Total indirect (Scope 3) GHG emissions, tCO2eq** | 2021 | 2,337,475 | 1,862,773 | 1,880,746 | 1.0 | — | — | 1,577,000 | 2.71 |
| 1 Purchased goods and services | 2021 | 2,116,922 | 1,643,940 | 1,691,323 | 2.9 | — | — | — | — |
| 4 Upstream transportation and distribution | 2021 | 176,052 | 179,041 | 159,176 | -11.1 | — | — | | — |
| 9 Downstream transportation | 2021 | 44,501 | 39,792 | 30,247 | -24.0 | — | — | | — |
| **Total GHG emissions** [2] | | | | | | | | | |
| **Total GHG emissions (location-based), tCO2eq** | | 3,484,740 | 2,604,231 | 2,625,643 | 0.8 | — | — | — | — |
| **Total GHG emissions (market-based), tCO2eq** | | 3,231,778 | 2,451,168 | 2,466,671 | 0.6 | — | — | — | — |

1) Total of Scope 1 and 2 is based on Kemira's SBTi target which can be found in more detail under Targets related to Climate change
2) Sum of 2018 Scope 1 and 2 baseline values and 2021 Scope 3 baseline value. Kemira does not have a separate reduction target for total GHG emission

The most significant Scope 3 categories for Kemira are 3.1, 3.4, and 3.9, which account for the majority of the Scope 3 GHG emissions. These categories are also included in Kemira's near-term SBTi target as disclosed in the table above. Categories 3.13, 3.14, and 3.15 are irrelevant for Kemira and 3.10 and 3.11 are pending for quality improvement and are therefore excluded from the GHG inventory. The remaining categories 3.3, 3.5, 3.6, 3.7, and 3.8 are relevant, but not significant due their relative small contribution to overall emissions. All relevant, significant and not significant, Scope 3 emission categories are included to the Gross GHG emissions.

In 2024, the share of contractual instruments for Scope 2 GHG emissions was 5.6%. Kemira didn't have any contractual instruments for Scope 2 GHG emissions in 2023.

| **Gross GHG emissions, tCO2eq** | **2024** | **2023** |
|---|---|---|
| Scope 1 [1] | 118,364 | 136,676 |
| Scope 2 (location-based) [1] | 626,533 | 643,300 |
| Scope 2 (market-based) [1] | 467,561 | 487,520 |
| Scope 3 [2] | 2,528,713 | 2,876,625 |
| **Total GHG emissions (location-based)** | 3,273,610 | 3,656,600 |
| **Total GHG emissions (market-based)** | 3,114,638 | 3,500,821 |

1) Excludes Oil & Gas business-related emissions in 2024
2) Includes all relevant Scope 3 emission categories (3.1, 3.3-3.9). Includes Oil & Gas business-related emissions

#### GREENHOUSE GAS REMOVALS AND OFFSETTING

Kemira does not currently reduce its GHG emissions with carbon credits. However, Kemira is planning to look into available options in the future.

#### INTERNAL CARBON PRICING

In 2019, Kemira introduced an internal carbon pricing sensitivity analysis for investments exceeding EUR 500,000, to mitigate environmental risks and promote responsible investments. This was updated in June 2022 to align with EU emission trading scheme (ETS) prices, setting our internal carbon price at EUR 100/tonnes of CO2eq. The scope of the internal carbon price is global for Kemira's entire value chain, and, as of January 2024, it applies to all CapEx investments exceeding EUR 100,000. In 2024, internal carbon pricing applied to projects with significant climate impacts totaled in EUR 217,000.

In the short term, Kemira's internal carbon pricing has increased awareness within the company regarding the current and future costs of carbon, fostering a strong corporate sustainability culture and enhancing its external reputation. This initiative has also led to tangible carbon reductions and decreased energy consumption costs. In the long term, our internal carbon price has strengthened internal controls related to risk management, enabling us to respond more effectively to changing risk assessments. Additionally, it has helped with identifying and capitalizing on opportunities within our operations and supply chain, aligning the entire company and portfolio towards a common sustainability goal. This alignment has further bolstered our corporate reputation externally.

## The Group's reporting principles

### Energy consumption and mix

Energy consumption at Kemira is assessed based on natural gas used on-site for generating steam or heat, electricity purchased or supplied by third parties and steam procured or provided by third parties. The total energy consumption is determined by aggregating the total fossil energy consumption, energy consumption from nuclear sources, and total renewable energy consumption. Self-generated non-fuel renewable energy is now included under the total renewable energy consumption, which was not previously considered. Energy intensity data is expressed in kilowatt-hours per metric ton of production. To determine energy intensity, Kemira divides total energy consumption by annual production volume, noting that energy intensity is significantly influenced by the production mix.

Energy is categorized as fossil, other non-renewable, renewable or nuclear energy according to established reporting standards and frameworks. Data is collected through meter readings and invoices, with a current emphasis on invoice data.

The Energy Efficiency Index measures specific energy consumption, which is the ratio of energy use to production volumes, normalized to a 2012 base year for Kemira’s 15 largest manufacturing sites. These sites account for approximately 90% of our total energy consumption and about 80% of our Scope 1 and 2 emissions. The index for the 2012 base year was set at 100.0, with values below this signifying improvements.

The 2024 energy consumption figures exclude the sites that were part of the Oil & Gas business operations in January 2024, prior to the divestment transaction closing in February 2024. These sites are estimated to account for 0.3% of the total energy consumption in 2024.

### Gross Scopes 1, 2 and 3 and total GHG emissions

Kemira prepares its corporate GHG emissions inventory following the WRI/WBCSD GHG Protocol for all Scopes. GHG emissions are calculated as CO2eq, encompassing CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3. Kemira’s GHG inventory complies with the GHG Protocol: A Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Energy, fuel and production data are collected quarterly to calculate Scope 1 and 2 emissions. Scope 3 emissions are calculated and reported annually, with results included in Sustainability Statement, EcoVadis and CDP reports. In 2024, 27.6% (10.8%) of Scope 3 emissions were calculated using primary data.

The gross Scope 1 and Scope 2 GHG emissions exclude the sites that were part of the Oil & Gas business operations in January 2024, prior to the divestment transaction closing in February 2024. These sites are estimated to account for less than 0.5% of the total gross Scope 1 + Scope 2 (market-based) GHG emissions in 2024. The gross Scope 3 GHG emissions for 2024 include emissions from Kemira’s Oil & Gas business for January 2024, prior to the divestment transaction closing in February 2024.

Categories 3.3, 3.5, 3.6, 3.7, and 3.8 are included in the calculation of the gross Scope 3 GHG emissions. Categories 3.10 and 3.11 have been estimated but excluded from the inventory due to pending quality improvements. Categories 3.13, 3.14, and 3.15 are irrelevant for Kemira and are therefore excluded from the GHG inventory.

Kemira's GHG emissions are primarily CO2, with negligible emissions of methane (CH4) and nitrous oxide (N2O). GHG emissions are estimated using CO2eq factors, as CO2 comprises over 99% of CO2eq emissions.

**Direct GHG emissions (Scope 1):** Scope 1 emissions are based on the GHG Protocol and cover all direct GHG emissions from Kemira's operations. These include emissions from:

- Combustion of fuels: natural gas and fuel oil used by boilers, dryers and internal combustion engines to generate on-site steam, heat and electricity.
  - Hydrogen combustion: at sodium chlorate sites, by-product hydrogen gas is used in boilers, offsetting fossil fuel use. Emissions from hydrogen combustion are reported as zero.
  - Sulfur combustion: At the site in Helsingborg, Sweden, a sulfur boiler generates steam and electricity with reported emissions of zero.
- Mobile sources: fuels such as propane, diesel and gasoline used by forklifts and company vehicles.
- Processing of raw materials: physical or chemical processing of carbon-containing feedstock, such as natural gas, sodium carbonate, calcium carbonate and coke.
- Transportation fleet: our North American coagulants business unit operates a fleet to deliver raw materials to our manufacturing sites as well as products to our customers.

**Indirect GHG emissions (Scope 2):** Scope 2 emissions, based on the GHG Protocol, include indirect GHG emissions from the off-site generation of purchased electricity, heat and steam consumed by Kemira. These are acquired from local municipal authorities, private companies or separate manufacturing facilities within the same industrial complex. Scope 2 emissions from renewable and nuclear energy sources are reported as zero.

These emissions are calculated using:

- A location-based method: emissions are calculated based on average country-specific emission factors.
- A market-based method: emissions are calculated considering Power purchase agreements, guarantees of origin, supplier-specific contracts and emission rates currently purchased by Kemira.

Location- and market-based emissions are calculated for each site. Supplier-provided emissions data (tonnes CO2eq/MWh) is used where available. If not, fuel mix data from the supplier is used to calculate a market-based emissions factor. The sources for these emissions factors include Power Purchase Agreements, the IEA, the UK Government's Department for Environment, Food and Rural Affairs (DEFRA), Motiva Ltd and energy utility companies.

Kemira's Scope 1 and Scope 2 target covers our own manufacturing sites, excluding North American transportation fleet emissions, which represent approximately 3% of our total Scope 1 and Scope 2 emissions.

**Indirect GHG emissions (Scope 3):** Kemira estimates Scope 3 emissions for all relevant Kemira categories established in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the supporting document, Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. Emissions are estimated using guidance documents from the Chemical Sector, DEFRA, IEA, Ecoinvent, CEFIC and ECTA.

The Scope 3 inventory is split into 15 subcategories (category 1 to category 15):

- Category 1: Purchased goods and services.
  - Emission calculations in this category use supplier-specific, hybrid, spend-based average data and average product methods.
- Category 2: Capital goods.
  - Emission calculations are based on supplier-specific, hybrid, spend-based average data and average product and average spend-based methods.
- Category 3: Fuel-and-energy-related activities (not included in Scope 1 or Scope 2).
  - Using average data and spend-based methods.
- Category 4: Upstream transportation and distribution.
  - Using average data, fuel-based and spend-based methods.
- Category 5: Waste generated in operations.

  - Waste data are collected in seven categories and Kemira follows local environmental permits for waste reporting and definitions of recovery and disposal methods. Waste diverted from disposal is assumed to have zero emissions.
- Category 6: Business travel.
  - Calculations are based on the distance-based method using Thrust Carbon methodology. Emissions are reported using historical annual data and we periodically re-evaluate and update the estimates as necessary.
- Category 7: Employee commuting.
  - Calculations are based on fuel-based and distance-based methods, using DEFRA 2012 guidelines and DECC GHG conversion. Emissions are reported using historical annual data and we periodically re-evaluate and update the estimates as necessary.
- Category 8: Upstream leased assets.
  - Employees in leased asset. Calculations are based on the average data method, using WBCSD guidance, considering energy use of 300 kWh/m2 and emissions of 0.7 kg CO2eq/kWh.
- Category 9: Downstream transportation.
  - Calculations are based on the GLEC methodology, considering the transportation mode, adjusted weight, average distance and emission intensity factor, along with average data, fuel-based, and distance-based methods.
- Category 10: Processing of sold products.
  - Emissions are not calculated due to data tracking limitations.
- Category 11: Use of sold products.
  - Using the average data method, emissions are estimated to be zero or close to zero. The hydrogen provided to third-parties is zero-carbon fuel.
- Category 12: End-of-life treatment of sold products.
  - Calculations are based on the average data method. If a product does not have a new lifecycle it is classified as waste. Emission factors are sourced from Ecoinvent for wastewater treatment, incineration and landfill.
- Category 15: Investments.
  - No information on emissions from investments is available. All investments are reported as Scope 1 and 2 emissions linked to physical assets.

The most significant Scope 3 categories for Kemira are 3.1, 3.4, and 3.9, which account for the majority of the Scope 3 GHG emissions. These categories are also included in Kemira's near-term SBTi target. To ensure alignment with Kemira's internal data systems, category 3.2 is calculated as part of category 3.1. While categories 3.3, 3.5, 3.6, 3.7, and 3.8 have been calculated, they are not reported as significant emission categories due to their relatively small contribution to overall emissions. Categories 3.10 and 3.11 have been estimated but excluded from the inventory due to pending quality improvements. Categories 3.13, 3.14, and 3.15 are irrelevant for Kemira and are therefore excluded from the GHG inventory. Oil & Gas business related emission are not included to Kemira's SBTi target.

**GHG intensity (Scope 1, 2 and 3):**
This is calculated as total Scope 1, Scope 2 (market- and location-based) and Scope 3 emissions, divided by our net revenue.

Kemira has no significant operational expenditures (OpEx) or capital expenditures (CapEx) as defined in ESRS to report related to implementations of the actions.

Measurements of the metrics excluding SBTi targets are not validated by an external body other than Ernst & Young Oy, through assurance.

# E2 Pollution

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION

| Material impacts, risks and opportunities | Position in the value chain | Key management areas of processes and policies |
|---|---|---|
| **Pollution of air, water, soil** | | |
| ● Pollution impacts to air, water and soil are possible in the raw material extraction processes. | ↗ Upstream | • Kemira's Code of Conduct for business partners lays out expectations to supplier for reducing environmental impacts. Pollution risks are evaluated as a part of supplier sustainability assessments. Supplier audits are carried out to identify risks with supplier pollution management. |
| △ Potential incidents at manufacturing facilities or during transportation resulting in pollution to air, water or soil. Financial implications could materialize from remediation efforts, operation shutdowns as well as reputational damages. | ● Own operations | • Prevention of spills and compliance issues resulting in releases to air, water and soil are managed through the Integrated Management System and associated processes. |
| △ Kemira has environmental liabilities related to historical activities at sites, which have been built prior to current environmental regulations. Changes in regulations or site use may have significant financial implications. | ● Own operations | • Kemira has a process to manage and review status of environmental liability management projects and associated provisions on a regular basis. Remediation projects are managed in compliance with authority requirements and in accordance with Kemira's project management principles. |
| **Substances of concern or very high concern** | | |
| ○ Substances of concern or substances of very high concern may cause negative impacts on people and the environment. | ↗ Upstream<br>● Own operations<br>↘ Downstream | • Kemira's priority substance management process includes substances of concerns and substances of very high concerns in raw materials, and process chemicals in addition to own products.<br>• Sustainability checks in New Product Development (NPD) projects includes safety of Kemira's products and sustainability of raw materials.<br>• Guidance for safe use of substances is available. |

● Own operations ↗ Upstream ↘ Downstream ● Positive ● Negative ○ Potential positive ○ Potential negative ■ Opportunity ▲ Risk □ Potential opportunity △ Potential risk

**Identification and management of impacts, risks and opportunities**
Kemira has identified material impacts, risks and opportunities for pollution in the materiality assessment which is described under *Material impacts, risks and opportunities* in the *General disclosure* section. Significant environmental aspects and impacts including the pollution of air, water and soil in own operations are identified based on collected environmental data, using the Global Environmental Impacts and Aspects Assessment template. Pollution through potential spills and accidental chemical releases as well as actual and potential environmental liabilities related to soil or to closed activities have been identified as material aspects. Impacts to air, water and soil through air emissions and water effluent from sites relating to normal operations in accordance with environmental permit conditions have not been identified as a material aspect.

For substituting and minimizing the use of substances of concern and phasing out substances of very high concern Kemira has implemented a priority substance management process, which covers Kemira's entire value chain. According to the process Kemira monitors the whole product portfolio, including raw materials and process chemicals, for substances of concern (SoC) and substances of very high concern (SVHC) and prepares management plans for these substances aimed at defining the specific risks associated with each substance, whilst also examining options for managing these risks and formulating action plans for preferred solutions.

## POLICIES RELATED TO POLLUTION

Kemira is committed to operating safely and responsibly and to reducing its impacts through its whole value chain whilst also continuously improving its sustainability performance, following strategy, the Code of Conduct and other policies and the Integrated Management System as set out in the *E1 Climate change* section. All aspects of Health and Safety, the minimization of harmful releases into air, water and soil, the reduction of resource consumption and waste generation and the consistent quality of our products are a fundamental prerequisite for conducting our business in the chemical industry in a sustainable manner. Sustainability Policy is aligned with the Kemira Code of Conduct and other internal Kemira policies including the Product Stewardship Policy, Recruitment Policy and the Sourcing and Procurement Policy. The key contents, scope, process, accountability and availability of the policies is described in the *G1 Business Conduct* section, under *Corporate Culture and Business Conduct Policies.*

Kemira’s sustainability approach is also contributing to the risk management process, as defined in the Kemira Group Risk Management Policy. The Sourcing and Procurement Policy defines how sustainability must be taken into account in sourcing, procurement and supplier management activities as well as requirements for the upstream value chain. Kemira’s Product Stewardship Policy ensures that Kemira products can be safely used by Kemira's stakeholders, are safe for the environment and that chemical risks and their impacts are incorporated into decision making relating to Kemira's operations, strategy implementation and long-term strategic development.

Kemira conducts chemical hazard assessments which are prepared for raw materials, products, intermediates and process aids and are incorporated in the change management process. Product stewardship provides a platform that helps Kemira to identify concerns related to specific chemicals and their hazards at an early stage and to manage those risks along the value chain. Kemira is committed to minimizing the use of substances of concern or substances of very high concern when selecting raw materials for product development and replacing raw materials in product recipes.

## ACTIONS RELATED TO POLLUTION

**Actions to prevent environmental incidents in our own operations**

Kemira's certified Integrated Management System includes the development of global and site-level standards and procedures to comply with permit and regulatory requirements associated with pollution. Kemira continuously improves performance to mitigate negative impacts related to pollution to air, water and soil, including preventative actions. For the minimum requirements to prevent environmental incidents Kemira has spill prevention, process safety and maintenance standards. All incidents resulting in impacts to air, water and soil and the related documentation, on incident investigations for example, are reported in Kemira's incident reporting system. Kemira's management systems are audited both internally and externally to evaluate conformance against the latest ISO 9001, ISO 14001 and ISO 45001 standards.

Kemira's sites develop local procedures to implement actions required by their permits and the underlying regulations. All Kemira sites have environmental permits and pollution control technology compliant with Best Available Techniques (BAT) requirements. This includes scrubbers and baghouses for air emissions, and onsite wastewater treatment or connection to third-party wastewater treatment, to comply with applicable environmental requirements. In addition to management system audits, Kemira has a third-party legal compliance audit program. Third-party EHS legal compliance audits are conducted annually, by a sampling of sites. Verification of EHS legal compliance is also provided annually by all sites, as part of the environmental performance data collection and reporting processes. Kemira’s robust management system requires all sites and auditors to report spills as well as non-compliance cases to Kemira's EHSQ function, using the internal incident reporting tool.

For emergency situations, Kemira applies precautionary principles and has different mechanisms, processes and procedures to identify, prevent and mitigate negative impacts. Mitigation measures include emergency response and crisis management processes which are first response activities, in case of incidents and accidents but also in case of business interruptions. To ensure continuous improvements, we conduct a root cause analysis to identify both improvements and corrective actions. Kemira has an Emergency Planning and Preparedness standard which establishes sufficient emergency response capability to protect personnel, equipment and the community during emergencies. The primary focus of the emergency response is the safe containment of an incident and the minimization of effects upon employees and the surrounding community.

In addition to the Integrated Management System and EHS legal compliance auditing programs and several site level technical improvements, Kemira launched a Global Safety Training Program for all shop floor supervisors in 2024. The objective of the program is to improve safety culture at the manufacturing sites on shop floor level, from EHSQ Managers to supervisors and from supervisors to employees. Shift supervisors at all manufacturing sites were trained by the end of 2024. The program focuses on all safety topics including spill prevention and environmental compliance. In 2024 Kemira also continued the Transportation Safety enhancement program in EMEA that aims to improve the daily safety of Kemira’s transportation operations through enhanced processes and aligned roles and responsibilities across the organization. The focus is on shipment document compliance, delivery operations and manufacturing site operations, including spill prevention concerning the carriers. The program was started in 2023 and it is expected to continue until mid 2025.

**Actions to manage environmental liabilities**

Kemira has environmental liabilities related to former activities. Financial environmental provisions for the costs of remediation work have been made in cases where it has been possible to measure Kemira's liability for soil, groundwater or sediment contamination and any post-treatment or post-monitoring obligations. More detailed information on these environmental provisions can be found in the *Financial statement note 4.6 Provisions*. Kemira has a process to manage and to review the status of environmental liabilities. The status of environmental projects and associated provisions is reviewed quarterly by the EHSQ and Finance & Accounting functions. Kemira has ongoing remediation projects to manage environmental liabilities. In cases of mergers and acquisitions, the assessment of potential liabilities is always carried out in accordance with Kemira's Environmental Due Diligence process.

The 2024 key actions to manage environmental liabilities included continuation of a soil and landfill remediation project at a former manufacturing site located in Vaasa, Finland. Soil remediation started in 2022. The site was historically contaminated with heavy metals and pesticides. In addition to the project in Vaasa, Kemira also conducted some smaller scale remediation projects in 2024.

**Actions to manage pollution to air, water and soil in upstream value chain**

For actions to manage pollution to air, water and soil in the upstream value chain see actions disclosed in the *E5 Resource Use and Circular Economy* section.

**Actions to manage substances of concern and very high concern**

Kemira actively monitors its portfolio, including raw materials, intermediates and process chemicals for substances of concern and substances of very high concern, in accordance with our priority substance management process. We prepare management plans for these priority substances aimed at defining the specific risks associated with each substance, examining options for managing these specific risks and formulating action plans for preferred options. These options to mitigate risks may include, for example, substitution, phase-out or limiting exposure. Possible mitigation actions could include delivering more sustainable products by replacing substances of concern when selecting raw materials for product development with Research and Development.

## TARGETS RELATED TO POLLUTION

Kemira has several indicators that are followed internally for impacts, risks and opportunities related to pollution, however these are not defined as in ESRS. Kemira continues to evaluate and develop these indicators.

As part of the Integrated Management System Kemira has internal indicators and associated targets for its own operations related to pollution that include:

- Number of environmental incidents (ENV);
- Number of loss of primary containment incidents (LOPC);
- Number of reportable process safety incidents (RPSI); and
- Number of environmental operating conditions (EOC)

Kemira is also further developing its Life Cycle Assessment (LCA) capabilities. Kemira intends to use this data for developing future pollution related indicators and metrics for its direct and upstream value chain operations.

## METRICS RELATED TO POLLUTION

### POLLUTION TO AIR, WATER AND SOIL

Kemira collects data centrally and annually on emissions of air pollutants and effluent from all manufacturing sites. The total emissions and amounts of each pollutant emitted to air and water were in accordance with ESRS E2-4. In 2024, Kemira had no significant emissions to soil.

| Emissions to air, water and land by pollutant, tonnes | 2024 | 2023 |
|---|---|---|
| Ammonia (to air) | 8.7 | 12.5 |
| Non-methane volatile organic compounds (to air) 1) | 581.9 | 569.4 |

1) Cutting oil emission at a site located in the UK where cutting oil is classified as volatile organic compound.

The emissions to air from own operations are estimated based on direct measurements, published emission factors, mass balance or engineering calculations. Measurement methodologies, for example if based on continuous measurements or campaigns, vary between manufacturing sites. The environmental permits of all sites where emissions exceed the thresholds stated in the European Pollutant Release and Transfer Register (E-PRTR) regulation Annex II allow emission of these substances. The emissions reported in the tables represent the consolidated amount from all Kemira sites where the threshold is exceeded.

### SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

Volumes of substances of concern and substances of very high concern in raw materials, intermediates or Kemira products are calculated based on the material compositions interlinked to sourcing, production and sales data maintained in Kemira's system. Kemira does not centrally collect data on amounts of substances of concern and very high concern that leave facilities as emissions. Collection of the data is planned within the next two years.

| Substances of very high concern, tonnes | 2024 |
|---|---|
| **Total amount of SVHC that are generated or used during production or that are procured** | 13,945 |
| Carcinogenic (Article 57a) | 11,411 |
| Persistent, Bioaccumulative and Toxic (Article 57d) | 8 |
| Toxic for reproduction (Article 57c) | 1,959 |
| Endocrine disrupting properties (Article 57(f) - environment) | 21 |
| Respiratory sensitising properties (Article 57(f) - human health) | 546 |
| **Total amount of SVHC that leave facilities as emission, as products, or as part of products or services** | 3,526 |
| **Total amount of SVHC that leave facilities as part of products** | 739 |
| Carcinogenic (Article 57a) | 666 |
| Endocrine disrupting properties (Article 57(f) - environment) | 2 |
| Respiratory sensitising properties (Article 57(f) - human health) | 71 |
| **Total amount of SVHC that leave facilities as products** | 2,787 |
| Carcinogenic (Article 57a) | 2,469 |
| Respiratory sensitising properties (Article 57(f) - human health) | 318 |

| Substances of concern, tonnes | 2024 |
|---|---|
| **Total amount of substances of concern that are generated or used during production or that are procured** | 214,052 |
| Carcinogenicity categories 1 and 2 | 61,100 |
| Germ cell mutagenicity categories 1 and 2 | 2,201 |
| Reproductive toxicity categories 1 and 2 | 5,524 |
| Respiratory sensitisation category 1 | 11,713 |
| Skin sensitisation category 1 | 125,715 |
| Chronic hazards to the aquatic environment categories 1 to 4 | 1,788 |
| Specific target organ toxicity, repeated exposure categories 1 and 2 | 5,200 |
| Specific target organ toxicity, single exposure categories 1 and 2 | 811 |
| **Total amount of substances of concern that leave facilities as emission, as products, or as part of products or services** | 74,814 |
| **Total amount of substances of concern that leave facilities as part of products** | 20,730 |
| Carcinogenicity categories 1 and 2 | 304 |
| Reproductive toxicity categories 1 and 2 | 971 |
| Skin sensitisation category 1 | 13,890 |
| Chronic hazards to the aquatic environment categories 1 to 4 | 671 |
| Specific target organ toxicity, repeated exposure categories 1 and 2 | 4,859 |
| Specific target organ toxicity, single exposure categories 1 and 2 | 35 |
| **Total amount of substances of concern that leave facilities as products** | 54,084 |
| Germ cell mutagenicity categories 1 and 2 | 1,155 |
| Reproductive toxicity categories 1 and 2 | 1,655 |
| Skin sensitisation category 1 | 50,911 |
| Specific target organ toxicity, repeated exposure categories 1 and 2 | 363 |

### The Group's reporting principles

Kemira's data on pollution to air, water and soil in own operations is limited to manufacturing sites with environmental permits. The following Kemira operations are excluded:

- Kemira's R&D centers located in Atlanta, USA; Shanghai, China; and Espoo, Finland.
  - Sites that have limited emissions to air, water and soil and no environmental permits and are not required to report emissions of air, water and soil to authorities.
- Kemira's corporate headquarters in Helsinki, Finland and other corporate offices, sales offices and warehouses, if different from the sites' locations.
  - Sites that have limited emissions to air, water and soil and no environmental permits and are not required to report emissions of air, water and soil to authorities.
- Tolling and contract manufacturers:
  - In 2024, less than 1% of Kemira sales volumes (in terms of quantity) came from tolling plants and contract manufacturers. On this basis pollution to air, water and soil at toll and contract manufacturers is assumed to be limited and not material.

Kemira has no significant operational expenditures (OpEx) or capital expenditures (CapEx) as defined in ESRS to report related to implementations of the actions.

Measurements of the metrics are not validated by an external body other than Ernst & Young Oy through assurance.

# E3 Water and marine resources

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES

| Material impacts, risks and opportunities | Position in the value chain | Key management areas of processes and policies |
|---|---|---|
| **Water withdrawals, consumption and use** | | |
| Positive impacts through circular water and water management solutions offered for Kemira's customers. Supporting customers to reduce the use of water in industrial processes. Amplified through digital solutions. | ↘ Downstream | • Water solutions is the largest business unit at Kemira following change in operational model. Kemira has strong growth ambitions in water. The focus to be on chemistry solutions and digital services for water-intensive industries. R&D projects in water solutions with the aim to reduce water consumption.<br>• Entry into new water solutions and markets through acquisition of micropollutant removal technologies<br>• Partnering with value chain operators to develop technologies to recover nutrients from wastewater sludge, e.g. phosphorous removal<br>• Solutions for sludge-to-biogas with biogas yield improvement technologies, increasing the energy self-sufficiency of wastewater facilities |
| High water consumption in the whole value chain causes negative impact. | ↗ Upstream<br>Own operations<br>↘ Downstream | • Kemira serves customers in water-intensive industries by providing chemistry and digital services<br>• Kemira's Code of Conduct for Business Partners lays out expectations to suppliers for reducing environmental impacts. Risks are evaluated as part of supplier sustainability assessments. Supplier audits are carried out to identify risks related to water and marine resources management.<br>• Freshwater use and consumption in own operations is managed through the Integrated Management System and Nature Stewardship program and associated processes<br>• Based on an internal study on biodiversity impacts and dependencies, a roadmap was created to manage identified material negative impact concerning high water consumption and water discharge part of upstream and downstream value chain |
| Supporting customers in reducing the use of water in industrial processes and increasing the reuse of wastewater with Kemira's products create significant opportunities. | ↘ Downstream | |
| **Water discharges in water bodies and ocean** | | |
| Water discharge in upstream and downstream value chain (water-intensive industries) | ↗ Upstream<br>↘ Downstream | • Kemira's Code of Conduct for Business Partners lays out expectations to supplier for reducing environmental impacts. Water and marine resource related risks are evaluated as a part of supplier sustainability assessments. Supplier audits are carried out to identify risks related to water and marine resources management.<br>• Kemira is the only manufacturer to offer a full product portfolio of coagulants, polyacrylamide polymers, process chemicals, and other water treatment chemicals, along with smart digital technologies to provide solutions for wastewater, drinking water, raw water and sludge/biogas applications.<br>• Active influencing in the EU and other regions for stricter water regulations, promoting importance of water and wastewater treatment solutions with active communication on the topic. |
| Significant impacts through wastewater management solutions. Improving circularity of water by reusing wastewater as a source of energy in customers' processes. | ↘ Downstream | |
| Tightening regulation and global initiatives towards water and wastewater management increase demand for chemicals. Increasing regulation can also be seen as a risk of decreasing demand for Kemira's products and solutions. | ↘ Downstream | |

Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

### Identification and assessment of material impacts, risks and opportunities

Kemira has identified material impacts, risks and opportunities for water and marine resources in the materiality assessment which is described in the *General disclosure* section under *Material impacts, risks and opportunities.*

## POLICIES RELATED TO WATER AND MARINE RESOURCES

Kemira has Sustainability Policy Commitments that include commitments to protect the environment, reduce emissions and improve energy efficiency, with approaches to reduce greenhouse gas emissions, releases to air, water and soil and to reduce water and material use and waste generation through circular economy principles, to improve energy efficiency and energy sourcing management and to protect biodiversity through sustainable raw material sourcing programs, reducing waste and pollution in our operations. The commitment to reduce water use includes material water consumption in areas of water risk and water stress areas.

The Sustainability Policy Commitment states that Kemira will provide products for wastewater treatment that enable the availability of clean and high-quality water to people and nature, including water bodies. How the policy is implemented with regard to managing the use and sourcing of water and marine resources and the prevention and abatement of water pollution resulting from our own activities is described under the *Actions related to water and marine resources* and *E2 Pollution* section.

With our Sustainability Policy and Nature Stewardship program, Kemira strives to minimize water consumption and minimize the negative impact of water discharge activities on the quality of receiving water bodies in our whole value chain. Product and service design considerations and practices related to addressing water-related issues are covered in Kemira's Product Stewardship Policy and program. The key contents, scope, process, accountability and availability of the policies is described in the *G1 Business Conduct* section under *Corporate Culture and Business Conduct Policies* and in the Stewardship program under the *E2 Pollution* section.

## ACTIONS RELATED TO WATER AND MARINE RESOURCES

**Actions to manage water consumption in own operations**

Through both Kemira's environmental management system that applies ISO 14001 standards and Kemira's Nature Stewardship program we are continuously evaluating opportunities and implementing actions to decrease water withdrawal, consumption, discharge and associated impacts through water recycling and reuse as well as through process redesign and optimization. As an additional measure to reduce freshwater consumption, Kemira will increase the use of recycled water from third-party water suppliers at two sites located in high water stress areas.

In addition to continuous improvement at sites, Kemira has an action plan for improvement of water accounting, implementation of water impact assessments to be included in existing internal processes, development of the water related risk assessment process and general improvement of water stewardship in the company driven by the CDP Water Security framework.

The project to improve water accounting across the company was continued through a systematic review of water balances of all manufacturing sites and centralized reporting in 2024. Based on the review, critical water flow measurements were installed to reduce uncertainties in water data, including in water consumption data. The water balances of all manufacturing sites were reviewed and critical measurements were installed by the end of 2024. Through improved data quality and existing internal processes, Kemira centrally collects information on identified opportunities and projects across the company, including those for reduction of water consumption. This information will be used in 2025 to update the water stewardship action plan for the upcoming years, with a special focus on high water stress areas and other areas at water risk.

Water withdrawal, consumption and discharge are considered in Kemira's internal decision making processes. In cases of mergers and acquisitions the impact of changes in water consumption and potential locations in water stress areas are included in Kemira's Environmental Due Diligence (EDD) assessment. The assessment also includes Phase I Environmental Site Assessment (ESA) procedures. Water consumption is also assessed as part of CapEx investments exceeding EUR 100,000 and the investment impact on water consumption is recorded in Kemira's reporting tool. Kemira's New Product Development process ensures that successful projects demonstrate both sustainability and business benefits, with every decision to proceed to product launch. This process includes the assessment of water consumption.

Kemira's water consumption has decreased significantly in its own operations in recent years, mostly due to decrease in the proportion of water-intensive products. Total water consumption has decreased by 26% (21%) and water consumption intensity by 33% (38%) since 2019.

**Actions to manage water in the upstream and downstream value chain**

Kemira has announced in 2024 a new operating model that has three business units to better meet our profitable growth ambitions. The planned changes aim to increase customer centricity, strategic focus, speed of delivery and to accelerate growth and shareholder value creation. Water Solutions will become Kemira’s largest business unit, reflecting Kemira’s ambitions to significantly grow the water business both organically and inorganically. Further information on Kemira's new operating model can be found in the Board of Directors' review.

Water is one of the most important and material topics for Kemira. Kemira's strategic business ambition is to double water solutions revenue, which is well aligned with the identified material topics. Our chemistry solutions are an essential part of low carbon footprint water treatment processes and address ever growing global water challenges to secure water supply and wastewater treatment. Kemira's primary business focus and revenue growth ambition correlates strongly with these positive environmental impacts, since Kemira solutions help customers to treat, re-use and recycle water. Key examples include removing impurities like carbon, phosphorous and nitrogen from water and improving water efficiencies by using less water. Kemira strategy on water solutions is driven by challenges like climate change, population growth, resource scarcity and the increasing need for water resilience.

Kemira offers chemistry solutions and digital services for applications like wastewater, industrial raw- and process water, drinking water, sludge, biogas and water disinfection. This is accomplished with a product and solution portfolio of polymers, coagulants, process chemicals and smart digital technologies. The chemistry binds and extracts impurities from water and wastewater and is used as a dewatering agent for semi-finished or finished products. Digital solutions are used to improve process efficiencies. Kemira's strategic focus on water intensive industries means that both new organic and inorganic growth opportunities are under continuous development. The Kemira solutions are applied to three main customers groups:

- Cities' and municipalities' water treatment plants, where Kemira helps ensure citizens have access to clean, safe and affordable drinking water
- Municipalities and industries where Kemira ensures that discharged wastewater meets environmental permit standards, reducing the load on local water bodies
- Water-intensive industries where Kemira helps use less water and make processes more efficient, by enabling the use of recycled water rather than freshwater in processes, for example.

More information on Kemira's Industry & Water segment can be found in the Financial Statements (*Board of Directors' review Financial performance 2024 and Segments, in note 2.1. Segment information*).

In 2023 and 2024, Kemira invested in expanding coagulant capacity in Norway, Spain and the UK which helped to manage our risks and opportunities concerning tightening regulations. These coagulant investments support Kemira's ambition to grow in water and sustainable solutions and offer added security of supply to Kemira's customers. They also enable Kemira to better support customers' sustainability efforts. The demand for coagulants in Europe is expected to grow following tightening regulation.

Kemira is active in research and development and has several water solution focus areas such as, for example, renewable water treatment growth, phosphorus recovery from wastewater and micropollutants removal from drinking water. in 2024, Kemira also completed the acquisition to purchase Norit's UK reactivation business, this is a first step for Kemira in entering the activated carbon market for micropollutants removal.

Kemira is expanding its water treatment offering to include activated carbon in water treatment applications. This is the most common technology to remove odor and taste in drinking water, as well as micropollutants including per- and polyfluoroalkyl substances (PFAS). Micropollutant removal is expected to become more relevant for water and wastewater treatment plants due to growing concern for both consumer health and environmental safety. In addition, the requirements for PFA removal from drinking water and micropollutant removal from wastewater have been introduced in recent EU regulation updates.

Phosphorus in wastewater is a major environmental challenge and causes overfertilization of surface waters if it is not removed properly. At the same time, phosphorus is a key nutrient needed for agriculture and many different industrial applications. The European Commission has repeatedly listed phosphorus as one of the critical raw materials on the EU Critical Raw Materials List.

Kemira uses the EcoVadis platform to assess the sustainability of its suppliers. Water management is included as one criterion on the EcoVadis platform. On EcoVadis, suppliers are requested to meet certain standards and to continuously improve in the area of the environment including in environmental compliance, waste, air emissions, climate change, water and groundwater, wastewater, energy, nuisance (noise and odor), land use, biodiversity, soil and hazardous chemicals.

Kemira's sustainability and circular economy strategies also set the direction for identifying e.g. circular economy related opportunities in the water business, with relevant value chain partners. Kemira does not currently have policy commitments for its upstream water impacts, this is planned for development during the upcoming years.

The management of water and marine resources in our own operations and value chain are included in Kemira's Nature Stewardship program which covers the management of water, waste and biodiversity. The Nature Stewardship program reports to the Sustainability Steering Team. This ensures that specific cross-functional resources, roles and responsibilities have been assigned which in turn help to ensure the effective implementation and reporting of strategies related to water and marine resources.

In 2021, Kemira joined the CEO Water Mandate and, in 2023, the UN Global Compact Forward Faster initiative, to solidify our commitment to world class water management.

## TARGETS RELATED TO WATER AND MARINE RESOURCES

Kemira has set internal water targets to improve water management in our own operations. Kemira also has water related indicators that are followed internally for impacts, risks and opportunities related to water. These indicators are not currently defined as in the ESRS. Kemira will continue the evaluation of these internal indicators in the following years. Kemira is also preparing to set water related targets for downstream operations since Kemira's ambition is to double its water business.

### Carbon Disclosure Project (CDP) Water Security management target

In 2021, Kemira introduced a voluntary water target to improve our water management to Leadership level, based on the Carbon Disclosure (CDP) Project Water Security scoring methodology, by the end of 2025 (score A/A-). Kemira has retained a B score (Management level) since the first full reporting questionnaire in 2021, even as the scoring criteria have been tightened in the intervening years. The scoring reports show that Kemira's overall water management has improved every year and that Kemira ranks above European, Global and Chemical industry averages (all score C). The objective of the CDP Management target is to improve our water stewardship at all levels and throughout the whole value chain and to show our customers and other stakeholders that our water management is at a high level. Management of impacts, risks and opportunities related to areas at water risk, responsible management of marine resources and reduction of water consumption are included in the CDP Water Security scoring criteria.

Kemira has 58 manufacturing sites, varying from small and simple sites with limited water consumption to complex sites with several production lines. 12 sites are located in water stress areas. The materiality of water and marine resources related impacts, risks and opportunities therefore vary from site to site. Manufacturing sites set their own site specific water targets based on the results of site level materiality assessments, in accordance with Kemira’s management system. Not all sites have water and marine resources related targets as not all sites have identified water and marine related impacts as material. For example, at Kemira’s coagulant sites water consumption is typically low and at many coagulant sites most or all process wastewater is recycled back to the process. Typically, site level targets include a reduction in water consumption and/or an improvement in wastewater discharge quality. Kemira is currently evaluating global level water target options to reflect this variance and is planning to set a new water target for its own operations.

Kemira's water targets are overseen by the Sustainability Steering Team. Specific roles and responsibilities have been assigned to ensure effective implementation and reporting of our water strategies.

## METRICS RELATED TO WATER AND MARINE RESOURCES

### WATER SOLUTIONS

Kemira's goal is to expand in water solutions. Kemira uses sustainability-driven key figures to indicate expansion in business, in addition to revenue and other financial metrics. Water treatment solutions and cooperation are an important part of Kemira's business and one metric to help evaluate this is *Water treated with the help of Kemira chemistry*. This metric is calculated annually, based on the sales of coagulant chemistry, and it gives an estimate of how Kemira's solutions positively impact the treating of water. In 2024, it was estimated that Kemira helped to treat 21 billion cubic meters of water, which can be compared to the water consumption of approximately 370 million Europeans and North Americans, based on regional water consumption data. Only coagulants revenue has been used to calculate the financial opportunity and the water handprint.

### WATER CONSUMPTION

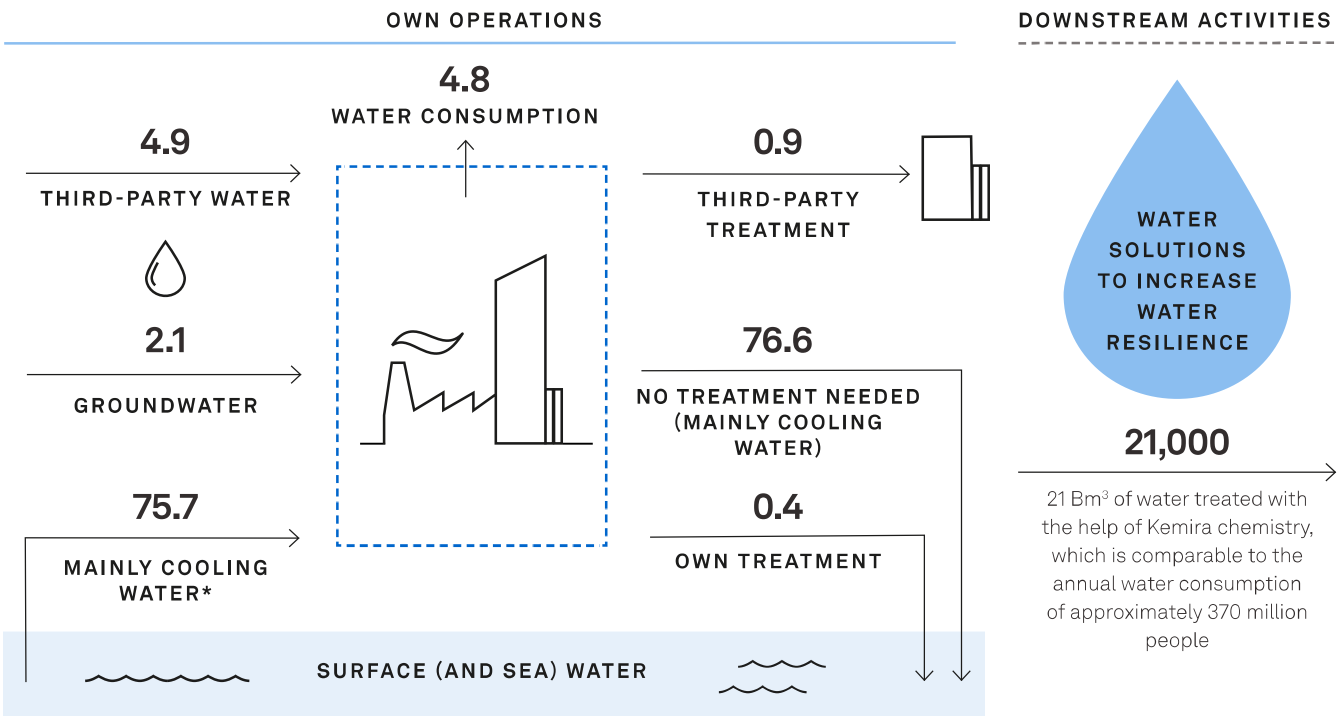
| Water consumption and intensity | 2024 | 2023 |
|---|---|---|
| **Total water consumption, m$^3$** | 4,843,124.0 | 5,194,856.0 |
| Water consumption in areas at water risk, m3 [1)] | 599,507.0 | 584,531.0 |
| Water recycled and reused, m$^3$ | 982,132.0 | 1,014,784.0 |
| Water intensity ratio [2)] | 1,642.8 | 1,535.3 |

1) Includes high-water stress areas
2) Water consumption m3 per million EUR net revenue

Water (recycled and reused) is defined as water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's or shared facility's boundary, so that water demand is reduced. This may be in the same process (recycled) or in a different process within the same facility (own or shared with other undertakings) or in another of the undertaking's facilities (reused). The calculation for recycled and reused water is often estimated due to the challenges in measuring all streams directed to recycling and therefore the data contains uncertainty. Most recycled water is steam condensate. The calculation for the volume of steam condensate is normally based on steam flow measurements which limits uncertainty.

Water consumption is defined as the amount of water drawn into the boundaries of Kemira's manufacturing sites and not discharged back to the water environment or to a third party over the course of the reporting period. Water consumption is calculated as total water withdrawals minus total water discharges. To ensure calculated water consumption data (total water withdrawals minus total water discharges) quality and that sites report full water balances in Kemira's sustainability reporting system, all sites are required to report water consumption separately, using the following breakdown: evaporated cooling water, water to products, water to waste, other evaporation and leakage/storage/calculation and calibration error/production losses.

### DIAGRAM OF WATERFLOWS




* 99% cooling water and 1% process wate

## The Group's reporting principles

Kemira's data for water and marine resources in our own operations is limited to manufacturing sites with environmental permits. The following Kemira operations are excluded:

- Kemira's R&D centers are located in Atlanta, USA; Shanghai, China; and Espoo, Finland. In 2024, the total water consumption in R&D centers remained on the same level as in 2023 or was significantly below 1% with no changes in operations, and it is not considered material.
- Kemira's corporate headquarters in Helsinki, Finland and other corporate offices, sales offices and warehouses, if different from the sites' locations. Total water consumption at these facilities is well below 1% of Kemira's total water consumption.
- In 2024, less than 1% of Kemira sales volumes (in terms of quantity) came from tolling plants and contract manufacturers. On this basis, water consumption at toll and contract manufacturers is expected to be limited and not material.
- Kemira has former production sites with environmental liabilities but with no active manufacturing operations and no significant water consumption. Kemira's activity at these sites includes environmental monitoring and remediation measures. Site operation at the closed sites is limited to remediation and environmental monitoring operations, with no significant water consumption.

Calculated water consumption is compared to the reported data. The expectation for the sites is that the difference between the calculated and reported water consumption will be no more than ±5%. Water withdrawals and water discharges are measured at most sites. In case some stream in the water balances is not measured and if it cannot be calculated then it will be estimated as a final option.

Kemira has no significant operational expenditures (OpEx) or capital expenditures (CapEx) as defined in ESRS to report related to implementations of the actions.

The measurements of the metrics are not validated by an external body other than Ernst & Young Oy, through assurance.

# E4 Biodiversity and ecosystems

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY

<table>
<tr><th>Material impacts, risks and opportunities</th><th>Position in the value chain</th><th>Key management areas of processes and policies</th></tr>
<tr><td colspan="3">Direct impact drivers of biodiversity loss</td></tr>
<tr><td>Negative: Use of resources, land use change through resources extraction, pollution and terrestrial changes or degradation, possibilities for discharges to soil and light or noise disturbances in the upstream value chain.</td><td>↗ Upstream</td><td rowspan="2">• Through the Nature Stewardship program and based on the internal study on biodiversity impacts and dependencies, a roadmap was created to manage the identified material negative impacts in the upstream value chain.<br>• Water solutions is the largest business unit at Kemira following change in operational model. Kemira has strong growth ambitions in water. The focus to be on chemistry solutions and digital services for water-intensive industries.<br>• R&D projects in water solutions with the aim to reduce water consumption.<br>• Entry into new water solutions and markets through acquisition of micropollutant removal technologies<br>• Partnering with value chain operators to develop technologies to recover nutrients from wastewater sludge, e.g. phosphorous removal solutions for sludge-to-biogas with biogas yield improvement technologies, increasing the energy self-sufficiency of wastewater facilities</td></tr>
<tr><td>Positive: Removal of hazardous chemicals across all customer applications (e.g., food packaging, wastewater) in the downstream value chain.</td><td>↘ Downstream</td></tr>
</table>

Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

### Identification and assessment of material impacts, risks and opportunities

Kemira has identified material impacts, risks and opportunities for Biodiversity in the materiality assessment which is described in the *General disclosure* section under *Material impacts, risks and opportunities*. Kemira's approach to conducting consultations with affected communities on sustainability assessments is described in the *General disclosure* section under *Identification of material impacts, risks and opportunities for sustainability topics.*

Kemira has not identified actual or potential material impacts, risks or opportunities for biodiversity and ecosystems at its own manufacturing site locations. Material negative impacts with regard to land degradation, desertification or soil sealing, as well as operations that affect threatened species were not identified.

### Strategy and transition plan

Kemira initiated an internal evaluation of its direct impacts, dependencies, risks and opportunities related to biodiversity and ecosystems at the end of 2021. The assessment of indirect impacts, dependencies, risks and opportunities began in 2023. As biodiversity and ecosystem related risks are expected to increase in the future, Kemira will, in the next two years, develop a strategic plan for the adaptation of its business model and strategy in response to the ongoing assessment findings. An initial, high-level resilience assessment of Kemira's business model and strategy, relative to biodiversity and ecosystems-related physical and transition risks, was conducted in 2023. Systemic risks were not evaluated as part of the assessment. The scope of the resilience analysis included both Kemira's direct and indirect impacts, dependencies, risks and opportunities in the upstream and downstream value chain and in own operations. The results of the analysis provided an outlook on the likely role of biodiversity in Kemira's operations up to 10 years into the future and these were communicated to Kemira's Board of Directors and Management Board.

As sustainability is integrated into Kemira's strategy, Kemira's current business model is considered resilient to biodiversity and ecosystems-related risks. The key assumptions indicate that the most significant indirect impact in the future is likely to occur within the upstream value chain, associated with the utilization of both conventional and renewable raw materials. As customer awareness on the topic of biodiversity is rising, Kemira has a positive role in mitigating biodiversity impacts in its downstream operations through its focus on improved customer efficiency and water treatment solutions.

### POLICIES RELATED TO BIODIVERSITY

Through Kemira's Sustainability Policy and Nature Stewardship program, Kemira is committed to reducing negative impacts on biodiversity and ecosystems and to promoting the responsible and efficient use of natural resources in the whole value chain. Kemira's Sustainability Policy incorporates the evaluation of near-term and long-term risks and opportunities related to climate change mitigation and adaptation in own operations and the value chain. The Sustainability Policy does not cover all material dependencies nor material, physical and transition risks and opportunities related to biodiversity. Kemira's Sustainability Policy Commitment document includes a pledge to protect the environment through energy efficiency and energy sourcing management. This includes reducing greenhouse gas emissions and releases to air, water and soil. In addition, Kemira aims to minimize water and material use and waste generation by applying circular economy principles. To protect biodiversity, Kemira commits to sustainable raw material sourcing programs, reducing waste generation and pollution in its operations and to providing wastewater treatment solutions to customers.

Kemira's Sourcing and Procurement Policy defines how sustainability must be taken into account in sourcing, procurement and supplier management activities and requirements in the upstream value chain. Kemira's Product Stewardship Policy ensures that Kemira products can be safely used by Kemira's stakeholders and are safe for the environment. Kemira's policies do not fully cover traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems along the value chain. Kemira's approach is to ethically enhance positive impacts across its entire value chain, involving Kemira's people, business partners, the environment and surrounding communities. The Sustainability Policy does not address the social consequences of biodiversity and ecosystems-related impacts. The Sustainability Policy is aligned with the Kemira Code of Conduct and other internal Kemira policies e.g. the Nature Stewardship Policy, Product Stewardship Policy, Recruitment Policy and the Sourcing and Procurement Policy. The key contents, scope, process, accountability and availability of the policies is described in the *G1 Business Conduct* section under *Corporate Culture and Business Conduct Policies.* Kemira has not adopted separate biodiversity and ecosystem protection policies covering operational sites owned, leased or managed in or near a biodiversity sensitive area nor the following: policies related to sustainable land / agriculture practices, sustainable oceans / seas practices or policies to address deforestation.

Kemira initiated an assessment of actual and potential impacts to biodiversity and ecosystems in the upstream value chain for Tier 1 suppliers in 2023. The assessment was conducted to identify major, indirect nature impacts and dependencies in Kemira's Pulp & Paper, Polymers and Coagulants product lines. The work was carried out in accordance with the Step 1a&b guidelines of the Science Based Targets Network's (SBTN) Science-Based-Targets for nature, and both primary and secondary data sources were utilized. The results identified that the main, indirect biodiversity impacts in the upstream value chain are caused through terrestrial ecosystem use, water use, GHG emissions and pollution.

### ACTIONS RELATED TO BIODIVERSITY

Kemira has not used biodiversity offsets in its action plans and does not plan to do so in the upcoming years. Kemira has not incorporated local and indigenous knowledge and nature-based solutions into its biodiversity and ecosystems-related actions and does not plan to do so in the next two years. Kemira has not concluded that it is necessary to implement biodiversity loss mitigation measures.

### TARGETS RELATED TO BIODIVERSITY

Kemira has indicators that are followed internally for impacts, risks and opportunities related to Biodiversity and ecosystems. These targets are not defined as in ESRS. Kemira will continue the evaluation of these indicators in the following years.

### IMPACTS METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

Kemira has not yet established metrics related to material impacts, risks and opportunities in the upstream and downstream value chain related to biodiversity and ecosystems. Kemira is planning to establish such metrics in the upcoming years, based on an impacts, dependencies, risks and opportunities assessment. Kemira's Nature Stewardship program sets out the process for development of the policies and actions related to material biodiversity impacts, risks and opportunities. The program's ambition is to establish, at a minimum, internal quantitative indicators to track the progress of such policies and actions. The base period from which progress is measured will be determined once the quantitative indicators are established. Kemira is also further developing its Product Carbon Footprint (PCF) and Life Cycle Assessment (LCA) capabilities. More information can be found under *E2 Actions related to Pollution*.

Kemira has not identified manufacturing sites located in or near biodiversity-sensitive areas that it is negatively affecting. Kemira uses the Integrated Biodiversity Assessment Tool (IBAT) and the WWF Risk Filter Suite (Water Risk Filter and Biodiversity Risk Filter) to monitor priority sites in its own operations that are in proximity to protected areas and key biodiversity areas. An assessment is conducted annually for existing sites and on a basis as required for site acquisitions. Kemira uses the number of sites in proximity to biodiversity areas as an indicator of possible changes in the classification of the land surrounding the manufacturing sites and to understand whether Kemira may have a negative impact on such areas. In 2024, Kemira had 10 sites located in and/or near protected areas and key biodiversity areas. Kemira's manufacturing sites (58) have environmental permits, are located on industrial land and utilize already existing infrastructure. Environmental impacts and risks, including biodiversity related impacts and risks, are initially assessed as part of the environmental permitting process of the sites and the Environmental Impacts Assessments (EIA) at the sites where EIA is required. Based on the environmental impact assessments conducted as part of the environmental permitting of the sites, Kemira's manufacturing sites do not negatively affect biodiversity-sensitive areas.

### The Group's reporting principles

Measurements of the metrics are not validated by an external body other than Ernst & Young Oy, through assurance.

# E5 Resource use and circular economy

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

| Material impacts, risks and opportunities | Position in the value chain | Key management areas of processes and policies |
|---|---|---|
| **Resource inflows including resource use** | | |
| Resource-intensive operations relying partly on non-recycled and non-renewable raw materials | ↗ Upstream<br>Own operations | • Alignment between business strategy and sustainability strategy, commitments and targets, increasing the amount of renewable and recycled materials in the product portfolio. Utilizing side streams, by-products and wastes from other industries to manufacture products.<br>• Kemira focuses on development of new renewable raw materials and has a target to grow renewable solutions. R&D sustainability assessment included with circularity aspects that are qualitatively assessed in the whole value chain.<br>• Value chain collaborations with suppliers to develop new product solutions for customers<br>• Strategic sourcing initiatives and assessments to secure renewable and low product carbon footprint raw materials<br>• Participation in and utilization of well known certification systems to improve traceability of the origin of raw materials<br>• Influencing activities to promote renewable solutions as alternatives to fossil feedstocks through memberships in association and collaborations, e.g. the Renewable Carbon Initiative (EU) |
| Using own and industrial partners' by-products and landfill waste as raw materials in production (waste reuse) | ↗ Upstream<br>Own operations | |
| Finding alternatives for fossil-based raw materials generates demand for Kemira's renewable business portfolio | ↗ Upstream<br>Own operations<br>↘ Downstream | |
| **Resource outflows related to products and services** | | |
| Significant and growing product portfolio focusing on recyclability. Developing products and solutions that improve recyclability and biodegradability. | Own operations<br>↘ Downstream | • Kemira's strategic focus on new business creation in circularity-driven applications. Chemistry and digital services to optimize customers' process efficiencies, creating opportunities for customers to reduce raw materials, energy and water consumption and prevent emissions and waste generation.<br>• Kemira offers customers products and solutions with non-virgin origin<br>• Prolonging the lifetime of customer products by increased durability and recyclability or biodegradability enhancing solutions<br>• Developing and piloting technologies to recover resources from customer processes, e.g. phosphorous removal in wastewater treatment and increasing biogas yields for increased energy self-sufficiency<br>• Value chain collaboration with Kemira's customers to create new solutions<br>• Establishment of chemical islands in collaboration with customers, close proximity to customer operations brings clear efficiency improvements through with shared resources<br>• Resource-efficiency improvements through active development of existing and new chemistry platforms. Kemira's proactive R&D and application development to solve customers' efficiency issues and strategic focus on growing in digital services. R&D sustainability assessment where circularity aspects are qualitatively assessed in the whole value chain. |
| Improving the resource efficiency of customers' processes. Amplified through digital solutions. | ↘ Downstream | |
| Financial opportunities arising from customers increasing focus on resource efficiency. Core business in developing and applying chemistry to optimize the use of resources. | Own operations<br>↘ Downstream | |
| Increasing trend and consumer demand to replace fossil-based packaging products with renewable materials, driven both by regulation and brand owners, creates new sales opportunities for Kemira. | ↘ Downstream | |
| Chemical islands (integration of chemical production with customers' site) with optimized processes together with customers, increasing resource efficiency | Own operations<br>↘ Downstream | |
| **Waste** | | |
| Waste generated by raw material suppliers in upstream value chain | ↗ Upstream | • Kemira uses the EcoVadis platform to assess sustainability of its suppliers. Waste management is included as one criteria in the EcoVadis platform. In EcoVadis, suppliers are requested to meet certain standards and continuously improve. |
| Waste from own production (chemical waste and wastewater, including hazardous waste) | Own operations | • Waste from own operations is managed through the Integrated Management System and Nature Stewardship program and associated processes, targeting to reduce waste and increase waste recovery |
| Waste generation through product disposal by customers | ↘ Downstream | |

Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

**Identification and assessment of impacts, risks and opportunities**

Kemira identified material impacts, risks and opportunities for resource use and the circular economy in the materiality assessment which is described under *Material impacts, risks and opportunities* in the *General disclosure* section. The material impacts, risks and opportunities are summarized in the table on the previous page. Kemira is planning to consult a broader set of stakeholders over the upcoming years, to complement the materiality assessment with the views of e.g. affected communities.

## POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Kemira has a Sustainability Policy and a Sourcing and Procurement Policy which set the principles and guidelines on Kemira's resource use and the circular economy. In the Sustainability Policy, Kemira commits to reducing emissions and waste, improving resource efficiency, to enabling a circular economy, adopting circular business practices and having a positive impact across Kemira's value chain. The policy covers Kemira's global value chain activities in full. The key contents, the scope, process, accountability and availability of the policies is described in the *G1 Business Conduct* section, under *Corporate Culture and Business Conduct Policies.*

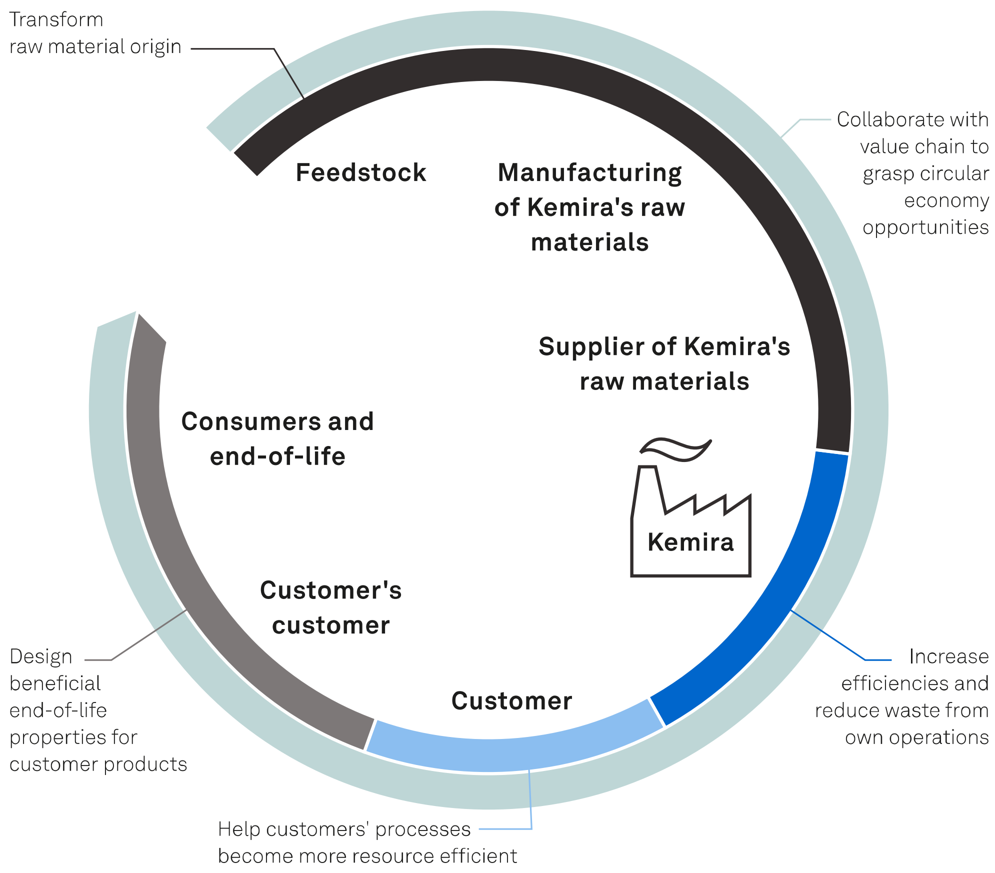
Kemira's Sourcing and Procurement Policy aligns activities with the company sustainability program and sets expectations for environmental performance. The policy particularly focuses on inflow-related impacts, risks and opportunities and it covers global activities that especially apply to the sourcing and purchasing of direct materials and corporate services, manufacturing sourcing, energy and logistics. The policy sets guidelines and key principles for sourcing activities and supplier selection, based on sustainability performance. The supplier management focus is on improving economic and sustainability performance, anticipating risks and initiating approaches with suppliers that are responsible and innovative. The policy covers Kemira's upstream sourcing and purchasing activities globally.

Kemira does not currently have a policy related to transitioning away from the use of virgin resources or the utilization of secondary resources. However, Kemira's circular economy approach is included in the corporate sustainability program. The circular economy approach is based on five circular economy principles that are aligned with Kemira's identified material resource use and circular economy related impacts, risks and opportunities:

1. Transform raw material origin
2. Increase efficiencies and reduce waste from own operations
3. Help customer processes become more resource efficient
4. Design beneficial end-of-life properties for customer products
5. Collaborate with value chain to grasp circular economy opportunities

Kemira is planning to introduce policies for the sourcing of renewable and secondary materials. This is still in development and statements on these topics are to be included in official documentation during the upcoming years.

## CIRCULAR ECONOMY PRINCIPLES



## ACTIONS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

**Renewable and recycled raw materials and products**

The transition to renewable resources is a core element in Kemira's strategy. Replacing fossil raw materials with more sustainable alternatives is advancing in three different ways: a focus on expanding in existing renewable solutions in the market, on biomass-balanced solutions and on innovating new chemistries. This strategy is advanced through research and development activities, dedicated commercial acceleration resources and partnerships. Kemira dedicated 46% of research and development CapEx to renewable materials in 2024. Kemira also established a Growth Accelerator unit in 2023, to speed up the commercialization of renewable products and other strategic initiatives.

Kemira utilizes existing, well-known, biobased chemistries in the market but also offers mass balanced products to customers. This means that raw materials originating from renewable and circular feedstocks can be utilized in existing production infrastructures, creating identical product quality and performance to that of conventional products. Biomass-balance can also contribute to lower product carbon footprints, more information can be found in *E1 Actions related to Climate change*.

The focus on new chemistries requires innovating new chemical concepts and technologies for the applications that Kemira serves. This is advanced through strategic upstream partnerships with International Flavours and Fragrances (IFF) on the alfa glucan chemistry platform and with Danimer Scientific on the polyhydroxyalkanoate (PHA) platform, for example.

Alongside raw materials from renewable sources, a significant part of raw materials also come from recycled sources like industrial by-products, side-streams and waste. These originate mainly from smelters as well as from steel and metal manufacturing. Coagulants is one of the largest product lines in terms of volumes and up to 70-80 % of the raw materials for these products come from recycled sources. In 2024, 49.2% of Kemira's purchased raw materials came from such sources. Kemira does not have a target for increasing the amount of recycled materials in use but it tracks the quantity of these on annual level.

Kemira uses the EcoVadis platform to assess and secure the sustainability of suppliers. Sustainable procurement and environmental performance, including waste management, are included as criteria on the EcoVadis platform. On EcoVadis, suppliers are required to meet certain standards and to continuously improve in the areas of sustainable procurement and the environment, including environmental compliance, waste, air emissions, climate change, water and groundwater, wastewater, energy, nuisance (noise and odor), land use and biodiversity, soil and hazardous chemicals.

Kemira has several voluntary indicators related to the upstream value chain. These indicators can be considered as Kemira's internal targets that aim to prevent and mitigate the negative impacts and risks which are related to suppliers.

- Supplier spend coverage that is assessed by Ecovadis
- Number of non-compliant key suppliers with Ecovadis ratings improved over Kemira's minimum rating criteria
- Number of supplier quality audits
- Number of supplier Corporate Social Responsibility (CSR) audits

Targeted suppliers are defined annually based on segmentation and risk prioritization and indicators are monitored regularly. Indicators are managed by Kemira's Sourcing function and planned with the Sourcing management team and are approved as a part of annual function target setting. These indicators are not currently defined as in ESRS. Kemira will continue the evaluation of these indicators in the following years. Kemira has dedicated persons within the Sourcing function to take forward supplier-related resource use and circular economy actions.

**Improving customer processes and products**

Kemira R&D supports Kemira's resource use and circular economy objectives with New Product Development (NPD) projects, Technical Customer Service (TCS) and Production Support (PS). Besides chemical products, Kemira also focuses on digital services that improve customer resource efficiency. Kemira dedicated 6% of research and development capex to digital solutions in 2024. Along with the development of renewable and customer resource improving products, Kemira also innovates products and solutions that improve customer product durability, recyclability and biodegradability.

**Waste reduction**

Kemira is continuously evaluating opportunities to decrease waste and associated impacts, using the Integrated Management System. The Integrated Management System applies ISO 14001 standards to environmental topics and to the Nature Stewardship program. Kemira does not have its own active waste disposal, e.g., its own active landfills. Waste from manufacturing sites is collected by third-party waste handling companies that have permits to receive and to manage waste. All waste is managed by third-party companies, in compliance with local regulations. This is ensured by the waste management service sourcing process.

Actions to reduce waste include improved recovery of raw material ore and the sourcing of higher quality raw-materials. Further, in coagulant production the focus is on cooperation with waste handling companies to find recovery options for filtrate wastes. Waste compositions have been studied in our R&D centers and by third-party waste handling companies to better understand waste characteristics and the potential for recovery and converting waste to by-products.

The assessment of waste impacts is included in Kemira's internal processes such as CapEx investment management, mergers and acquisitions and in the New Product Development (NPD) process. Kemira has dedicated experts in the EHSQ function for taking waste reduction related actions forward. This is conducted in close co-operation with Kemira's manufacturing.

### TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

| | Target | Target year | Base-line | Baseline year | 2024 | 2023 | Relation to inflows/outflows |
|---|---|---|---|---|---|---|---|
| Renewable solutions revenue, EUR million | 500 | 2030 | 184 | 2020 | 240 | 226 | Inflows (raw materials) outflows (product) |
| Products improving customer resource efficiency, % | >50 | – | 50 | 2017 | 58 | 59 | Outflows (products) |
| Disposed production waste intensity reduction, kg/tonnes of production | -15% | 2030 | 4.4 | 2019 | 4.2 | 4.1 | Outflows (waste) |

Kemira wants to ensure profitable growth by becoming the leading provider of sustainable chemical solutions for water-intensive industries. Kemira has set targets which are based on its strategy, the business model and on creating solutions for our customers. Kemira regularly reviews both customer expectation and their potential concerns. Our approach to customer engagement includes activities ranging from information sharing to active dialogue and collaboration on issues of mutual interest. The feedback and information gathered from these activities is integrated into Kemira's operational development and decision-making. This feedback is an important input for setting targets. Kemira's targets are set based on the best possible available data. Primary data sources and scientific frameworks are applied where available and applicable (e.g. in the climate targets). The targets have been set and approved by Kemira's highest management, which also monitors progress on the targets.

**Renewable and recycled raw materials and products**

Kemira has set a target for renewable solutions revenue of EUR 500 million by the end of 2030. This is voluntary target is aligned with Kemira's business ambitions. The target is not directly related to the waste hierarchy, but is aligned with well-known circular economy principles targeting the substitution of virgin and fossil materials and replacing these with renewable alternatives. The target is one of the key performance indicators for Kemira's strategic initiatives. Kemira's definition of a "renewable solution" is that more than 50% of the organic carbon is derived from renewable sources, e.g. from plants, fermentation, recycled carbon, chemical recycling and CO2 derived sources. The remaining part of the organic carbon derives from fossil sources. Kemira has been continuously growing its renewable solutions portfolio over the past years and is on track to reach the EUR 500 million target.

Renewable raw materials are sourced from a variety of plant based sources and established raw material value chains, some being from side streams of industrial processes. Kemira uses the ISCC PLUS certification system. This ensures that the cascading principle is followed and transparency and traceability can be determined.

**Improving customer processes and products**

To ensure that Kemira's product portfolio is aligned with its strategic sustainability ambitions, Kemira has a process for assessing the product portfolio performance in customers' processes. In 2024, 58% of Kemira's revenue was related to products that improve customer resource efficiency. The target is to ensure that at least 50% of Kemira revenue is generated through products that improve customers' resource efficiency, without a specific target year. This is a voluntary target set by Kemira's highest management. The target is calculated annually, by analyzing 34 different customer applications and rating these on a scale including high, medium, low or no impact. Having an impact means reducing raw material consumption, improving energy efficiency, reducing water consumption, improving production yield, eliminating greenhouse gases, reducing waste and/or extending customer asset life. Besides the above-measured products, Kemira has a strategic ambition to grow in digital services.

These often inherently improve customer resource efficiency. This solution category has been included in the calculation during 2024.

The target to improve resource efficiency relates to the waste hierarchy aim of minimizing systematic leakage and negative externalities. It also helps customers reduce their use of virgin resource inflows. Kemira has been continuously improving on the target and has stayed well above the expected threshold of 50%. In the past reporting period, due to product portfolio changes, there has been some performance decline.

**Waste reduction**

Kemira's target is to reduce disposed production waste intensity at manufacturing sites by 15% by the end of 2030. The target includes both hazardous and non-hazardous waste but waste that is recovered, e.g. by recycling, reuse and incineration with energy recovery is excluded. The target is expressed as an intensity, tons of waste per thousand tons of production. The baseline was 4.4 in 2019 and the target is 3.7 by the end of 2030. The intensity was 4.2 in 2024, which is less than the baseline 4.4. Kemira has been gradually reducing the amount of disposed production waste.

## METRICS RELATED TO RESOURCE USE

### RESOURCE INFLOWS

Kemira has identified and assessed resource inflows as a material sub-topic in the materiality assessment. The material impacts, risks and opportunities are summarized at the beginning of the *Resource use and circular economy* section. Amongst the inflow categories, Kemira has focused on the most material topics, including mainly raw materials, covering over 52% of Kemira's total spend. The materiality of plants and equipment and water and packaging was assessed to be non-material, based on either spend or volume criteria.

### RAW MATERIALS

Kemira's manufacturing processes depend on raw materials. These raw materials can be based on non-renewable (fossil, mineral), renewable or recycled sources and include the by-products, side-streams and waste of other industries. The raw materials are both organic and inorganic. Kemira further refines the raw materials into bulk and specialty chemicals that are sold as products to the main customer segments. The main product lines consist of large volume inorganic chemistries like bleaching and coagulants and organic chemistries like polymers and sizing. These product lines cover over 75% of Kemira's product portfolio.

Besides the main product lines, new chemistries are entering the product portfolio through an increased focus on renewable solutions

In 2024, the overall total weight of products, raw materials and biological materials used was 2.6 (2.5) million tons. 2.6% (2.8%) of purchased raw materials originated from renewable sources (biological materials), accounting for 65,380 tons in weight (70,456). 1.3 million tons (1.1) or 49% (44%) of raw materials originated from recycled sources (secondary materials).

### RESOURCE OUTFLOWS

Kemira has identified and assessed resource outflows, including waste, as a material sub-topic in the materiality assessment. Packaging was identified as non-material in the materiality assessment. The material impacts, risks and opportunities are summarized at the beginning of the *Resource use and circular economy* section.

**Products and materials**

Kemira's products can be categorized in two main ways:

1. Products and solutions that enable and improve the customer process. These solutions are usually only a small part of the customer process but they have a major impact on the process. Examples of these are pulping chemistries (e.g. bleaching), water treatment chemistries (e.g. coagulants and polymers), biogas yield improvement and digital services.
2. Products and solutions that enable and improve the customer end-product. These solutions become a part of the customer end product. Examples of these are strength chemistries that also create light weighting properties (e.g. polymers and sizing), coating chemistries (e.g. barriers) and chemistries enabling the use of circular economy aligned products like textile fibers with a renewable or a recycled origin.

Due to the nature of Kemira's products (industrial chemicals), durability or repairability is not seen as an applicable attribute. However, Kemira products do contribute strongly to customers' product durability which enables them to utilize recycled fibers in their production, for example.

Kemira is aiming to increase the percentage of recycled or side-product originated raw material base in the coming years. Kemira has major product lines where the content of recycled materials (secondary materials) can be 70-80% of the total volume of the product, e.g. coagulants. More than 90% of Kemira's products are delivered to customers as bulk transports, with no packaging. The rest are transported in Intermediate Bulk Containers (IBCs) that are made of plastic with metal frames. The recyclability of the containers depends on the transported chemicals. Kemira is not systematically collecting the data on the recycling rate of packaging to customers due to majority of transportations being in bulk.

**WASTE**

Kemira generated 72,483 tons of waste as a part of manufacturing processes in reporting year 2024. Waste data is centrally collected, by seven composition categories, including chemical waste, sludge, metallic waste, mineral waste from construction and demolition and other mineral waste, soils, wastewater and other waste. Kemira follows local environmental permits in waste reporting and recovery and disposal method definitions. The most significant waste categories at manufacturing sites include chemical waste and wastewater. Some wastewater streams are defined as waste in local environmental permits and are reported as waste to local environmental authorities. In 2024, Kemira continued decreasing trend to reduce waste volumes in its manufacturing operations - both hazardous and non-hazardous. Since 2019, Kemira's total waste in its manufacturing operations has decreased by 52% (hazardous 70% and non-hazardous 42%). The reduction in waste from manufacturing operations from previous year is primarily attributed to a process change at one site, which led to a decrease of 13,524 tons of non-hazardous waste. Additionally, the divestment of the Oil & Gas business contributed to an average annual reduction of 2,500 tons.

In addition to manufacturing-related waste from our manufacturing operations, waste is generated in liability site management and demolition related operations such as soil, groundwater and landfill remediation and building demolition. In 2024, liability site management and demolition related waste was generated for example at closed manufacturing sites in Vaasa, Finland through soil and landfill remediation and building demolition and at Pierre Benite, France through soil remediation. The decrease in waste from liability and demolition sites from previous year is mainly due to the remediation and building demolition project in Vaasa. In 2023, this project generated 104,033 tons of soil and demolition waste, whereas in 2024, it generated only 36,946 tons.

| Hazardous and non-hazardous waste, tons | Manufacturing sites | | Liability and demolition sites | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Hazardous waste** | 17,196.0 | 17,281.1 | 9,189.3 | 20,682.7 | 26,385.3 | 37,963.9 |
| Directed to disposal | 8,099.8 | 6,246.4 | 8,332.8 | 20,680.9 | 16,432.6 | 26,927.3 |
| Incineration | 1,489.6 | 575.8 | — | — | 1,489.6 | 575.8 |
| Landfilling | 3,637.3 | 3,038.9 | 7,208.9 | 17,599.6 | 10,846.2 | 20,638.5 |
| Other disposal operations | 2,972.9 | 2,631.7 | 1,123.9 | 3,081.3 | 4,096.9 | 5,713.0 |
| Diverted from disposal | 9,096.1 | 11,034.7 | 856.5 | 1.8 | 9,952.6 | 11,036.6 |
| Preparation for reuse | 53.4 | 40.8 | — | — | 53.4 | 40.8 |
| Recycling | 4,570.3 | 5,437.5 | 838.2 | — | 5,408.5 | 5,437.5 |
| Other recovery operations | 4,472.4 | 5,556.4 | 18.3 | 1.8 | 4,490.7 | 5,558.2 |
| **Non-hazardous waste** | 55,286.7 | 73,286.6 | 31,955.2 | 94,236.6 | 87,241.8 | 167,523.2 |
| Directed to disposal | 12,426.6 | 15,889.3 | 13,431.9 | 3,149.8 | 25,858.5 | 19,039.2 |
| Incineration | 73.4 | 271.2 | — | — | 73.4 | 271.2 |
| Landfilling | 8,349.0 | 11,447.6 | 615.2 | 2,820.8 | 8,964.2 | 14,268.4 |
| Other disposal operations | 4,004.2 | 4,170.5 | 12,816.7 | 329.0 | 16,820.9 | 4,499.5 |
| Diverted from disposal | 42,860.0 | 57,397.2 | 18,523.3 | 91,086.8 | 61,383.3 | 148,484.0 |
| Preparation for reuse | 375.8 | 251.2 | 0.4 | 5.6 | 376.2 | 256.8 |
| Recycling | 6,728.3 | 8,661.5 | 17,126.4 | 91,073.8 | 23,854.8 | 99,735.3 |
| Other recovery operations | 35,755.9 | 48,484.5 | 1,396.5 | 7.4 | 37,152.4 | 48,491.9 |
| Non-recycled waste | 61,184.0 | 76,468.7 | 23,179.8 | 23,845.5 | 84,363.8 | 100,314.2 |
| Share of non-recycled waste, % | 84.4 | 84.4 | 56.3 | 20.7 | 74.2 | 48.8 |
| **Total waste generated** | 72,482.6 | 90,567.7 | 41,144.5 | 114,919.3 | 113,627.1 | 205,487.0 |

## The Group's reporting principles

**Inflows**

Kemira calculates amounts of indirect and direct materials through direct data. Data is taken from centralized systems where Kemira also manages financial and volume data directly. A separate report is generated using spend and volume data, separated by categories.

Kemira calculates the amounts of renewable and recycled raw materials used in a two step measurement,the first step is estimating the amount of renewable content in the product, based on information from suppliers, and the second step is to combine the data with centralized system data.

- Recycled materials data is gathered from the suppliers and is reported for calculating the total recycled material share.
- Renewable materials data is reported and used as a basis when calculating the total renewable material share.

Biological material is wholly or partly derived from materials of biological origin where the source is either fossilized or not, used to manufacture products and services, but not for energy purposes.

Secondary material is based on side streams, by-products or wastes of other industries, e.g. materials from smelters and steel and metal manufacturing such as scrap iron, ferrous sulfate and spent pickling liquor bath.

**Outflows (products)**

Renewable solutions revenue and volumes of products are reported and consolidated in the centralized system. The revenues attributable to the Renewable solutions revenue calculation are recorded in the system where revenue from products which are classified as renewable, partly renewable and not renewable.

Products improving customer resource efficiency describes the share of revenue from products sold for use-phase resource efficiency. Each product line has been qualitatively scored and weighted, for 34 different customer applications.

Product end-of-life data is based on product sales information from the centralized system which is categorized based on product line and on product end-use. Calculations on product volumes are made based on product end-uses. The total volume of product for each end-use category is calculated, with an estimate for the fraction of organic or inorganic content. After this the volumes are compared to publicly available end-of-life statistics for the main applications.

**Outflow (waste)**

Waste data is collected through consolidation systems from manufacturing sites. Kemira's waste target excludes non-production waste and disposed products, which are defined as follows:

- Non-production waste: expired or outdated raw materials, contaminated soil or debris from spills, construction and demolition waste including waste (reusable and non-reusable) associated with plant or site closures, biomass from gardening and pruning activities, laboratory/warehouse cleanouts and non-routine tank/railcar cleaning waste.
- Disposed products: Kemira's products that have been disposed of or recovered by a third-party disposal company.

62% of Kemira's non-recycled waste is waste that is incinerated with energy recovery. 51% of non-recycled waste is generated at one site where the waste fraction from one process is transported in a pipeline to an adjacent paper mill where the fraction is then incinerated with energy recovery. Kemira monitors an internal recovery rate that includes preparation for reuse, recycling, incineration with energy recovery and other recovery operations as waste recovery. The internally followed recovery rate in 2024 was 71%.

The 2024 waste figures exclude the sites that were part of the Oil & Gas business operations in January 2024, prior to the divestment transaction closing in February 2024. Waste generation at these sites in January 2024 is estimated to account for less than 0.3% of the total waste generated in 2024.

Kemira has no significant operational expenditures (OpEx) or capital expenditures (CapEx) as defined in ESRS to report related to implementations of the actions.

Measurements of the metrics are not validated by an external body other than Ernst & Young, through assurance.

# Social information

## S1 Own workforce

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

| Material impacts, risks and opportunities | Position in the value chain | Key management areas of processes and policies |
|---|---|---|
| **Working conditions** | | |
| Negative: Health and safety risks related to all operations: process safety and chemical safety | Own operations | • *Safety and wellbeing* is the first code principle in Kemira's Code of Conduct, which guides Kemira operations. Kemira has a certified integrated management system to ensure this principle is implemented.<br>• Kemira is committed to providing safe and healthy working conditions in all locations for all employees. |
| Positive: Maintaining and further improving industry leading health and safety standards | Own operations | |
| Potential opportunity: Improving Kemira's attractiveness as an employer by continuing efforts in promoting health, safety, well-being and Diversity, Equity and Inclusion (DEI) | Own operations | • Kemira ensures that relevant policies and procedures are in place (e.g. Code of Conduct and Recruitment Policy) and increases awareness of these areas through different communications channels externally and internally. |
| **Equal treatment & opportunities for all** | | |
| Risk: Inadequacy of Diversity, Equity and Inclusion (DEI) as part of Kemira's corporate culture for growth and new innovations | Own operations | • Code of Conduct lays out Kemira's commitment to respecting the diversity, talent and abilities of all. Recruitment policy lays out Kemira's commitment to recruiting fairly and respecting diversity and equal opportunities and treatment of all.<br>• Continuous employee listening process is in place to collect employees' perceptions and feedback on regular basis.<br>• Performance and development discussions (PDD) process ensures that employees's performance and development are discussed throughout the year.<br>• Ethics & Compliance hotline is available for raising concerns. |
| Potential negative: Potential inequality in gender diversity | Own operations | |
| Potential negative: Potential unequal access to learning opportunities | Own operations | |
| **Other work-related rights** | | |
| Potential negative: Potential violations of privacy in high-risk countries may cause negative impact to human rights. Kemira's high risk countries have been defined by a third-party utilizing a set of different human rights and labor rights related publicly available indices (Business social compliance initiative, Labor Rights index, Global Rights index). | Own operations | • Code of Conduct lays out Kemira's commitment to respecting the privacy of personal data and processing it in compliance with applicable laws.<br>• Group Privacy Policy defines more detailed requirements on privacy. Employee Privacy notice is available for all employees.<br>• Kemira has a confidential channel to report potential privacy breaches, and possible concerns can also be raised through the Ethics & Compliance hotline channel. |

Own operations ↗ Upstream ↘ Downstream Positive Negative Potential positive Potential negative Opportunity Risk Potential opportunity Potential risk

**Management of material impacts, risks and opportunities**

Kemira has identified material impacts, risks and opportunities for its own workforce in the materiality assessment which is described in the *General Disclosure* section, under *Material impacts, risks and opportunities*. Following the materiality assessment, the identified negative material impacts and risks were taken into a more comprehensive assessment (Human Rights Due diligence risk assessment) in which the high-risk factors related to Kemira's business model and strategy were considered. As an outcome of the more detailed risk assessment, Kemira has defined possible salient human rights impacts, risks and opportunities for its own workforce, as described in the table above.

Own workforce in this context refers to both Kemira employees and non-employees. *Employees* are employed by Kemira and include both white-collar employees and operational employees who are working in operational roles at manufacturing sites. Non-employees (contingent workforce) are employed by a third-party partner or are self-employed but perform their work on behalf of Kemira.

In the risk assessment, certain groups in Kemira's own workforce were identified as potentially being negatively affected by the material impacts and risks with a greater likelihood than others. For health and safety topics this applies to employees handling chemicals in production, in Research & Development (R&D), in sales and in driver jobs. In these groups, temporary employees and pregnant women in particular could be at potential risk. For DEI topics, potential risks apply particularly to women and to certain minority groups (sexual orientation, age groups, ethnicity).

**Strategy and business model**

Kemira's material impacts, risks and opportunities related to Kemira' s own workforce are part of Kemira's social sustainability agenda, which is aligned with Kemira's strategy and business model. Most of Kemira's impacts, risks and opportunities in this area are widespread (those apply to own workforce in general), with the exception of potential violations of privacy which refer to possible individual incidents. There are no material impacts for Kemira's own workforce arising from transition plans for reducing negative impacts on the environment and achieving ecological and climate neutral operations.

All the identified material positive and negative impacts, risks and opportunities for own workforce are connected to Kemira's strategy and business model. For Kemira, as a global chemical industry company, health and safety impacts and risks are directly originated from Kemira's business model and industry environment. Kemira's value "We care for people and the environment" is a guiding principle in Kemira's business and operations. Safety and well-being is the first core principle in Kemira's Code of Conduct which guides Kemira's operations.

Diversity, Equity and Inclusion (DEI) topics are central to Kemira's values and growth strategy as DEI is essential for attracting and retaining talent for growth and innovations. Employee well-being and safety are crucial for a high performing organization and Kemira's growth strategy is made possible by its culture. In addition to employee safety, data privacy and security is also essential. Ensuring consistent data privacy procedures and compliance with applicable laws and regulations is important for Kemira which operates globally in the manufacturing industry.

### POLICIES RELATED TO OWN WORKFORCE

Kemira has the following policies in place regarding the identified possible salient human rights impacts on own workforce. The key contents, the scope, process, accountability and availability of the policies is described in the ***G1 Business Conduct*** section under *Corporate Culture and Business Conduct Policies.*

Kemira's Code of Conduct sets the standard for the company's human rights approach. In the Code of Conduct, Kemira states that the company is committed to the principles of The Universal Declaration of Human Rights and to the core conventions of the International Labor Organization (ILO) and the United Nations' Global Compact. According to the Code of Conduct, Kemira is committed to providing safe and healthy working conditions at all Kemira locations and to respecting the diversity, talent and abilities of others. Kemira defines diversity as all the unique characteristics that make up each of us; personality, lifestyle, work experience, ethnicity, religion, gender, sexual orientation, age, national origin, ability and other characteristics. Kemira is committed to treating people with dignity, decency and respect and to respecting the fundamental human rights. Kemira also respects the privacy of personal data and processes personal data only for legitimate business purposes and in compliance with applicable laws. Everyone at Kemira who has access to personal data is responsible for handling such data with due care and for safeguarding it from unauthorized access and use.

With the Sustainability Policy, Kemira is committed to operating safely and responsibly, to reducing its impacts throughout its value chain and to continuously improving its sustainability performance following the Code of Conduct, Strategy and the Integrated Management System. The purpose of an effective Integrated Management System is to ensure that Kemira can meet its commitments and be compliant with the applicable sustainability requirements.

Kemira's Recruitment Policy applies to all internal and external recruitments. It states that Kemira is committed to recruiting fairly and responsibly, following the Code of Conduct principles and Kemira's strategy. In all recruitments, Kemira respects diversity, equal opportunity and treatment regardless of race, color, gender, sexual orientation, creed, political persuasion, age, social status, origin or any other status protected by legislation.

The Group Privacy Policy complements the Code of Conduct by defining more detailed requirements on privacy and protection of personal data at Kemira. It covers the key principles of handling personal data, possible data breaches and the consequences of non-compliance.

The Remuneration Policy for governance bodies provides a framework for the remuneration of the governing bodies of Kemira as well as information for investors on the remuneration of Kemira’s governing bodies. It describes the remuneration as required by the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2020, issued by the Securities Market Association. Kemira's key remuneration principles (pay-for-performance, competitive, market driven remuneration, effective communication of remuneration principles and programs and compliance with local laws and Kemira's internal remuneration approval principles) are applied to the President and CEO as well as to Kemira employees.

Kemira does not use any form of forced or child labor and has published a public statement on slavery and human trafficking. The Modern Slavery statement is publicly available on the Kemira website and has been approved by the Board of Directors. It summarizes Kemira’s Codes and Policies related to human rights issues and the general approach on how those are managed and remediated. It also addresses trafficking in human beings as well as child and forced labor.

To further demonstrate the commitment to equal learning and development opportunities, Kemira will be publishing a global Employee Learning & Development Procedure and share it with all employees in Q1 2025. Kemira has a Diversity and Inclusion statement about its commitment and aspiration in this area, defining what DEI means and what Kemira's focus areas are. This statement is available for all employees and contingent workforce.

**Processes for employee engagement**

### Continuous employee listening and feedback

Kemira has adopted continuous listening and feedback methods, working with a leading provider of confidential online pulse surveys and using external benchmarks since 2019. Participation rates typically vary between 70–80%. Kemira ordinarily conducts engagement pulse surveys twice a year, to follow the Engagement Index and Inclusion Index. Kemira also measures employee perception and satisfaction in other areas such as safety, Ethics & Compliance (Integrity Index) and IT through pulse surveys. In addition, there are regular meetings with leaders of Employee Resource Groups (ERGs) such as KemPride and the Women's Network to collect feedback. Employees are encouraged to report any kind of unsafe conditions via an internal reporting system or to raise concerns through formal and informal channels (more information on channels for raising concerns and follow-up in the section *Incidents, complaints and severe human rights impacts).*

### Performance and Development Discussion process

Kemira’s global performance and development discussion (PDD) process facilitates meaningful conversations between employees and managers, emphasizing performance, development and commitment to the company. It is an ongoing process that aims to establish a shared understanding of what needs to be achieved and how to achieve it, covering target setting, competence development, career aspirations, continuous feedback and follow-up as well as overall performance evaluation. Potential assessment is additionally conducted for white-collar employees.

### Works councils and co-operation with employee representatives

Continuous collaboration with employee representatives and Works councils is important for employee listening and involvement. This is ensured by regular meeting procedures locally. The Kemira European Forum, which includes representatives from the biggest EU countries, also meets on an annual basis. This a further channel for dialogue.

### Engaging with non-employees

All non-employees (contingent workforce) have a nominated supervisor at Kemira whom they can contact on any topic. Contingent workers are also included in local communication and collaboration activities. Kemira's Ethics and Compliance hotline is available for contingent workforce (described in more detail in the section *Incidents, complaints and severe human rights impacts),* as are various communication channels and trainings.

### Kemira Health and Safety standards and procedures

Kemira has multiple Health & Safety standards and procedures which describe Health & Safety processes (e.g. risk assessments, process safety management, management of change, permits to work, incident reporting, incident investigation and communication). Kemira ensures that employees from all levels of the organization participate in these processes and also communicates the results of assessments to all relevant employees.

Engagement in these activities is measured through global safety surveys and by the number of reported safety observations, for example.

## ACTIONS RELATED TO OWN WORKFORCE

Kemira takes actions to mitigate, prevent or remediate material negative impacts and to advance positive impacts on its own workforce.

**Health and Safety**

Kemira maintains an effective Health and Safety Management System to ensure that Kemira can meet its commitments and be compliant with the applicable requirements towards safety. This includes e.g.

- Systematic occupational risk assessments and chemical risk assessments
- Operational requirements for Process Safety Management practices at Kemira facilities
- Proper Management of Change procedure
- Engaging our own workforce in reporting safety observations and proposals for improvement
- Focusing on behavior based safety (BBS) and creating a positive safety culture
- Developing safety training and competence programs

Kemira is prepared for remediation in case of incidents.

- Kemira has standards for emergency preparedness and incident reporting
- All incidents are reported and preventive/corrective actions created as a part of incident investigation (root cause analysis)
- Incident analysis and learnings are shared globally in monthly reports

The effectiveness of actions and remediation are tracked by incident frequency, completed actions of incidents and number of leading safety indicators (number of hazardous conditions and behavior based safety observations).

**Equal opportunities and treatment for all**

Kemira conducts global engagement surveys to measure employee perceptions on the Inclusion Index (more information in the section *Targets related to Own Workforce)*, as well as the Engagement Index and the Integrity Index. Kemira's employee engagement has been consistently strong over the years, and 2024 was another year showing continued strong employee engagement. In May 2024, the Kemira engagement score was 80, being 7 points above the global Manufacturing benchmark (73).

### Awareness on Diversity, Equity and Inclusion (DEI) and Human Rights

Kemira has had a DEI program in place since 2023 and work has progressed as planned in 2024. To build awareness on DEI and Human Rights topics, Kemira offers DEI awareness training. During 2023-2024 87% of white collar employees have completed DEI eLearning and 92% of people managers globally have attended DEI training. In addition, in 2024 local HR together with management, facilitated DEI workshops at 21 manufacturing sites in local languages. There is also an Inclusive Leaders Program (virtual and face-to-face workshops), for designated sites and teams, attended by 132 employees in 2024. Kemira's global training offering includes both regular and compulsory training on the Code of Conduct, covering a harassment-free environment, as well as Human Rights and Business eLearning for all new, white collar hires.

Kemira has Employee Resource Groups (ERGs), such as KemPride & the Women's Network, which have been in place since 2022. The effectiveness of these groups is followed in regular meetings with ERG leaders and Executive DEI champions, by collecting feedback from the ERGs and by external benchmarking.

### Recruitment, learning and remuneration

A recruitment handbook and trainings are available for people managers, to ensure a successful recruitment process with awareness and avoidance of biases, active listening and open and targeted recruitment questions. This is measured through a global onboarding survey for new hires, for example, which is used for collecting feedback about experiences on the recruitment and onboarding process. Kemira takes actions on the survey results when needed.

Kemira has committed to openly posting all positions, with the exception of Management Board and organizational restructuring . In 2024, Kemira piloted internal Diverse Recruitment Panels in management level recruitments, to promote gender balanced candidate pools, to increase gender diversity and to reduce biases in recruitment.

Kemira offers possibilities to explore projects of interest outside of one's usual role, to develop skills and competencies and to build networks cross-fuctionally through short-term or part-time work gigs that are openly posted for internal application process. In addition, company-wide global events like the Learn & Grow Month are open to all employees, irrespective of job grade and location.

Kemira has inbuilt structures in place that drive fair and objective pay decisions globally. Together with market data and salary data information, these structures enable Kemira to evaluate, analyze and implement equitable remuneration. Transparency and guidance around pay related principles and practices support pay-related decision-making.

**Potential violations of privacy in high-risk countries**

Kemira takes actions to prevent, mitigate and remediate the negative impacts of potential violations of privacy by increasing awareness of data privacy, by having Employee Privacy Notices available for all employees and by conducting risk and gap assessments for action taking. Kemira has a confidential channel available for reporting potential data privacy breaches and reacts promptly to all reported incidents.

**Resources**

Several functions at Kemira are responsible for taking actions related to the material impacts, risks and opportunities for Kemira's own workforce.

- The Human Resources (HR) function, led by EVP, HR is responsible for global HR processes and procedures in areas such as talent development, remuneration and the employment life-cycle.
- The Environment, Health, Safety and Quality (EHSQ) function, led by VP, EHSQ is responsible for occupational Health & Safety development for our own workforce, in collaboration with HR.
- The Ethics and Compliance function, led by the Director, Ethics and Compliance, is part of Legal and is responsible for overseeing the global grievance mechanism which covers the hotline channel and for managing the process of handling internal reports in the Compliance Committee.
- The Legal function, led by Group General Counsel, is responsible for the global policies and procedures for data privacy, with the support by HR.
- Corporate Sustainability, led by Director, Corporate Sustainability, is a Group-level function which coordinates the cross-functional work for social sustainability topics, in collaboration with HR, EHSQ and Legal.

## TARGETS RELATED TO OWN WORKFORCE

Kemira has identified people and safety as its social sustainability focus areas. Ensuring workplace safety is a key priority in all of Kemira's operations. Kemira's safety target Total Recordable Injury Frequency (TRIF) was originally set in 2019 when it was proposed to the Management Board by the EHSQ function, based on safety performance of previous years and the industrial benchmark. At the time, in 2019, TRIF (baseline value) was 2.1 and the target was set to reach level of 1.5 by end of 2025, and 1.1 by end of 2030. The Management Board approved the target, and it is being reported on monthly basis by the EHSQ function.
The target is reviewed annually based on safety performance in the previous year, and for 2024 the target was 1.9. Due to several minor hand and finger injuries in 2024, the TRIF was 3.2 which resulted in Kemira re-evaluating the target and adjusting it from 1.5 to 2.2 by end of 2025, and from 1.1 to 1.5 by end of 2030. To achieve this ambitious target Kemira will continue to focus on safety awareness via training, behavior-based safety, contractor management and a hierarchy of controls.

In people focus area, Kemira’s target is to reach the top 10% cross-industry norm for Diversity, Equity & Inclusion (DEI) by the end of 2025, in comparison to an external benchmark. The target was defined based on an employee survey in 2020 for all employees and Kemira chose the key gaps as an ambitious sustainability target for 2025. Inclusion Index items (Authenticity, Belonging, Growth and Inclusive Leaders) were selected as target metrics and the target was approved by the Management Board. Progress towards this target is followed through global employee surveys which are typically conducted twice a year. In 2024, the employee survey was conducted in May and the Inclusion Index score was 77, being 3 points away from the latest top 10% cross-industry norm (80). Kemira has identified Growth and Inclusive Leaders as key focus areas on which actions are consistently being taken (more information is available in the section *Actions related to own workforce*).

The TRIF target applies to all in Kemira's own workforce and the Inclusion Index target applies to all Kemira employees in all operations. The TRIF target was adjusted in 2024 as described above, whereas the Inclusion Index target has not changed during the reporting period.

## METRICS RELATED TO OWN WORKFORCE

### EMPLOYEES

At the end of 2024, Kemira employed 4,698 people (4,915). The number of employees (headcount) decreased by 217 compared to the previous year, mainly due to the divestment of the Oil & Gas business in 2024 which also impacts the turnover rate. Most employees work with permanent and full-time employment contracts. A temporary (fixed-term) employment contract is a type of employment contract used mainly in EMEA and it is atypical for the Americas and APAC. At the end of 2024, there were 76 (76) employees with temporary contracts in total.

| Total number of employees by gender | 2024 | 2023 |
|---|---|---|
| Female | 1,278 | 1,327 |
| Male | 3,420 | 3,588 |
| **Total** | **4,698** | **4,915** |

| Total number of employees by country | 2024 | 2023 |
|---|---|---|
| Finland[1)] | 779 | 790 |
| China[1)] | 692 | 695 |
| United States[1)] | 780 | 1,007 |
| Other | 2,447 | 2,423 |
| **Total** | **4,698** | **4,915** |

1) Countries with min. 50 employees, representing at least 10% of total number of employees

**Number of employees by contract type by gender**

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Female | Male | Total | Female | Male | Total |
| **Total** | 1,278 | 3,420 | 4,698 | 1,327 | 3,588 | 4,915 |
| Permanent | 1,251 | 3,371 | 4,622 | 1,303 | 3,536 | 4,839 |
| Temporary | 27 | 49 | 76 | 24 | 52 | 76 |
| Non-guaranteed hours[1)] | — | — | — | — | — | — |
| Full-time | 1,228 | 3,390 | 4,618 | 1,273 | 3,558 | 4,831 |
| Part-time | 50 | 30 | 80 | 54 | 30 | 84 |

1) Kemira did not employ any employees with non-guaranteed hours in 2024

**Number of employees by contract type by region**

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | EMEA | APAC | Americas | Total | EMEA | APAC | Americas | Total |
| **Total** | 2,517 | 939 | 1,242 | 4,698 | 2,499 | 932 | 1,484 | 4,915 |
| Permanent | 2,445 | 939 | 1,238 | 4,622 | 2,426 | 932 | 1,481 | 4,839 |
| Temporary | 72 | — | 4 | 76 | 73 | — | 3 | 76 |

| Employee turnover | 2024 | 2023 |
|---|---|---|
| Total turnover, % | 13.9 | 9.6 |
| Total turnover | 646 | 465 |

More information on the financial performance of Kemira's segments and regions (ESRS2 SMB-1, 40 (b, c) and the number of personnel by geographical area (ESRS2 SMB-1, 40 (a) i-iii) can be found in the Financial Statements (*Board of directors' review Financial performance 2024 and Segments, in note 2.1. Segment information and 2.2 Other operating income and expenses*).

### NON-EMPLOYEES

The contingent workforce describes non-employees who are employed by a third-party partner or are self-employed but perform their work on behalf of Kemira. Typically, the contingent workforce provides temporary resourcing with specific skills and competences, substitutes others or balances out seasonal workload fluctuations. In 2024, there were 424 (428) contingent workers (headcount at the end of the reporting period) as part of Kemira's own workforce.

### WORKING CONDITIONS

#### Collective bargaining coverage and social dialogue

Kemira respects freedom of association and collective bargaining, as stated in the Code of Conduct and through the commitment to the United Nations Global Compact. To increase Kemira employees' awareness of their rights regarding freedom of association and collective bargaining, Kemira provides regular training on the Code of Conduct. In 2024, Kemira did not identify any violations of freedom of association or collective bargaining agreements in its own operations.

### Collective bargaining agreements

In 2024, 2,225 and 47% of Kemira employees globally were covered by collective bargaining agreements. The working conditions and terms of employment of those employees who are not covered by collective agreements are defined based on company policy, local labor laws and applicable legislation.

| Coverage rate 1) | Collective bargaining: Employees – EEA | Workplace representation: Employees – EEA |
|---|---|---|
| 0-19% | | |
| 20-39% | | |
| 40-59% | | |
| 60-79% | | |
| 80-100% | Finland | Finland |

1) This table includes countries with more than 50 employees representing at least 10% of total number of employees

### Adequate wages

All employees at Kemira receive a salary above adequate wage. The adequate wage level has been analyzed and confirmed by comparing employee salaries in the lowest pay categories to available data on adequate wages. The adequate wage benchmarks follow wage levels as established in collective bargaining agreements, national or sub-national legislation, or living wage references.

### Health and safety

All Kemira locations and operations implement and maintain an Integrated Management System that meets the ISO 45001 standard. Certification is sought when stakeholder expectations or customer benefits are evident. Kemira's share of ISO 45001 certified locations has improved from 94% in 2023 to 97% in 2024, as a result of 68 Kemira locations (manufacturing, R&D and offices) having an ISO certification.

| Own workforce covered by health and safety management system, % | 2024 | 2023 |
|---|---|---|
| Employees | 100 | 100 |
| Non-Employees | 100 | 100 |

Kemira reports its occupational safety performance indicator as a number of Total Recordable Injuries (TRI) and Lost Time Incidents (LTI), and their frequencies (TRIF, LTIF) per million working hours.

| | Number | | Frequency 1) | |
|---|---|---|---|---|
| Total Recordable Injuries | 2024 | 2023 | 2024 | 2023 |
| Employees | 29 | 21 | 2.7 | 1.9 |
| Contractors | 14 | 16 | 5.3 | 4.8 |
| Total | 43 | 37 | 3.2 | 2.5 |

1) Total Recordable Injuries per million working hours

| | Number | | Frequency 1) | |
|---|---|---|---|---|
| Lost Time Incidents | 2024 | 2023 | 2024 | 2023 |
| Employees | 7 | 12 | 0.6 | 1.1 |
| Contractors | 9 | 9 | 3.4 | 2.7 |
| Total | 16 | 21 | 1.2 | 1.4 |

1) Lost Time Incidents per million working hours

The total number of TRIs in 2024 was 43 (37) and TRIF was 3.2 (2.5). Kemira employees' TRIF was 2.7 as a result of 29 injuries. The total number of LTIs was 16 (21), lower than previous year, and corresponding LTIF was 1.2 (1.4). No permanent injuries were reported in 2024 and there have not been fatalities involving Kemira employees, contingent workforce or contractors since 2005.

### Incidents, complaints and severe human rights impacts

Kemira emphasizes the importance of employees and non-employees (contingent workforce) raising any issues or concerns and provides and promotes various channels for reporting any suspicion of misconduct to Ethics and Compliance (hotline or by email) or to the management.

The Ethics and Compliance Hotline is hosted by an external service provider and is available for both Kemira employees and contingent workforce. Reporters can submit reports in their own language by phone and through a web form. The channel is available 24/7 on Kemira’s intranet and is promoted on posters in all company locations. The Ethics and Compliance function manages the hotline system and the process of handling the reports. The reports are reviewed and investigated under the supervision of the Ethics and Compliance Committee which is also responsible for ensuring that there is a consistency in all remedial actions taken across the organization. The members of the Ethics and Compliance Committee are the Group General Council, the EVP Human Resources, the Head of Internal Audit and the Ethics and Compliance Director.

Reporters of issues or concerns have an option to remain anonymous and all reports are treated in confidentially, to allow proper investigation and to comply with applicable legislation. The Ethics and Compliance Committee has the task to examine all reported cases and to evaluate and classify all received allegations, based on a description of the facts, events and circumstances. It is then determined whether an investigation is needed, in which case a person or team within the organization is assigned to investigate the case. The case may also be handled by Internal Audit. The Ethics and Compliance Committee concludes the outcome and provides an overview to the Audit Committee. If misconduct has occurred, Kemira will take appropriate measures, including corrective, disciplinary and/or legal measures, taking into consideration the applicable legal rules.

During 2024, a total of 59 complaints were reported of which 33 were related to discrimination or harassment. At the end of the year 2024, 25 of those had been investigated and closed and 14 of them were confirmed as discrimination or harassment cases. Kemira has not categorized the discrimination cases by gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation. During the year 2024, Kemira has not received any allegations of severe human rights incidents. Therefore, Kemira has not paid any compensation for remediation of any human rights incidents or complaints in 2024.

The grievance and remediation data is collected by several functions. The Ethics and Compliance and Internal Audit functions collect the reported cases. In addition, HR function collects the numerical case data of human rights violations globally from local HR contact persons. HR numerical data collection is conducted to ensure that all severe grievance cases have been reported to Ethics and Compliance or Internal Audit and handled through a comprehensive process.

### Integrity Index

By measuring the Integrity Index on employees' perceptions of integrity, Kemira seeks to ensure that employees are aware of and trust the processes described above as a way to raise their concerns. The Integrity Index question (*"I can report unethical behavior or practices without fear of retaliation at Kemira"*) is usually measured as part of Kemira's global engagement survey. The next employee survey will be conducted in 2025 and Integrity Index figures will be reported based on those results.

## EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

### Diversity Metrics

Kemira monitors the distribution of gender and age groups to promote diversity across all levels in the company.

| | Number | | Distribution, % | |
|---|---|---|---|---|
| **Management by gender** [1] | **2024** | **2023** | **2024** | **2023** |
| Female | 38 | 42 | 29 | 31 |
| Male | 92 | 94 | 71 | 69 |
| **Total** | 130 | 136 | 100 | 100 |

1) Kemira management (Director, Vice President and Senior Vice President positions, excluding the Management Board)

| | Number | | Distribution, % | |
|---|---|---|---|---|
| **Employees by age group** | **2024** | **2023** | **2024** | **2023** |
| < 30 | 444 | 484 | 9 | 10 |
| 30 to 50 | 2,758 | 2,847 | 59 | 58 |
| > 50 | 1,496 | 1,584 | 32 | 32 |
| **Total** | 4,698 | 4,915 | 100 | 100 |

### Training and skills development

Kemira is committed to the training and skills development of all employees. Kemira provides each employee with access to relevant competence development programs and learning opportunities and supports the upgrading of employee skills through on-the-job learning programs (including generic and job-specific competence development), buddy/coaching/mentoring programs and traditional methods like classroom and digital learning. In 2024, Kemira continued to advance towards its aim to capture all training and employee development related hours in the global learning management system. At present, leadership development activities, regional and global competence development, vocational training programs and many local programs are recorded in the learning management system. However, some training and development activities are still recorded locally and not yet covered in the global system.

Examples of global and regional programs offered during 2024:

- Trainings on Code of Conduct, Human Rights & Business, Gifts, Entertainment and Anti-Bribery, Speak Up, Information Security Awareness and other compliance programs delivered mainly as eLearning courses
- Training programs on Diversity, Equity and Inclusion (DEI), offered through eLearning and facilitator-led virtual, face-to-face and hybrid training sessions
- Trainings on Kemira principles (Focus on Growth, Collaborate to Succeed, Deliver Value), completed by approx. 3400 employees in 2024, and on Kemira's growth culture, incl. the Kemira Catalyst Summit for approx. 100 Kemira leaders and talents globally
- The Learn & Grow month was opened to all employees, with 20 sessions and approx. 420 attendees globally
- Sustainability trainings, e.g. Kemira as a Sustainability-Focused Company
- EHSQ-related programs including Sustainability Policy and EHSQ Standards, assigned as mandatory training to relevant employees to ensure safety awareness, understanding, compliance and the further development of Kemira's Safety culture
- The Global Safety Training Program for all shop floor supervisors in 2024. The program is designed to set clear expectations for manufacturing supervision at Kemira, emphasizing safety and sharing best practices

### Performance management and development

Kemira's global performance and development discussion (PDD) process is an ongoing process covering four elements:

1. My Performance - setting performance targets at the beginning of the year and reviewing progress and achievements regularly
2. My Development - discussing competencies, strengths and development areas, as well as career aspirations
3. My Follow-up and Feedback - follow-up and feedback from manager, colleagues and other stakeholders throughout the year
4. Overall Performance and Potential - an annual assessment and calibration of performance and potential of white-collar employees.

The global process covers all permanent employees, both professional and operational employees. Temporary employees may also be included, based on the length of their contract.

| Employees received regular performance and career development review [1] | Number | | Coverage, % | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Employees by gender** | | | | |
| Female | 1,211 | 1,233 | 99 | 98 |
| Male | 3,287 | 3,175 | 98 | 91 |
| **Employees by employee category** | | | | |
| White-collar employees | 2,735 | 2,770 | 98 | 98 |
| Operational employees | 1,763 | 1,638 | 98 | 85 |
| **Total** | 4,498 | 4,408 | 98 | 93 |

1) Covers permanent employees (excl. employees on leaves) as of Sep 30, 2024

### Remuneration

Pay equity at Kemira means that employees are paid and rewarded with fairness. Kemira is a global manufacturing company with employees in 38 countries. Due to global presence and workforce structure, remuneration levels differ across the employee groups and the countries. Kemira reported an unadjusted gender pay gap of 5.8 % in 2024, covering all employees in all operating countries.

Kemira reported a closing of an unexplained pay gap already in September 2023. Kemira has identified what are considered as justified pay differences: Differences in pay may exist based on employee location, position level and expertise required, performance of the individual and possible local requirements such as collective agreements. After considering these justifiable factors it is possible to identify an unjustified pay gap. For Kemira this is not limited to the gender pay gap, as all available information, including gender, nationality, ethnicity, age and other possible attributes are reviewed. Regular pay equity monitoring at Kemira takes into account all of the above, seeks to detect any unjustified gaps and then initiates action to address and close them without delay.

The annual total remuneration ratio reflects the annual total remuneration of the highest paid individual relative to the annual average remuneration of all Kemira employees, excluding the highest paid individual, Kemira's President & CEO. To ensure the alignment of the interests of the CEO and of the shareholders, the weighting of variable remuneration and particularly long-term incentive plans in the CEO’s total remuneration opportunity is substantial. In contrast, employee remuneration is less volatile, with a smaller proportion of the total remuneration consisting of variable components. The ratio is also influenced by the size of Kemira and by the differing market remuneration levels between countries. In 2024, the annual total remuneration ratio was 27 (ratio of highest paid individual to the annual average remuneration of all Kemira employees). Based on Kemira's experience and understanding, the given average figure represents median as required by the directive.

### OTHER WORK-RELATED RIGHTS

**Child and forced labour**

According to Kemira's Code of Conduct, Kemira does not use any form of forced or child labor. Kemira acknowledges that in spite of mitigation procedures there could potentially be an increased risk related to these in certain high risk countries in which Kemira has operations: China, Brazil, India, Indonesia and South Korea. To mitigate this risk, Kemira conducts identity and age checks during the hiring process. Also, in many countries, the local labor laws and/or collective bargaining agreements have very extensive rules for young people, restricting working hours, work activities, work environments and overall health, well-being and educational opportunities.

## The Group's reporting principles

The total number of Kemira employees and non-employees (contingent workforce) are indicated as the numbers at the end of the reporting period (31 December 2024). The number of Kemira employees also includes non-active employees such as employees on long leaves.

Employee turnover refers to all permanent Kemira employees who have left the company during 2024, in comparison to the average permanent headcount for the reporting period.

The coverage of collective agreements and employee representatives is based on the number of employees on 30 September, 2024. Any changes in the last quarter are not expected to affect the result of this metric.

The remuneration figures are reported based on active employees on 31 December 2024, including all white collar employees and operational employees (full-time, part-time and temporary contracts). The gender pay gap has been calculated using the gross, annual average salaries of female and male employees, converted to euros before calculation. The figure represents the difference in pay between the groups, expressed as a percentage of the average pay of male employees. The calculation excludes all additional compensation elements like incentives, over-time, shift allowances or benefits.

The annual total remuneration ratio is calculated using remuneration paid during the respective year. CEO remuneration includes the regular base salary, benefits and short and long-term incentive payments. The average total remuneration for all employees includes all employee wages and salaries, including accrued short-term incentives and yet excluding side costs and total CEO remuneration.

Coverage of Performance and Development Discussions (PDD) is indicated as the percentage of permanent employees on 30 September 2024 who have had an approved PDD discussion in 2024 (excl. employees who are on long leave, e.g. family leave).

Number of TRIs is the sum of the reported lost time injuries, restricted work cases and medical treatment cases for Kemira employees, contingent workforce and contractors. When a TRI frequency is reported, it is normalized to one million working hours. LTI is the total number of reported lost time incidents for Kemira employees, contingent workforce and contractors. When LTIF is reported, it is normalized to one million working hours. Working hours and incidents affecting contingent workforce are included in the overall incident statistics instead of being reported separately, in line with Kemira's current reporting practices. Working hours are manually reported through an EHSQ software by Kemira Operations. In 2025, Kemira is planning to conduct a comprehensive review of working hours reporting to address this identified opportunity area.

The Inclusion Index figures are calculated using the average scores of four items (Authenticity, Belonging, Growth and Inclusive Leaders) obtained from Kemira's global engagement survey which is usually conducted twice a year for all employees. Kemira scores are compared to a cross-industry norm. Responses are collected on a scale of 1–5 (fully disagree/fully agree) and an external service provider converts the responses to indices on a scale of 0–100 (100 = everyone fully agrees).

Measurements of the metrics are not validated by an external body other than Ernst & Young Oy, through assurance.

# S2 Workers in the value chain

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN

| Material impacts, risks and opportunities | Position in value chain | Key management areas of processes and policies |
|---|---|---|
| **Working conditions** | | |
| ○ Potential human rights violations e.g. health and safety issues in the value chain, particularly in high risk countries | ↗ Upstream<br>↘ Downstream | • Code of Conduct and Code of Conduct for Business Partners lay out expectations for suppliers for respecting human rights and safe use of chemicals<br>• Supplier sustainability assessments and audits are carried out to identify risk with supplier human rights impacts, risks and management<br>• Product Stewardship Policy expresses Kemira's commitment to safe use of chemicals and priority substance management process aims to reduce the negative impacts of chemicals in the whole value chain |
| ○ Potential risks related to labour law practices in certain renewable feedstock value chains | ↗ Upstream | |
| ● Health and safety incidents with contractors, one high risk group among value chain workers | ● Own operations | • Code of Conduct's first code principle is to provide safe and healthy working conditions in all of Kemira's locations for both Kemira's own employees and contractors<br>• Kemira has contractor pre-qualification, mandatory contractor safety induction and permit-to-work process |
| **Other work-related rights** | | |
| ○ Potential human rights violations e.g. child labour and forced labour in the value chain, particularly in high risk countries | ↗ Upstream<br>↘ Downstream | • Code of Conduct and Code of Conduct for Business Partners lay out expectations for suppliers and Kemira's customers for respecting human rights<br>• Supplier sustainability assessments and audits are carried out to identify risks with supplier human rights impacts, risks and management |

● Own operations ↗ Upstream ↘ Downstream ● Positive ● Negative ○ Potential positive ○ Potential negative ■ Opportunity ▲ Risk □ Potential opportunity △ Potential risk

### Identification and assessment of material impacts, risks and opportunities

Kemira has identified material impacts, risks and opportunities for value chain workers in the materiality assessment which is described under *Material impacts, risks and opportunities* in the *General disclosure* section. The value chain worker related impact, risk and opportunity analysis was based on internal interviews and materials as well as on Kemira's latest Human Rights Impact Assessment framework. The methodology of the Human rights Impact Assessment was based on the United Nations Guiding Principles on Business and Human Rights and on OECD Due Diligence Guidance. As an outcome of the analysis, Kemira has identified the possible salient human rights impacts and risks for workers in the value chain, as described in the table above.

### Strategy and business model

Kemira provides sustainable chemical solutions for water-intensive industries, best suited products and expertise to improve our customers' product quality and process and resource efficiency. Sustainability is embedded into Kemira's strategy and long-term success as Kemira's customers are increasingly seeking sustainable solutions.

Kemira's products and upstream raw materials are industrial chemicals which need to be handled, stored, transported and used according to high safety standards, to prevent negative impacts on people and the environment. Kemira's priority obligation is to ensure that the workers in the upstream and downstream value chains are not negatively impacted by chemicals, especially by substances of very high concern. When Kemira's current processes are updated, special attention needs to be paid to certain groups of people who are likely to be impacted by Kemira's business. This can be done by careful supplier and contractor management and by providing appropriate guidance in the safe use of chemicals for Kemira's customers and other value chain workers.

Kemira's strategy towards renewable chemistries might lead to new social sustainability related impacts and risks in the upstream value chain. These will need to be taken into account in future strategy implementation.

Kemira has identified high risk countries within its upstream and downstream value chains which have an increased risk of the use of child and forced labor. The increased risk is particularly evident in the APAC region. The high-risk countries have been defined by a third-party, utilizing a set of different human rights and labor rights related indices that are publicly available (Business social compliance initiative 2022, Labor Rights index, Global Rights index).

| Material impacts | Position in the value chain | Workers who are likely to be impacted | Particularly vulnerable workers or people groups |
|---|---|---|---|
| **Working conditions** | | | |
| ○ Human rights violations e.g. health and safety issues in the value chain, particularly in high risk countries | ↗ Upstream<br>↘ Downstream | Upstream: Manufacturing, laboratory personnel, logistics and storage personnel, who are handling chemicals<br>Downstream: Kemira's customers' personnel who are handling Kemira's products | Maintenance personnel, temporary employees, migrants, children, pregnant women |
| ○ Risks related to labour law practices in certain renewable feedstock value chains | ↗ Upstream | Workers who are working in the origin of Kemira's raw-material feedstocks | Children, migrants, workers who cannot read |
| ● Health and safety incidents with contractors, a high risk group among value chain workers | ● Own operations | Maintenance, repair, turnaround, major renovation or specialty work at Kemira operations | Maintenance personnel, temporary employees, migrants |
| **Other work-related rights** | | | |
| ○ Human rights violations e.g. child labour and forced labour in the value chain, particularly in high risk countries | ↗ Upstream<br>↘ Downstream | Workers who are working in high risk countries either in Kemira's upstream or downstream value chain | Children, migrants, workers who cannot read |

## POLICIES RELATED TO WORKERS IN THE VALUE CHAIN

Kemira has several policy statements which set the high level human rights objectives for Kemira's business partners to follow. All of the policies cover the whole value chain and all value chain workers. The key contents, scope, process, accountability and availability of the policies is described in the *G1 Business Conduct* section, under *Corporate Culture and Business Conduct Policies*.

Kemira's general approach towards human rights is described in the Code of Conduct and the summary can be found in the *S1 Own workforce* section. Kemira's general approach towards human rights in the Code of Conduct for Business Partners is to commit the business partners to respecting fundamental human rights, to never use child or forced labor and to pay compensation which complies with all applicable wage laws. These requirements are in accordance with the UN Universal Declaration of Human rights and the core conventions of the International Labour Organization (ILO). Kemira also commits its business partners to making and developing products according to the highest ethical and safety standards, as well as to following applicable laws and regulations on product safety, including communication of hazards and information about the safe use of chemicals. All suppliers must follow the Code of Conduct for Business Partners in all dealings with Kemira. The Code of Conduct for Business Partners is communicated to all suppliers through the ordering process, as part of Kemira's terms and conditions.

The Kemira Group Product Stewardship Policy aims to ensure that Kemira's products are handled and used safely by Kemira's stakeholders, that they are safe for the environment and that potential chemical risks and their impacts are incorporated into decision making related to Kemira's operations, strategy implementation and long-term strategic development. The proactive management of the safe use of chemicals and protection of the environment and human health are fundamental prerequisites for Kemira's business. The Kemira Group Product Stewardship Policy continuously communicates and raises awareness on product stewardship among employees, suppliers, business partners and other possible stakeholders in the value chain.

The Modern Slavery statement is a publicly available statement, approved by Kemira's Board of Directors. It summarizes both Kemira's Codes and Policies related to human rights issues and a general approach for how those are managed and remediated. It also addresses human trafficking as well as child and forced labor related prevention and mitigation methods and actions.

## PROCESSES RELATED GRIEVANCE, REMEDIATION AND STAKEHOLDER ENGAGEMENT

**Stakeholder engagement in upstream and downstream value chain**

Kemira regularly reviews stakeholders' expectations and potential concerns. Our approach to stakeholder engagement includes activities ranging from information sharing to active dialogue and collaboration on issues of mutual interest. The feedback and information gathered from these activities is integrated into Kemira's operational development. Stakeholder feedback is an important part of risk management, also regarding upstream and downstream value chain workers.

Kemira maintains active dialogue with its upstream suppliers. Supplier audits and supplier performance evaluation are carried out regularly. The results of the evaluations are reviewed together with the suppliers and improvement plans are created and followed up accordingly, as part of our supplier management practices.

Succeeding with customers is a core value at Kemira. Our goal is to understand customers' needs, to provide an excellent experience with our products and services and to build close relationships that help them remain loyal customers. To measure customers' satisfaction with their experience, Kemira conducts an annual Voice of Customer (VoC) relationship survey to gain valuable insights, to understand what customers need and to understand our performance in meeting their expectations. The Voice of Customer survey gathers insights on our customers' experience and their satisfaction with our products, deliveries, safety, services and their relationship with their Kemira representative.

Kemira uses external service providers (external contractors) who work at Kemira locations. These services cover maintenance, repair, turnaround, major renovation or specialty work at Kemira sites. External contractors are engaged by carrying out regularly contractor performance evaluations and the results are then reviewed together with the selected external contractors. In addition, there are several local practices for engaging external contractors such as safety events covering topical health and safety subjects.

Despite an active dialogue with suppliers, customers and external contractors, Kemira has not yet adopted a general process to engage with all workers in the value chain or with their legitimate representatives to hear their perspectives and needs in relation to Kemira's material impacts on them.

**Grievance and remediation mechanisms in upstream and downstream value chain**

Kemira's Ethics and Compliance Program aims to enhance compliance management at Kemira on a continuous basis. The Ethics and Compliance function is responsible for overseeing the effective implementation of Kemira's Ethics and Compliance program and for reporting on it directly to the Audit Committee on a regular basis.

The Ethics and Compliance Committee oversees the management of compliance allegations, to ensure that fair and sufficient investigation, remediation and consistent disciplinary action are taken across the organization. Kemira emphasizes the importance of employees and other key stakeholders raising any issues or concerns to the Ethics and Compliance hotline. More detailed information on the Ethics and Compliance hotline process can be found under *Incidents, complaints and severe human rights impacts* in *S1 Own workforce*. Kemira also has a Misconduct Reporting Policy for the protection of whistleblowers which is disclosed in the *G1 Business Conduct* section.

The customer and supplier complaint channel is an application which can be utilized by Kemira personnel to raise their concerns related to issues within the upstream and downstream value chains. The complaints are handled by a formal process. This channel is indirectly available for both upstream and downstream workers. However, it is currently mainly utilized for quality related complaints. Kemira also uses an internal system for collecting and processing health, safety and quality related issue reports as well as observations related to hazardous conditions, near-misses and other similar issues or concerns. The channel is indirectly available for value chain workers to raise their concerns and health and safety observations. During 2024, Kemira did not receive any allegations related to value chain workers severe human rights violations by hotline, Ethics and Compliance function's e-mail and other grievance channels.

Kemira does not actively assess whether value chain workers are aware of or trust Kemira's grievance channels or Kemira's structures and processes. However, Kemira is currently conducting a comprehensive study of its grievance and remediation management. The study aims to identify the deficiencies of the current mechanisms as well as to enhance the stakeholder engagement and transparency of this part of the due diligence process.

### ACTIONS RELATED TO WORKERS IN THE VALUE CHAIN

Kemira takes actions to mitigate, prevent or remediate material negative impacts and to advance positive impacts on workers in the value chain. The following actions were conducted during 2024, covering the whole value chain.

**Upstream value chain**

Supplier management and supplier risk and compliance management are cornerstones of Kemira's sustainable sourcing roadmap which ensures responsibility in the supply chain. This is the global process for Kemira to identify and assess upstream related sustainability impacts, risks and opportunities. The focus of supplier management is on improving economic performance, anticipating risk and initiating approaches with suppliers that are responsible and innovative. It is described in three main processes: Supplier Segmentation, Supplier Performance Evaluations and the Vendor Value Program.

Kemira suppliers are segmented into four categories: strategic, critical, volume and base suppliers. They are prioritized based on multi-factor risk criteria to better help to manage supplier relationships and to plan actions for necessary risk mitigation. The Supplier Performance Evaluations program collects and provides regular feedback to suppliers, on both their operational and sustainability performance. The majority of strategic, critical and volume suppliers are part of regular supplier reviews. The Vendor Value Program aims to develop capabilities that will enable the identification, partnering with and management of suppliers, along the various value chains associated with Kemira’s product lines. Kemira 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 risk with suppliers, e.g sustainability assessments and audits.

Kemira uses EcoVadis to carry out sustainability assessments for key suppliers, including those related to social matters. The assessment focuses on 21 sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. The rating methodology measures the quality of a company’s sustainability management system through 3 management pillars: Policies, Actions, and Results. Suppliers receive a sustainability scorecard with detailed insights into strengths and potential improvement areas. If the ratings do not meet Kemira performance criteria, suppliers are expected to take corrective action.

Kemira audits relevant direct material suppliers for quality and Corporate Social Responsibility (CSR), to ensure they meet expectations. The CSR audits are conducted by a certified third party and aim to ensure that suppliers do not violate Kemira’s Code of Conduct. The quality audit validates suppliers’ processes related to management systems, sustainability, workplace health and safety standards, production, quality and supply security. Supplier assessments and audits are part of sourcing processes and target setting for the Sourcing function and are monitored on a monthly basis. Audit results are reviewed together with suppliers, with improvement plans created and followed up as necessary as part of supplier management practices.

**Downstream value chain**

Kemira’s product portfolio consists of four major product lines. All products are documented and labeled according to legal requirements, including the identification of hazardous components and information on their safe use. Kemira provides Safety Data Sheets (SDS) for all its products. Kemira's IT system for Product Lifecycle Management enables to prepare SDSs and labels in alignment with the latest regulatory data requirements and in the official languages of the countries where the products are manufactured, stored or sold.

Kemira actively monitors its product portfolio, including raw materials, intermediates and process chemicals for substances of concern (SoC) and substances of very high concern (SVHC), in accordance with our priority substance management process. Actions to manage substances of concern and very high concern in Kemira's value chain are disclosed in the *E2 Pollution* section.

Kemira complies with all laws and regulations relating to chemicals and trade. Kemira does not sell any banned products. We continuously screen substances that are covered by any regulatory restrictions or are subject to substitution requirements imposed by non-regulatory stakeholders. We proactively work to mitigate health, safety, environmental and image-related risks.

**Own operations and external contractors**

Kemira uses external service providers (external contractors) at Kemira locations. These services cover maintenance, repair, turnaround, major renovation or specialty work at Kemira sites. Kemira has a contractor management standard which defines the minimum requirements for selecting, managing and auditing external contractors who perform work at Kemira facilities or on behalf of Kemira at customer locations. Contractors have a mandatory safety induction, provided before starting the actual work at Kemira's sites and contractor work is controlled by the "permit-to-work" process. Kemira is also prepared for remediation in the case of contractor incidents.

**Action plan and resources**

Kemira has planned the following actions for 2025 to prevent, mitigate and remediate the material impacts, risks and opportunities on workers in the value chain:

- Finalizing the internal grievance and remediation study and prepare an implementation plan and roadmap for needed actions
- Conducting supplier Ecovadis assessments, supplier quality audits and supplier Corporate Social Responsibility (CSR) audits, per annual segmentation and risk management practices and according to annual targets
- Assessing the currently used CSR audit methodology and opportunities relative to alternative CSR audit methodologies
- Increasing the coverage of contractor performance evaluations and health & safety qualifications for Kemira's on-site contractors (external). Continuing contractor liaison trainings to improve site-level contractor program engagement
- Actively engaging contractors to report their safety observations and to make proposals for improvements

Kemira has dedicated persons in the Sourcing, the EHSQ and the PSRA (Product Stewardship and Regulatory affairs) functions to carry out the actual work for the actions mentioned in the action plan.

## TARGETS RELATED TO WORKERS IN THE VALUE CHAIN

Kemira has indicators that are followed internally for impacts, risks and opportunities management related to workers in the value chain. These targets are not defined as ESRS targets. Kemira will continue the evaluation of the indicators in the following years.

**Upstream and downstream workers in the value chain**

Upstream related indicators are disclosed in more detail under E5 R*esource use and circular economy*. Such indicators are, for example, the number of supplier quality and CSR audits. Kemira has identified potential health and safety impacts, especially the risks related to chemical safety to be the most significant potential negative impact for value chain workers. Kemira has internal indicators related to negative impacts for Substances of Very High Concern and Substances of Concern. Since 2016, Kemira has made priority substance management plans for existing Substances of Very High Concern and Substances of Concern in Kemira's product portfolio, including for raw materials and process chemicals. Kemira aims to cover all identified priority substances with the management plan.

**External contractors working at Kemira's sites**

Incidents among external contractors working at Kemira's own locations have been identified as a material negative impact. Kemira reports its occupational safety performance indicator as Total Recordable Injuries (TRI). TRI Frequency (TRIF) is measured as Total Recordable Injuries per million working hours and covers both Kemira employees and contractors.

Kemira's target is to improve TRIF to 2.2 by the end of 2025 and to 1.5 by the end of 2030. The number of external contractor injuries was 14 (16) in 2024 and the external contractor TRIF changed from 4.8 to 5.3. Contractor working hours are tracked for the TRI frequency. Third-party transportation companies, whether on-site or off-site, are excluded and incidental facility services such as janitorial work, food and drink services, laundry, delivery or other supply/resupply services are also excluded. External contractor safety performance is described in the Health and Safety tables in the *S1 Own workforce* section. The target setting process is described in detail in the *S1 Own workforce* section.

Kemira does not directly engage upstream and downstream value chain workers, contractors or their legitimate representatives in the supplier management, Product Stewardship management or target setting processes. However, Kemira does request that external contractors make safety observations and the collected information is then utilized to enhance external contractor safety and working conditions.

# Governance information

## G1 Business conduct

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT

| | Impacts, risks and opportunities | Position in the value chain | Management |
|---|---|---|---|
| **Corporate culture** | | | |
| ○ Potential negative | Potential failure to comply with ethical business practices or environmental, health, and safety laws could cause negative impact. | Own operations | • Kemira's Code of Conduct, Code of Conduct for Business Partners and other business conduct policies are based on the principle that we conduct our business safely and responsibly, always adhering to the highest standards of integrity, legal compliance and ethical conduct, and that we expect the same from our business partners.<br>• Policies are communicated to own employees and business partners, and encourage them to report on any suspected breaches or other concerns confidentially and without fear of retaliation. Reported concerns are effectively investigated and will result in corrective actions, when warranted. |
| ● Positive | Well established policies, procedures and practices ensure compliance with ethical business conduct and laws. | Own operations | • Kemira maintain a systematic process to create and periodically review and revise our policies, procedures and practices. Those are effectively communicated to our staff and, where applicable, to business partners. |
| ● Positive | Kemira's systematic sustainable product development, focusing e.g., on improved safety and regulatory compliance, could cause positive impacts. | Own operations | • Kemira's Product Stewardship Policy sets forth our commitments relating to product development and product lifecycle management. Those commitments include, among others, commitment to minimize safety risks and adverse effects on health and the environment and to deliver more sustainable products by replacing substances of concern. |
| ■ Opportunity | Maintaining a good reputation and business practices. Valuable brand and high quality service bring competitive advantage and enable some premium pricing. | Own operations<br>↘ Downstream | • Kemira's business strategy has focused on improving profitability and operational excellence while building on its brand and corporate culture.<br>• Kemira's financial performance has consistently improved over recent years. |
| □ Potential opportunity<br>△ Potential risk | Ability to execute transformation from a product company to sustainability-driven business may cause risks and opportunities. Opportunity to further increase sustainability related value in marketing and branding in a fact-based manner. | Own operations | • Kemira's business strategy towards 2030 is based on enabling more sustainable processes and products for our customers, aiming to be a global leader in sustainable chemical solutions for water intensive industries. |
| **Corruption and bribery** | | | |
| ○ Potential negative | Potential risk of Kemira employee or business partners engaging in bribery or other forms of corruption | ↗ Upstream<br>Own operations<br>↘ Downstream | • Kemira's Code of Conduct and Gifts, Entertainment and Anti-Bribery Policy together form an anti-corruption policy that is consistent with the UN Convention Against Corruption.<br>• Mandatory Gifts, Entertainment and Anti-Bribery training for Kemira employees. |
| **Political engagement and lobbying activities** | | | |
| □ Potential opportunity | Tightening regulation brings significant business opportunities especially in water treatment. | Own operations | • Kemira's political engagement is related to the following topics: resource efficiency and circular economy; legislation about water, wastewater, waste, plastics, and chemicals; energy; climate change; industrial policy; health, safety, security and environment. When exerting political influence, Kemira follows its Code of Conduct according to which we observe neutrality with regard to political parties and candidates for public office. |

● Own operations ↗ Upstream ↘ Downstream ● Positive ● Negative ○ Potential positive ○ Potential negative ■ Opportunity ▲ Risk □ Potential opportunity △ Potential risk

**Identification of material impacts, risks and opportunities**

Kemira has identified its material impacts, risks and opportunities for its business conduct matters as part of the company-wide materiality assessment which is described under *Material impacts, risks and opportunities* in the *General disclosure* section.

## TARGETS RELATED TO BUSINESS CONDUCT

Kemira has internal indicators that are followed for impact, risks and opportunities related to Business Conduct. These targets are not as defined in ESRS. Kemira will continue the evaluation of these indicators in the following years. Kemira nevertheless tracks the effectiveness of its policies and actions in relation to compliance with ethical business practices and environmental and health and safety laws through Kemira's internal controls and audits and by following the reports filed with Kemira's Ethics and Compliance Hotline. The results of these processes are reviewed periodically in the course of normal business process management, with an aim to constantly improve the trend and take corrective actions if adverse deviations are detected. Kemira's management systems, applied in many of Kemira's locations, have been certified under the following international standards: ISO 9001 (Quality management systems), ISO 14001 (Environmental management systems), ISO 45001 (Occupational health and safety management systems), and ISO 50001 (Energy management systems). These standards require organizations to monitor and constantly improve their operations, in accordance with the Plan-Do-Check-Act principle.

## CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

**Corporate values and Code of Conduct**

Kemira’s Board of Directors has approved the Code of Conduct (the “Code”) which provides a framework around the company's values and reflects its commitments towards its key stakeholders. Kemira's values and Code principles are an expression of who we are as a company and how we want to be perceived by our stakeholders. Together, the corporate values and the Code are the foundation of Kemira's business conduct.

Kemira's corporate values were created by a large number of Kemira employees who voiced their opinions on what they appreciate about Kemira and what kind of common beliefs and ways of working should be strengthened within the company. The corporate values are: *We are committed to customers’ success, We drive performance and innovation, We care for people and the environment* and *We succeed together*. Kemira's Code emphasizes that its decisions and actions must be guided by integrity and ethics. According to the company Code, that how we do things is even more important than what we do. The Code gives the organization and everyone working for Kemira the guidance and principles they need to adhere to the highest standards of integrity, legal compliance and ethical conduct.

Being a responsible business means supporting internationally defined principles on human rights, labor conditions, the environment and anti-corruption. We have committed to these principles by signing The United Nations Global Compact and by reflecting these principles in our Code. Kemira is a signatory of Responsible Care®, the voluntary initiative of the global chemical industry.

In the company Code it is communicated to all Kemira staff that all personally responsible for ensuring that individual actions and decisions reflect Kemira's values and the Code principles. The Code includes 19 Code principles that reflect the company's commitments towards its key stakeholders: the work community, customers, suppliers, markets, society and investors.

The Code sets out that each individual at Kemira must act in accordance with the company's values and Code principles and must comply with company policies, laws and regulations. The Code states that it applies to every employee and manager and even to the Board of Directors. Everyone is encouraged to raise questions relating to the Code with their line managers and it is the responsibility of all Kemira managers to support their teams in matters relating to the Code. The Code of Conduct has been made public and it is available in multiple languages.

In addition, all suppliers must follow Kemira's Code of Conduct for Business Partners in relation to all of their dealings with Kemira. The Code of Conduct for Business Partners is communicated to all suppliers during their supplier onboarding and also through the ordering process, as part of Kemira's terms and conditions. It sets forth the minimum standards of behavior business partners are expected to follow in terms of business conduct, human rights, environment and safety, product safety, quality and sustainability.

### Other business conduct policies

Kemira has a systematic process to issue and maintain corporate policies to document and communicate Kemira's values, rules and expectations. Kemira's policies support the implementation of its business strategy, values and Code of Conduct and create a framework for consistent and fair practices across all business units and locations. Many of the policies extend and further elaborate on the Code of Conduct commitments and make them more understandable and concrete for our organization and stakeholders.

Kemira's policies are prepared in respective functions within the company and they are approved either by the Management Board or the Board of Directors, depending on the subject matter. The policies are set out in a standardized document format, each of them has a named policy owner and author with certain responsibilities and there is a process to review and, where necessary, revise the policies every two years. All policies are internally available to Kemira's employees.

The contents of the business conduct policies are part of the training for all employees at the beginning of their employment and there is repeat training, typically every two years. The Code of Conduct is trained to all employees and the other policies are trained to selected target groups of employees based on risk assessment. The training includes the key contents of Kemira's policies, standards and procedures and explains how to perform work in accordance with Kemira's policies and what consequences may follow from not complying with the policies. The main channel to deliver training is a globally used electronic training platform which can be used to keep track of the trainings offered to and taken by each employee. The platform enables Kemira to monitor that mandatory trainings are completed in a timely manner by the designated target groups.

The below table sets out a summary of the key business conduct policies.

**Key business conduct policies**

| Policy | Key contents | Scope | Process for monitoring | Accountability | Third-party standards | Availability |
|---|---|---|---|---|---|---|
| **Code of Conduct** | 19 Code principles that reflect our commitments towards our work community, customers, suppliers, markets, society and investors. | All Kemira activities, employees and managers globally | Management oversight, E&C Hotline, internal investigations, internal audits | The President & CEO | The United Nations Global Compact, Responsible Care | Publicly available on company website |
| **Code of Conduct for Business Partners** | The minimum standards of behavior business partners are expected to follow in terms of business conduct, human rights, environment and safety, product safety, quality and sustainability. | Business partners (e.g., suppliers, consultants, advisers, distributors and agents) globally | Key controls: STP3, CTC1<br>Periodic audits of business partners, E&C Hotline | SVP Sourcing | OECD Guidelines for Multinational Enterprises | Publicly available on company website |
| **Kemira Group Sustainability Policy** | Policy outlines the commitment and management of sustainability requirements within Kemira. It states 12 commitments with respect to stakeholders, environment and governance. | All Kemira operations and employees globally, contractors working at Kemira sites and those working on behalf of and/or in alliance with Kemira. | ISO 9001, 14001, 45001, 50001 certificates (for certain sites) and certifiability as management target | EVP Operational Excellence & Sustainability | | Publicly available on company website |
| **Gifts, entertainment and anti-bribery policy** | Kemira has a zero tolerance towards bribery and corruption. Kemira and its employees must never offer, pay, give, solicit or accept a bribe in any form. The policy explains what kind of gifts and hospitality are acceptable in our business. | Policy applies to gifts and entertainment offered or received by any Kemira company or employee to or from any person outside of Kemira. | Management oversight, E&C Hotline, internal investigations, internal audits | Group General Counsel | | Internally available to all Kemira staff |
| **Recruitment Policy** | Policy reinforces Kemira's diversity and inclusion statement, respect for human rights and equal opportunity principle. | Policy applies to to all internal and external recruitments leading to a candidate's employment within Kemira Group globally. | Key controls: HR1 | EVP HR | UN Global Compact | Internally available to all Kemira staff |

| Policy | Key contents | Scope | Process for monitoring | Accountability | Third-party standards | Availability |
|---|---|---|---|---|---|---|
| **Sourcing & Procurement Policy** | All commitments to suppliers are to be managed by Sourcing department personnel only, subject to a few minor exceptions: All sourcing and procurement must be aligned with the published company values and sustainability goals. Conflicts of interest must be strictly avoided and the principle of impartiality must be followed. No personal purchases are to be connected to company purchases. | Policy applies to all purchases made within Kemira Group save for certain exclusions. Policy applies to purchasing of direct materials, corporate services, manufacturing related capital and operational expenditures, energy and logistics. | Key controls: STP2-3, STP 5-9 | EVP Operational Excellence & Sustainability | | Internally available to all Kemira staff |
| **Competition Law Compliance Policy** | Kemira strongly supports fair competition and competes vigorously, yet fairly and ethically, and within the framework of applicable competition laws. Kemira does not enter into any anti-competitive agreements or carry out any other anti-competitive activities. | Policy applies globally to all companies and employees within Kemira Group. The Policy applies to Kemira's actual and potential competitors, customers, distributors and suppliers as well as trade associations. | Management oversight, E&C Hotline, internal investigations | Group General Counsel | | Internally available to all Kemira staff |
| **Product Stewardship Policy** | Kemira is committed to the set of principles including among others controlling and minimizing safety risks and adverse effects on health and the environment that could be caused by the products throughout our value chain; and replacing substances of concern that would pose an unacceptable risk to human health, safety or environment, making risk assessments covering regulatory compliance, providing safe use guidance to our customers. | Policy describes the commitment and management of requirements for product stewardship and chemicals regulatory compliance within Kemira globally. | Management oversight | Head of Product Safety & Regulatory Affairs | Responsible Care Global Charter | Internally available to all Kemira staff |
| **Logistics and Transportation Policy** | Policy aim among others at ensuring efficient and well performing logistics network that operates in a sustainable and safe manner in full compliance with all laws and regulations applicable to transportation and warehousing of chemicals. | Policy applies to sourcing and operative management of transportation and logistics activities in all Kemira Group companies globally. | Management oversight | SVP Supply Chain Management | | Internally available to all Kemira staff |
| **Trade Compliance Policy** | Kemira's international trade transactions are carried out in accordance with applicable laws, regulations, licensing requirements and procedures of the country of import/export/re-export and/or the country of origin. | Policy sets forth the requirements and provides general principle to be complied with in Kemira's international import and export trade operations. | Management oversight | VP Product Safety & Regulatory Affairs | | Internally available to all Kemira staff |
| **Misconduct Reporting Policy** | Policy encourages everyone working for or with Kemira to report any suspicion of misconduct confidentially and without fear of retaliation. Policy sets out the procedures applicable when reporting misconduct to Kemira, including how these reports will be followed up, and how the reporters are protected. Kemira supports an open culture that encourages everyone to speak freely and without fear of harassment. Kemira provides a channel for reporting any suspicion of misconduct confidentially and without fear of retaliation. A reporting person will not be dismissed, bullied, discriminated or otherwise retaliated against for making a report or complaint. Any person, regardless of position, who engages in retaliatory behavior will be subject to disciplinary action. | Policy applies to reporting of breaches of Kemira's Code of Conduct; misrepresentation of Kemira's financial information, criminal offenses, and other violations of the applicable law. Policy applies to employees of Kemira group, whether current or past, including trainees, employee candidates and those who have otherwise carried out work for Kemira, for example under a self-employed consultant status, external service provider and contingent workforce; shareholders and persons belonging to the administrative, management or supervisory body of any Kemira Group company; and anyone working under the supervision and direction of contractors, subcontractors and suppliers of Kemira Group. Policy is global. | E&C Hotline, internal investigations | Group General Counsel | EU Whistleblower Directive | Internally available to all Kemira staff. Confidential and anonymous reporting channel is publicly available to anyone on Kemira's website. |

### Promoting corporate culture

Kemira's corporate culture is based on its corporate values and the Code of Conduct. As we operate in chemicals manufacturing, occupational safety has been strongly emphasized as a priority. The importance of a diverse and inclusive workplace has been recognized as an important success factor in our globally operating organization.

Sustainability transformation is regarded as the cornerstone of Kemira's business strategy. Kemira's strategic goal is to become the leading provider of sustainable chemical solutions for water intensive industries. Kemira aims to expand its renewable solutions portfolio and to reach EUR 500 million in revenue by the end of 2030.

Kemira's leadership has acknowledged the importance of synchronizing culture and strategy which will lead to improved employee engagement, higher customer satisfaction and ultimately to increased revenue and profitability.

To drive the implementation of Kemira's values, the Code of Conduct, safety, diversity and inclusion and the sustainability focused business strategy, Kemira's leadership has defined a set of principles, habits and behaviors that are the basis of Kemira's corporate culture. These principles, habits and behaviors are communicated to all staff through trainings and communication campaigns and the effectiveness of cultural development is measured through regular employee engagement surveys.

Kemira's policy commitments become visible in the organization through strategic target setting, including targets covering safety, people, water, circularity and climate topics. Our commitments are also visible through our management processes. Besides these management processes, we create task groups for specific topics, like the focus area-based sustainability programs or the Human Rights Council, which is a cross-functional group developing and discussing Kemira human rights practices. We have established a comprehensive framework to advance our commitment to diversity, equity and inclusion (DEI).

Employees are the key contributor to the organizational culture, driving our values and shaping the environment in which we operate. Kemira has adopted methods of continuous listening and feedback and is working with a service provider administering anonymous employee surveys and using external benchmarks.The results of the employee surveys are made available to employees and managers. Participation rates typically range from 70% to 80%. Kemira uses short engagement pulse surveys twice a year to follow the development of the Engagement Index, an internal key performance indicator describing the engagement level of Kemira's staff. Our employee engagement is above the external benchmark.

### Reporting and investigating concerns

Kemira's Management Board has approved the Misconduct Reporting Policy and the Investigation Procedure, which are available to all Kemira staff. According to the Misconduct Reporting Policy, Kemira supports an open culture and encourages everyone working for or with Kemira to report any suspicion of misconduct confidentially and without fear of retaliation. The policy sets out the procedures on how reports alleging misconduct will be followed up and how the reporters are protected. The Investigation Procedure sets out the standard investigation process to assess allegations of non-compliance with the Code of Conduct or with company policies.

Kemira has an externally hosted Ethics and Compliance hotline (whistleblower mechanism), which enables the reporting of suspected violations of the Code of Conduct and other ethical concerns in multiple languages. A report can be filed either anonymously or with a disclosure of the reporter's name. The reporting channel is available to all Kemira employees and external persons, such as anyone working for the contractors and suppliers of Kemira. Information about the Ethics and Compliance hotline is shared with employees on Kemira's intranet, in training and in communication campaigns. Kemira's website has guidance for external persons. Further, there is an e-mail address that can be used by third-parties to report cases of potential misconduct relating to Kemira or to our business partners. This information is available on our website and in Kemira's Code of Conduct for Business Partners.

All allegations of potential violations of our Code of Conduct made in good faith will receive a fair and comprehensive investigation, using external assistance where needed. All misconduct reports are treated confidentially. The Investigation Procedure describes the roles and responsibilities, general principles and the process related to the internal investigations. The investigations are based on the principles of neutrality, objectivity, professionalism, compliance with applicable labor and privacy laws and the presumption of innocence.

Kemira's Ethics and Compliance Committee consists of the Group General Counsel, EVP HR, the Chief Auditor and the Director, Ethics and Compliance. The Ethics and Compliance

Committee coordinates investigations of internally or externally reported misconduct. The Committee may escalate a matter to the President & CEO and/or to relevant Management Board member(s), and the Committee reports to the Audit Committee of the Board of Directors.

In addition to the confidential reporting channel and the investigations overseen by the Ethics and Compliance Committee, Kemira also has an Internal Audit function which, in addition to its other duties, is involved in identifying, reporting and investigating unlawful behavior and violations of the Code of Conduct. Internal auditors have complete and unrestricted access to all Kemira activities. The Internal Audit function is free to determine the scope of internal auditing, the ways of performing its work and the communication of its findings. The Internal Audit function reports its material findings quarterly to the Audit Committee of the Board of Directors. The Internal Audit also reports all of its observations to the management and to the auditor.

### CORRUPTION AND BRIBERY

Kemira's policy is not to accept any form of corruption, such as bribery, facilitation payments, embezzlement, fraud, conflict of interest, or money laundering. Kemira's policy on corruption and bribery is documented in the Kemira Code of Conduct and Kemira Group Gifts, Entertainment and Anti-Bribery Policy documents. The policy is consistent with the UN Convention Against Corruption.

The company's anti-corruption principles are communicated to all of its employees through recurring, mandatory training. The members of Kemira's Board of Directors are aware of the company's anti-corruption principles. The principles are communicated to all of Kemira's suppliers and vendors who are required to commit to Kemira's business ethics principles as a condition for the establishment of a business relationship.

| | 2024 | |
|---|---|---|
| **Anti-corruption training for white-collar employees by region 1)** | **Number of employees** | **Coverage, %** |
| EMEA | 1,561 | 92 |
| APAC | 488 | 97 |
| Americas | 751 | 92 |

1) White-collar employees who have completed the training at least once during 2022-2024

Kemira has assessed which of its operations are most at risk in respect of corruption and bribery. Geographic location has a significant impact on corruption risk. While Kemira's headquarters is based in Finland which ranks second best world-wide in Transparency International's Corruption Perceptions Index 2023 publication, Kemira has operations in nearly 40 countries and sells products to customers in over 100 countries, including several countries where the risk of corruption is significant. In terms of the customer base, Kemira sells water treatment chemicals to public utilities, such as municipal water treatment plants, which by their nature pose a higher risk of public corruption.

Kemira has addressed these risks in its internal anti-corruption training and by establishing a third-party due diligence process applicable to its distributors and sales agents. The due diligence process has a risk-based approach, considering the corruption perception index in the geographic location, the type of the customer segment and the foreseeable value of the annual transactions. Depending on the risk classification, distributors and sales agents must respond to inquiries about themselves and must acknowledge a commitment to Kemira's business ethics principles.

To prevent and detect corruption, Kemira relies on its globally implemented key controls which cover the use of the company's funds and assets, maintaining accurate accounting and records as well as sales and purchase contracting. The key controls have been approved by Kemira's Management Board. The verification of compliance with the key controls is based on the three-lines-of-defence-model:

1. Employees and management are expected to execute the process activities as described in the key controls guidance,
2. Management is responsible for testing the key controls, and
3. Kemira's Internal Audit is responsible for verifying that controls have been performed and tested. The Internal Audit reports to the Board of Director's Audit Committee.

Furthermore, Kemira maintains an Ethics and Compliance Hotline, a confidential reporting channel where any employee or any external person can report allegations of corruption. More information on the Ethics and Compliance Hotline can be found under *S1 Own workforce*.

Any allegations or detected incidents of corruption are addressed through an internal investigation which is overseen by the Compliance Committee, as described in the section on *Reporting and investigating concerns* above. The investigators are separate to the management involved in the matter. The results of the investigation are shared with the relevant management and an overview of all investigations is reported to the Audit Committee of the Board of Directors.

In 2024, Kemira did not have any convictions or fines for violation of anti-corruption and anti-bribery laws. During the year Kemira recorded eight allegations related to violation of internal anti-corruption and anti-bribery policies. Diligent internal investigation confirmed seven incidents where own employees had breached internal procedures relating to anti-corruption or anti-bribery. In total seven own employees were either dismissed or otherwise disciplined for confirmed corruption or bribery-related incidents.

### POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

According to Kemira's Code of Conduct, we observe neutrality with regard to political parties and candidates for public office. We do not take part in political activities nor make corporate donations to political parties or candidates. Neither the names nor the assets of Kemira shall be used to promote the interests of political parties or candidates.

The above-mentioned Code principle is further elaborated in Kemira Group Sponsorship and Donation Policy and Kemira Group Gifts, Entertainment and Anti-bribery Policy, which both prohibit any financial support to politicians, political parties or political organizations. No financial or any in-kind political contributions paid by Kemira have come to Kemira's attention during 2024.

Kemira maintains dialogue with stakeholders that shape and participate in the legislative processes relevant to Kemira, including the European Commission, members of the European Parliament and the Council of the EU. The political influence is mainly, but not exclusively, carried out through the trade associations in which Kemira is a member, that is, Cefic – the European Chemical Industry Council – and Kemianteollisuus ry, the national chemical industry association in Finland.

Kemira has engaged mainly those EU policies which belong to:

- Chemical Strategy for Sustainability,
- EU Water and Wastewater Regulations,
- EU Packaging Regulations,
- Food Contact Material Regulation, and Bioeconomy.

Kemira's communication activities include mainly personal discussions with members of the EU institutions, submission of position papers, participation in public consultations and stakeholder workshops.

Kemira has been registered in the EU's Transparency Register with registration number 934980845504-83. Kemira has committed to complying with the code of conduct of the transparency register.

Kemira's engagement in the EU law making process is conducted by its Public Affairs department, managed by the Corporate Communications Department, and supervised by Kemira's Management Board. Members of the Management Board determine and oversee the strategic direction of Kemira's public affairs objectives and act like a supervisory and approval body.

The following members of Kemira's Management Board and Board of Directors have held a comparable position in public administration (including regulators) in the two years preceding the year 2024:

- Antti Salminen, President & CEO of Kemira since 2024, has been a member of the Board of Directors of the Geological Survey of Finland since 2020.
- Tina Sejersgård Fanø, a member of the Board of Directors of Kemira since 2022, has been the chair of the Board in Innovationsfonden (Denmark) until the year 2022.
- Timo Lappalainen, a member of the Board of Directors of Kemira Oyj since 2014, has been a member of the council in the Helsinki Region Chamber of Commerce until the year 2022.

## DATA POINTS DERIVING FROM OTHER EU LEGISLATION

The table below includes all of the data points that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in Kemira's Annual Review and which data points are assessed as 'Not material'.

| ESRS | Disclosure Requirement | Data point | Disclosure Requirement related data point | Section in Sustainability Statement |
|---|---|---|---|---|
| ESRS 2 | GOV-1 | 21 (d) | Board's gender diversity | General disclosures |
| ESRS 2 | GOV-1 | 21 ( e) | Percentage of board members who are independent | General disclosures |
| ESRS 2 | GOV-4 | 30 | Statement on due diligence | General disclosures |
| ESRS 2 | SBM-1 | 40 (d) i | Involvement in activities related to fossil fuel activities | Not material |
| ESRS 2 | SBM-1 | 40 (d) ii | Involvement in activities related to chemical production | General disclosures |
| ESRS 2 | SBM-1 | 40 (d) iii | Involvement in activities related to controversial weapons | Not material |
| ESRS 2 | SBM-1 | 40 (d) iv | Involvement in activities related to cultivation and production of tobacco | Not material |
| ESRS E1 | E1-1 | 14 | Transition plan to reach climate neutrality by 2050 | E1 - Strategy and transition plan |
| ESRS E1 | E1-1 | 16 (g) | Undertakings excluded from Paris-aligned Benchmarks | E1 - Strategy and transition plan |
| ESRS E1 | E1-4 | 34 | GHG emission reduction targets | E1 - Targets related to Climate change |
| ESRS E1 | E1-5 | 38 | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | E1 - Energy consumption |
| ESRS E1 | E1-5 | 37 | Energy consumption and mix | E1 - Energy consumption |
| ESRS E1 | E1-5 | 40-43 | Energy intensity associated with activities in high climate impact sectors | E1 - Energy consumption |
| ESRS E1 | E1-6 | 44 | Gross Scope 1, 2, 3 and Total GHG emissions | E1 - Greenhouse gas emissions |
| ESRS E1 | E1-6 | 53-55 | Gross GHG emissions intensity | E1 - Greenhouse gas emissions |
| ESRS E1 | E1-7 | 56 | GHG removals and carbon credits | E1 - Greenhouse gas emissions |
| ESRS E1 | E1-9 | 66 | Exposure of the benchmark portfolio to climate-related physical risks | Not material |
| ESRS E1 | E1-9 | 66 (a) | Disaggregation of monetary amounts by acute and chronic physical risk | Not material |
| ESRS E1 | E1-9 | 66 (c) | Location of significant assets at material physical risk | Not material |
| ESRS E1 | E1-9 | 67 (c) | Breakdown of the carrying value of its real estate assets by energy-efficiency classes | Not material |
| ESRS E1 | E1-9 | 69 | Degree of exposure of the portfolio to climate related opportunities | Not material |
| ESRS E2 | E2-4 | 28 | Amount of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register regulation emitted to air, water and soil | E2 - Pollution to air, water and soil |
| ESRS E3 | E3-1 | 9 | Water and marine resources | E3 - Policies related to water and marine |
| ESRS E3 | E3-1 | 13 | Dedicated policy | Not material |
| ESRS E3 | E3-1 | 14 | Sustainable oceans and seas | Not material |
| ESRS E3 | E3-4 | 28 (c) | Total water recycled and reused | E3 - Water consumption |
| ESRS E3 | E3-4 | 29 | Total water consumption in m3 per net revenue on own operations | E3 - Water consumption |
| ESRS 2 | SBM3 - E4 | 16 (a) i, 16 (b), 16 (c) | | E4 - Strategy and transition plan |
| ESRS E4 | E4-2 | 24 (b) | Sustainable land / agriculture practices or policies | Not material |
| ESRS E4 | E4-2 | 24 (c) | Sustainable oceans / seas practices or policies | Not material |
| ESRS E4 | E4-2 | 24 (d) | Policies to address deforestation | Not material |

| ESRS | Disclosure Requirement | Data point | Disclosure Requirement related data point | Section in Sustainability Statement |
|---|---|---|---|---|
| ESRS E5 | E5-5 | 37 (d) | Non-recycled waste | E5 - Waste |
| ESRS E5 | E5-5 | 39 | Hazardous waste and radioactive waste | E5 - Waste |
| ESRS 2 | SBM3 - S1 | 14 (f) | Risk of incidents of forced labour | Not material |
| ESRS 2 | SBM3 - S1 | 14 (g) | Risk of incidents of child labour | Not material |
| ESRS S1 | S1-1 | 20 | Human rights policy commitments | S1 - Policies related to Own workforce |
| ESRS S1 | S1-1 | 21 | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | S1 - Policies related to Own workforce |
| ESRS S1 | S1-1 | 22 | processes and measures for preventing trafficking in human beings | S1 - Policies related to Own workforce |
| ESRS S1 | S1-1 | 23 | workplace accident prevention policy or management system | S1 - Policies related to Own workforce |
| ESRS S1 | S1-3 | 32 (c) | grievance/complaints handling mechanisms | S1 - Incidents, complaints and severe human rights impacts |
| ESRS S1 | S1-14 | 88 (b) and (c) | Number of fatalities and number and rate of work- related accidents | Not material |
| ESRS S1 | S1-14 | 88 (e) | Number of days lost to injuries, accidents, fatalities or illness | S1 - Health and safety |
| ESRS S1 | S1-16 | 97 (a) | Unadjusted gender pay gap | S1 - Remuneration |
| ESRS S1 | S1-16 | 97 (b) | Excessive CEO pay ratio | S1 - Remuneration |
| ESRS S1 | S1-17 | 103 (a) | Incidents of discrimination | S1 - Incidents, complaints and severe human rights impacts |
| ESRS S1 | S1-17 | 104 (a) | Non-respect of UNGPs on Business and Human Rights and OECD | S1 - Incidents, complaints and severe human rights impacts |
| ESRS 2 | SBM3 – S2 | 11 (b) | Significant risk of child labour or forced labour in the value chain | S2 - Strategy and business model |
| ESRS S2 | S2-1 | 17 | Human rights policy commitments | S2 - Policies related to workers value |
| ESRS S2 | S2-1 | 18 | Policies related to value chain workers | S2 - Policies related to workers value |
| ESRS S2 | S2-1 | 19 | Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines | S2 - Policies related to workers value |
| ESRS S2 | S2-1 | 19 | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | S2 - Policies related to workers value |
| ESRS S2 | S2-4 | 36 | Human rights issues and incidents connected to its upstream and downstream value chain | S2 - Actions related to workers value |
| ESRS S3 | S3-1 | 16 | Human rights policy commitments | Not material |
| ESRS S3 | S3-1 | 17 | non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines | Not material |
| ESRS S3 | S3-4 | 36 | Human rights issues and incidents | Not material |
| ESRS S4 | S4-1 | 16 | Policies related to consumers and end-users | Not material |
| ESRS S4 | S4-1 | 17 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | Not material |
| ESRS S4 | S4-4 | 35 | Human rights issues and incidents | Not material |
| ESRS G1 | G1-1 | 10 (b) | United Nations Convention against Corruption | Not material |
| ESRS G1 | G1-1 | 10 (d) | Protection of whistle-blowers | Not material |
| ESRS G1 | G1-4 | 24 (a) | Fines for violation of anti-corruption and anti-bribery laws | G1 - Corruption and bribery |
| ESRS G1 | G1-4 | 24 (b) | Standards of anti- corruption and anti-bribery | G1 - Corruption and bribery |

# Consolidated Income Statement

| EUR million | Note | Year ended 31 December 2024 | 2023 |
|---|---|---|---|
| **Revenue** | 2.1. | 2,948.1 | 3,383.7 |
| Other operating income | 2.2. | 2.1 | 8.6 |
| Operating expenses | 2.2. | -2,399.8 | -2,852.3 |
| Share of the results of associates | 6.2. | 0.3 | 0.1 |
| **EBITDA** | | 550.7 | 540.0 |
| Depreciation, amortization and impairments | 2.4. | -187.4 | -203.6 |
| **Operating profit (EBIT)** | | 363.2 | 336.4 |
| Finance income | 2.5. | 18.2 | 12.7 |
| Finance expenses | 2.5. | -43.0 | -49.3 |
| Exchange differences | 2.5. | -2.1 | -7.7 |
| Finance costs, net | 2.5. | -26.9 | -44.4 |
| **Profit before tax** | | 336.3 | 292.0 |
| Income taxes | 2.6. | -73.6 | -80.7 |
| **Net profit for the period** | | 262.7 | 211.3 |
| | | | |
| **Net profit attributable to** | | | |
| Equity owners of the parent company | | 249.4 | 199.1 |
| Non-controlling interests | 6.2. | 13.2 | 12.2 |
| **Net profit for the period** | | 262.7 | 211.3 |
| | | | |
| **Earnings per share for net profit attributable to the equity owners of the parent company, EUR** | | | |
| Basic | 2.7. | 1.62 | 1.30 |
| Diluted | 2.7. | 1.61 | 1.28 |

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

# Consolidated Comprehensive Income

| EUR million | Note | Year ended 31 December 2024 | 2023 |
|---|---|---|---|
| **Net profit for the period** | | 262.7 | 211.3 |
| | | | |
| **Other comprehensive income** | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Exchange differences in translating foreign operations | | 7.7 | -16.9 |
| Cash flow hedges | | -14.1 | -54.1 |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Other shares | | -27.9 | -61.3 |
| Remeasurements of defined benefit plans | | 10.7 | 18.9 |
| **Other comprehensive income for the period, net of tax** | 2.8. | -23.6 | -113.4 |
| | | | |
| **Total comprehensive income for the period** | | 239.1 | 97.9 |
| | | | |
| **Total comprehensive income attributable to** | | | |
| Equity owners of the parent company | | 225.9 | 84.9 |
| Non-controlling interests | 6.2. | 13.2 | 13.0 |
| **Total comprehensive income for the period** | | 239.1 | 97.9 |

Items in the Consolidated Statement of Comprehensive Income are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 2.8. Other comprehensive income.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated Balance Sheet

| | | As at 31 December | |
|---|---|---|---|
| **EUR million** | **Note** | **2024** | **2023** |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Goodwill | 3.1. | 490.6 | 480.9 |
| Other intangible assets | 3.2. | 44.5 | 51.1 |
| Property, plant and equipment | 3.3. | 964.5 | 939.6 |
| Right-of-use assets | 3.4. | 131.8 | 123.0 |
| Investments in associates | 6.2. | 4.8 | 4.8 |
| Other shares | 3.5. | 270.5 | 305.4 |
| Deferred tax assets | 4.4. | 31.5 | 31.8 |
| Other financial assets | 5.4. | 6.4 | 7.9 |
| Receivables of defined benefit plans | 4.5. | 115.7 | 106.3 |
| **Total non-current assets** | | 2,060.4 | 2,050.9 |
| | | | |
| **CURRENT ASSETS** | | | |
| Inventories | 4.1. | 307.9 | 281.8 |
| Loan receivables | 5.4. | 48.3 | 0.3 |
| Trade receivables and other receivables | 4.2. | 420.1 | 468.2 |
| Current income tax assets | | 15.1 | 29.9 |
| Cash and cash equivalents | 5.4. | 519.2 | 402.5 |
| **Total current assets** | | 1,310.7 | 1,182.7 |
| | | | |
| Assets classified as held-for-sale | 3.7. | 9.9 | 255.6 |
| | | | |
| **Total assets** | | 3,381.0 | 3,489.3 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

| | | As at 31 December | |
|---|---|---|---|
| **EUR million** | **Note** | **2024** | **2023** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| **Equity attributable to equity owners of the parent company** | | | |
| Share capital | | 221.8 | 221.8 |
| Share premium | | 257.9 | 257.9 |
| Fair value and other reserves | | 121.5 | 163.4 |
| Unrestricted equity reserve | | 196.3 | 196.3 |
| Translation differences | | -46.1 | -53.8 |
| Treasury shares | | -10.3 | -11.6 |
| Retained earnings | | 1,044.4 | 890.9 |
| **Total equity attributable to equity owners of the parent company** | 5.2. | 1,785.4 | 1,664.8 |
| **Non-controlling interests** | 6.2. | 18.1 | 19.4 |
| **Total equity** | | 1,803.5 | 1,684.2 |
| | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Interest-bearing liabilities | 5.3. | 547.1 | 615.7 |
| Other financial liabilities | 5.4. | 10.8 | 10.8 |
| Deferred tax liabilities | 4.4. | 73.1 | 81.3 |
| Liabilities of defined benefit plans | 4.5. | 73.1 | 69.8 |
| Provisions | 4.6. | 37.9 | 37.8 |
| **Total non-current liabilities** | | 742.0 | 815.4 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Interest-bearing liabilities | 5.3. | 263.6 | 322.1 |
| Trade payables and other liabilities | 4.3. | 517.8 | 489.4 |
| Current income tax liabilities | | 24.2 | 56.6 |
| Provisions | 4.6. | 17.9 | 16.9 |
| **Total current liabilities** | | 823.6 | 884.9 |
| | | | |
| **Total liabilities** | | 1,565.6 | 1,700.3 |
| | | | |
| Liabilities classified as held-for-sale | 3.7. | 12.0 | 104.8 |
| | | | |
| **Total equity and liabilities** | | 3,381.0 | 3,489.3 |

# Consolidated Statement of Cash Flow

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Net profit for the period | | 262.7 | 211.3 |
| Adjustments for | | | |
| Depreciation, amortization and impairments | 2.4. | 187.4 | 203.6 |
| Income taxes | 2.6. | 73.6 | 80.7 |
| Finance costs, net | 2.5. | 26.9 | 44.4 |
| Share of the results of associates | 6.2. | -0.3 | -0.1 |
| Gains and losses on sale of non-current assets | | 10.5 | 98.6 |
| Other adjustments | | 14.7 | 2.1 |
| **Cash flow before change in net working capital** | | 575.6 | 640.7 |
| | | | |
| **Change in net working capital** | | | |
| Increase (-) / decrease (+) in inventories | | -25.2 | 97.6 |
| Increase (-) / decrease (+) in trade and other receivables | | 37.7 | 19.0 |
| Increase (+) / decrease (-) in trade payables and other liabilities | | 16.0 | -101.7 |
| **Change in net working capital** | | 28.5 | 14.9 |
| | | | |
| **Cash flow from operations before financing items and taxes** | | 604.0 | 655.6 |
| | | | |
| Interests paid | | -36.8 | -41.6 |
| Interests received | | 14.2 | 8.0 |
| Other finance items, net | | -7.3 | 14.7 |
| Income taxes paid | | -89.6 | -90.8 |
| **Net cash generated from operating activities** | | 484.6 | 546.0 |

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchases of subsidiaries and asset acquisitions, net of cash acquired | | -3.2 | -1.9 |
| Capital expenditure in property, plant and equipment and intangible assets | | -167.3 | -204.9 |
| Decrease (+) / increase (-) in loan receivables | | -46.5 | 0.4 |
| Proceeds from sale of subsidiaries and businesses, net of cash disposed | | 143.9 | 9.0 |
| Proceeds from sale of other shares | | 0.0 | 0.4 |
| Proceeds from sale of property, plant and equipment, and intangible assets | | 0.2 | 0.2 |
| **Net cash used in investing activities** | | -72.8 | -196.7 |
| | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from non-current interest-bearing liabilities (+) | 5.1. | 50.0 | 0.2 |
| Repayments of non-current interest-bearing liabilities (-) | 5.1. | -200.0 | 0.0 |
| Short-term financing, net increase (+) / decrease (-) | 5.1. | 4.3 | -50.7 |
| Repayments of lease liabilities | | -31.7 | -37.3 |
| Dividends paid to equity owners of the parent company | | -104.7 | -95.2 |
| Dividends paid to non-controlling interest | | -14.4 | -8.3 |
| **Net cash used in financing activities** | | -296.6 | -191.3 |
| | | | |
| **Net increase (+) / decrease (-) in cash and cash equivalents** | | 115.2 | 158.0 |
| | | | |
| Cash and cash equivalents on Dec 31 | | 519.2 | 402.5 |
| Exchange gains (+) / losses (-) in cash and cash equivalents | | 1.4 | -6.1 |
| Cash and cash equivalents on Jan 1 | | 402.5 | 250.6 |
| **Net increase (+) / decrease (-) in cash and cash equivalents** | | 115.2 | 158.0 |

# Consolidated Statement of Changes in Equity

| | Equity attributable to equity owners of the parent company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **EUR million** | **Share capital** | **Share premium** | **Fair value and other reserves** | **Unrestricted equity reserve** | **Exchange differences** | **Treasury shares** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| **Equity on January 1, 2024** | 221.8 | 257.9 | 163.4 | 196.3 | -53.8 | -11.6 | 890.9 | 1,664.8 | 19.4 | 1,684.2 |
| Net profit for the period | — | — | — | — | — | — | 249.4 | 249.4 | 13.2 | 262.7 |
| Other shares | — | — | -27.9 | — | — | — | — | -27.9 | — | -27.9 |
| Exchange differences in translating foreign operations | — | — | — | — | 7.7 | — | — | 7.7 | — | 7.7 |
| Cash flow hedges | — | — | -14.1 | — | — | — | — | -14.1 | — | -14.1 |
| Remeasurements of defined benefit plans | — | — | — | — | — | — | 10.7 | 10.7 | — | 10.7 |
| Total other comprehensive income | — | — | -41.9 | — | 7.7 | — | 10.7 | -23.6 | — | -23.6 |
| **Total comprehensive income** | — | — | -41.9 | — | 7.7 | — | 260.1 | 225.9 | 13.2 | 239.1 |
| | | | | | | | | | | |
| **Transactions with owners** | | | | | | | | | | |
| Dividends paid | — | — | — | — | — | — | -104.7 | -104.7 | -14.4 | -119.1 |
| Treasury shares issued to the target group of a share-based incentive plan | — | — | — | — | — | 3.2 | — | 3.2 | — | 3.2 |
| Treasury shares issued to the Board of Directors | — | — | — | — | — | 0.1 | — | 0.1 | — | 0.1 |
| As part of Pension fund Neliapila surplus return, shares were transferred to Kemira Oyj | — | — | — | — | — | -1.9 | — | -1.9 | — | -1.9 |
| Share-based payments | — | — | — | — | — | — | -2.2 | -2.2 | — | -2.2 |
| Other items | — | — | — | — | — | — | 0.2 | 0.2 | — | 0.2 |
| **Total transactions with owners** | — | — | — | — | — | 1.4 | -106.7 | -105.3 | -14.4 | -119.7 |
| | | | | | | | | | | |
| **Equity on December 31, 2024** | 221.8 | 257.9 | 121.5 | 196.3 | -46.1 | -10.3 | 1,044.4 | 1,785.4 | 18.1 | 1,803.5 |

| | Equity attributable to equity owners of the parent company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| EUR million | Share capital | Share premium | Fair value and other reserves | Unrestricted equity reserve | Exchange differences | Treasury shares | Retained earnings | Total | Non-controlling interests | Total equity |
| **Equity on January 1, 2023** | 221.8 | 257.9 | 278.8 | 196.3 | -36.0 | -13.4 | 764.5 | 1,669.9 | 14.7 | 1,684.6 |
| Net profit for the period | — | — | — | — | — | — | 199.1 | 199.1 | 12.2 | 211.3 |
| Other shares | — | — | -61.3 | — | — | — | — | -61.3 | — | -61.3 |
| Exchange differences in translating foreign operations | — | — | — | — | -17.8 | — | — | -17.8 | 0.9 | -16.9 |
| Cash flow hedges | — | — | -54.1 | — | — | — | — | -54.1 | — | -54.1 |
| Remeasurements of defined benefit plans | — | — | — | — | — | — | 18.9 | 18.9 | — | 18.9 |
| Total other comprehensive income | — | — | -115.5 | — | -17.8 | — | 18.9 | -114.3 | 0.9 | -113.4 |
| **Total comprehensive income** | — | — | -115.5 | — | -17.8 | — | 218.1 | 84.9 | 13.0 | 97.9 |
| | | | | | | | | | | |
| **Transactions with owners** | | | | | | | | | | |
| Dividends paid | — | — | — | — | — | — | -95.2 | -95.2 | -8.3 | -103.5 |
| Treasury shares issued to the target group of a share-based incentive plan | — | — | — | — | — | 1.7 | — | 1.7 | — | 1.7 |
| Treasury shares issued to the Board of Directors | — | — | — | — | — | 0.1 | — | 0.1 | — | 0.1 |
| Share-based payments | — | — | — | — | — | — | 3.3 | 3.3 | — | 3.3 |
| Transfers in equity | — | — | 0.1 | — | — | — | -0.1 | 0.0 | — | 0.0 |
| Other items | — | — | — | — | — | — | 0.2 | 0.2 | — | 0.2 |
| **Total transactions with owners** | — | — | 0.1 | — | — | 1.8 | -91.8 | -89.9 | -8.3 | -98.2 |
| | | | | | | | | | | |
| **Equity on December 31, 2023** | 221.8 | 257.9 | 163.4 | 196.3 | -53.8 | -11.6 | 890.9 | 1,664.8 | 19.4 | 1,684.2 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

## 1. The group's material accounting policies for the consolidated financial statements

### GROUP PROFILE

Kemira Oyj is a Finnish public limited liability company, domiciled in Helsinki, with its registered address at Energiakatu 4, FI-00180 Helsinki, Finland. Kemira Oyj's shares are listed on Nasdaq Helsinki Oy. The parent company Kemira Oyj and its subsidiaries together form the Kemira Group. A list of subsidiaries is disclosed in Note 6.2.

Kemira is a global chemicals company serving customers in water-intensive industries. The company provides expertise in applications and chemicals that improve customers' efficient use of water, energy and raw materials. Kemira’s two business segments, Pulp & Paper and Industry & Water, focus on customers in the pulp & paper and water treatment industries, respectively.

The Board of Directors of Kemira Oyj has approved the Consolidated Financial Statements for publication at its meeting on February 10, 2025. Under the Finnish Limited Liability Companies Act, the General Meeting of Shareholders is entitled to decide on the adoption of the financial statements. A copy of the Consolidated Financial Statements is available at **www.kemira.com** or at Energiakatu 4, FI-00180 Helsinki, Finland.

In compliance with the reporting requirements of the European Single Electronic Format (ESEF), Kemira also publishes the Consolidated Financial Statements and the Board of Directors' report as an xHTML file, which is available at **www.kemira.com.**

### BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared its Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, adopted by the European Union. The Consolidated Financial Statements have been prepared in accordance with IFRS standards and IFRIC Interpretations, effective on December 31, 2024. The Notes to the Consolidated Financial Statements also comply with the requirements of the Finnish accounting and corporate legislation that supplement the IFRS regulations.

The Consolidated Financial Statements are presented in EUR million and have been prepared based on historical cost, except for the items measured at fair value through other comprehensive income, including unlisted PVO/TVO shares, financial assets and liabilities at fair value through profit or loss and share-based payments which are measured at fair value.

Individual figures presented in the Consolidated Financial Statements have been rounded to the nearest exact figure. Therefore, the sum of the individual figures may deviate from the sum figure presented in the Consolidated Financial Statements. The key figures are calculated using exact values.

### NEW, AMENDED IFRS STANDARDS AND IFRIC INTERPRETATIONS IN EFFECT IN 2024

For the first time, the Group has applied the following standards and amendments to its annual reporting period commencing January 1, 2024:

- Amendments to the standard IAS 1, Classification of liabilities into current and non-current. The amendments clarify how to classify debts as current or non-current when the entity has the right to postpone the payment of the debt for at least 12 months. The amendments did not have any significant impact on the Consolidated Financial Statements.
- Amendments to IFRS 16 Leases: Lease Liability in Sale and Leaseback. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments did not have any significant impact on the Consolidated Financial Statements.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements. The amendment provides additional disclosures about supplier finance arrangements that enable investors to assess the effects on a company's liabilities, cash flow and exposure to liquidity risk. The

amendments did not have any significant impact on the Consolidated Financial Statements.

### NEW, AMENDED IFRS STANDARDS AND IFRIC INTERPRETATIONS NOT YET ADOPTED

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective from 1 January 2025). The amendment provides guidance on identifying situations where a currency cannot be considered freely exchangeable and on how to take this into account in the exchange rate used in reporting and when providing additional information in these situations. The amendment is not expected to have any significant impact on the Consolidated Financial Statements.
- The new IFRS 18 standard (Presentation and Disclosure in Financial Statements) replaces IAS 1 Presentation of Financial Statements (effective from 1 January 2027, early application is permitted). The key new concepts in IFRS 18 relate to the structure of the income statement with specified subtotals, the presentation of management performance measures and the consolidation and disaggregation of information in primary statements and notes to the financial statements. The Group is currently assessing the impact of the new standard.

### CONSOLIDATION PRINCIPLES OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

The Consolidated Financial Statements include the parent company Kemira Oyj and its subsidiaries. Subsidiaries are all entities that the Group has control over (voting rights generally being over 50 percent). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and when it has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which this control ceases.

All intra-group transactions are eliminated when preparing the Consolidated Financial Statements. Intra-group shareholdings are eliminated using the acquisition method. The consideration transferred for the acquisition of a subsidiary is defined as an aggregate of the fair values of the assets transferred, the liabilities assumed and the equity interest issued by the Group. The consideration transferred may include the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and any liabilities and contingent liabilities that are assumed in a business combination are measured at their fair values on the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The amount that exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net assets acquired is recognized as goodwill on the Balance Sheet. If this is less than the fair value of the net assets of the subsidiary acquired by bargain purchase, the difference is recognized directly in the Income Statement.

Net profit or loss for the financial year and other comprehensive income attributable to the equity holders of the parent company and to non-controlling interests is presented in the Income Statement and in the Statement of Comprehensive Income. The portion of equity attributable to non-controlling interests is stated as an individual item, separate to the equity held by equity holders of the parent company. Total comprehensive income shows the total amounts attributable to the equity holders of the parent company and to non-controlling interests separately. The Group also recognizes negative non-controlling interests, unless the non-controlling interest does not have a binding obligation to cover losses up to the amount of their investment.

If the parent company's ownership interest in the subsidiary is reduced but control is retained then the transactions are treated as equity transactions. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured at its fair value and the difference is recognized as profit or loss.

### ASSOCIATES

Associated companies are companies over which the Group exercises significant influence (voting rights generally being 20–50 percent) but which it does not control. Holdings in associated companies are consolidated using the equity method. If the Group's share of the associate's losses exceeds the carrying amount of the investment, the exceeding losses will not be consolidated unless the Group has a commitment to fulfill the obligations on behalf of the associate. The Group's share of the associated companies' net profit for the financial year is stated as a separate item in the Consolidated Income Statement, in operating profit, in proportion to the Group's holdings. The Group's share of the other comprehensive income of its associates is recognized in the Group's other comprehensive income.

### FOREIGN CURRENCY TRANSLATION

The Consolidated Financial Statements are presented in euros, which is the Group's presentation currency as well as the parent company's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured by using the currency of the primary economic environment in which the entity operates (the functional currency).

If the functional currency of the subsidiary is a currency other than the euro, its Income Statement is translated into euros using the financial year's average foreign currency exchange rates and the balance sheets are translated using the exchange rates quoted on the balance sheet date. Translating the net profit for the period using different exchange rates in the Income Statement and in the balance sheet causes a translation difference which is recognized as equity on the Balance Sheet. The change in this translation difference is presented under Other Comprehensive Income. Goodwill and fair value adjustments to the carrying amounts of the assets and liabilities that arise from the acquisition of a foreign entity are accounted for as part of the assets and liabilities of the foreign entity and are translated into euros at the rate quoted on the balance sheet date.

Translation differences in the loans granted to some foreign subsidiaries are treated as an increase or decrease in other comprehensive income. When the Group ceases to have control over a subsidiary, the accumulated translation difference is transferred into the Income Statement as part of the gain or loss on the sale.

In their day-to-day accounting, the Group companies translate foreign currency transactions into their functional currency at the exchange rates quoted on the transaction date. In the Financial Statements, foreign currency denominated receivables and liabilities are measured at the exchange rates quoted on the balance sheet date. Non-monetary items are measured using the rates quoted on the transaction date. Any foreign exchange gains and losses related to business operations are treated as adjustments to sales and purchases. Exchange rate differences associated with financing transactions and with the hedging of the Group's overall foreign currency position are stated in foreign exchange gains or losses, under finance income and expenses.

### THE ITEMS IN THE FINANCIAL STATEMENTS THAT INCLUDE ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES THAT REQUIRE JUDGMENT BY THE MANAGEMENT

When preparing Consolidated Financial Statements in accordance with IFRS, the management is required to make accounting estimates and assumptions concerning the future. The resulting accounting estimates will seldom be equal to actual results. In addition, management is required to exercise judgment when applying accounting policies.

The estimates and assumptions are continuously evaluated and are based on past experience and expectations of future events that may have financial implications and are considered to be reasonable under the circumstances.

The following table lists items in the financial statements that include significant accounting estimates and includes the notes related to them. Also included are the accounting policies and the sensitivity analysis applied to the items. The items that include accounting estimates are subject to a risk of changes in the carrying amount of assets and liabilities during the next financial period.

| The items in the Financial Statements | Note in the Financial Statements |
|---|---|
| Goodwill | 3.1. Goodwill |
| Fair value of shares in the PVO Group | 3.5. Other shares |
| Deferred taxes and uncertain tax positions | 2.6. Income taxes and 4.4. Deferred tax liabilities and assets |
| Defined benefit pension plans | 4.5. Defined benefit pension plans and employee benefits |
| Provisions | 4.6. Provisions |

### THE EFFECTS OF CLIMATE-RELATED MATTERS IN FINANCIAL STATEMENTS

Sustainability is a key driver of Kemira's profitable growth strategy. Sustainability at Kemira focuses on five topics: safety, people, circularity, water and climate. Kemira's ambition is to be carbon neutral by 2045.

Climate-related matters have an impact in several areas of Kemira's Consolidated Financial Statements. As a chemicals company operating in an energy-intensive industry, Kemira has two Power Purchase Agreements in wind power, along with ownership in Pohjolan Voima Oyj and Teollisuuden Voima Oyj (Note 3.5 Other Shares), producing $CO_2$-free electricity with nuclear and hydro power plants in Finland. $CO_2$-emissions and energy efficiency matters are considered in capital investments, thus also affecting non-current assets (Note 3.3 Property, Plant and Equipment) as well as future cash flow forecasts used in goodwill impairment testing (Note 3.1 Goodwill). Kemira has a partnership with Danimer Scientific Inc. to develop fully biobased barrier coatings for paper and board products, generating intangible assets (Note 3.2 Other Intangible Assets).

In addition, Kemira has an undrawn revolving credit facility of EUR 400 million, with sustainability targets (Note 5.5 Management of Financial Risk). Kemira's long-term incentive programs for years 2023-2025 and 2024-2026 also include climate-related targets in the KPIs to be measured.

# 2. Financial performance

## 2.1 SEGMENT INFORMATION

Kemira's organization consists of two segments: Pulp & Paper and Industry & Water.

**Pulp & Paper**

Pulp & Paper has expertise in applying chemicals and in supporting pulp and paper producers in innovating and constantly improving their operational efficiency. The segment develops and sells products to meet the needs of its customers, thus ensuring a leading portfolio of products and services for the paper wet-end, focusing on packaging and board as well as tissue products.

**Industry & Water**

Industry & Water supports municipalities and water intensive industries in the efficient and sustainable utilization of resources. In water treatment, the segment helps in the optimization of every stage of the water cycle.

On January 1, 2025 Kemira changed to a new operating model. As part of the change, Kemira's new operating model now includes three segments: Water Solutions, Packaging & Hygiene Solutions and Fiber Essentials.

## ALTERNATIVE PERFORMANCE MEASURES

Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities and gearing provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation from the equivalent IFRS measures and should instead be read in conjunction with the most directly comparable IFRS measures. Definitions of the key figures are disclosed in the section Definitions of key figures.

## INCOME STATEMENT ITEMS

| 2024, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| Revenue [1] | 1,646.7 | 1,301.4 | 2,948.1 |
| EBITDA [2] | 282.4 | 268.2 | 550.7 |
| Depreciation, amortization and impairments | -120.0 | -67.4 | -187.4 |
| Share of the results of associates | 0.3 | 0.0 | 0.3 |
| **Operating profit (EBIT) [2]** | 162.4 | 200.8 | 363.2 |
| Finance costs, net | | | -26.9 |
| **Profit before tax** | | | 336.3 |
| Income taxes | | | -73.6 |
| **Net profit for the period** | | | 262.7 |

1) Revenue consists mainly of sales of products to external customers and there are no internal sales between the segments.
2) Includes items affecting comparability.

## ITEMS AFFECTING COMPARABILITY IN EBITDA AND EBIT

| 2024, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| **Operative EBITDA, O&G divestment adjusted** [1)] | 303.1 | 279.1 | 582.1 |
| O&G divestment adjustment | 0.0 | 3.3 | 3.3 |
| Operative EBITDA | 303.1 | 282.3 | 585.4 |
| Restructuring and streamlining programs | | | -12.5 |
| Transaction and integration expenses in acquisitions | | | -0.2 |
| Divestment of businesses and other disposals | | | -21.8 |
| Other items | | | -0.2 |
| **Total items affecting comparability** | -20.6 | -14.1 | -34.8 |
| **EBITDA** | 282.4 | 268.2 | 550.7 |
| | | | |
| **Operative EBIT, O&G divestment adjusted** [1)] | 183.8 | 211.7 | 395.5 |
| O&G divestment adjustment | 0.0 | 3.2 | 3.2 |
| **Operative EBIT** | 183.8 | 214.9 | 398.7 |
| Items affecting comparability in EBITDA | -20.6 | -14.1 | -34.8 |
| Items affecting comparability in depreciation, amortization and impairments | -0.7 | 0.0 | -0.7 |
| **Operating profit (EBIT)** | 162.4 | 200.8 | 363.2 |

1) Kemira divested its Oil & Gas (O&G)-related portfolio on February 2, 2024. The figures adjusted for the Oil & Gas divestment reflect the underlying business performance of Kemira's Pulp & Paper and Industry & Water segments after the divestment.

Quarterly information on items affecting comparability is disclosed in the section on Reconciliation of IFRS figures.

## BALANCE SHEET ITEMS

| 2024, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| **Segment assets** | 1,523.0 | 834.2 | 2,357.2 |
| Reconciliation to total assets as reported in the Group balance sheet: | | | |
| Other shares | | | 270.5 |
| Deferred income tax assets | | | 31.5 |
| Other investments | | | 6.4 |
| Defined benefit pension receivables | | | 115.7 |
| Other assets | | | 80.4 |
| Cash and cash equivalents | | | 519.2 |
| Assets classified as held-for-sale | | | 9.9 |
| **Total assets** | | | 3,381.0 |
| | | | |
| **Segment liabilities** | 276.9 | 196.4 | 473.3 |
| Reconciliation to total liabilities as reported in the Group balance sheet: | | | |
| Interest-bearing non-current financial liabilities | | | 547.1 |
| Interest-bearing current financial liabilities | | | 263.6 |
| Other liabilities | | | 279.8 |
| Liabilities classified as held-for-sale | | | 12.0 |
| **Total liabilities** | | | 1,577.5 |

## OTHER ITEMS

| 2024, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| Capital employed by segments on Dec 31 | 1,246.1 | 637.8 | 1,883.9 |
| Capital employed by segments [2)] | 1,286.7 | 633.5 | 1,920.2 |
| Operative ROCE, % | 14.3 | 33.9 | 20.8 |
| Capital expenditure | 99.2 | 71.3 | 170.5 |
| Cash flow after investing activities [3)] | 202.4 | 328.9 | 411.8 |

2) 12-month rolling average.
3) Cash flows related to financing items and taxes have not been addressed to segments.

## INCOME STATEMENT ITEMS

| 2023, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| Revenue [1] | 1,748.2 | 1,635.5 | 3,383.7 |
| EBITDA [2] | 308.0 | 232.0 | 540.0 |
| Depreciation, amortization and impairments [2] | -114.6 | -89.0 | -203.6 |
| Share of the results of associates | 0.1 | 0.0 | 0.1 |
| **Operating profit (EBIT)** [2] | 193.4 | 143.0 | 336.4 |
| Finance costs, net | | | -44.4 |
| **Profit before tax** | | | 292.0 |
| Income taxes | | | -80.7 |
| **Net profit for the period** | | | 211.3 |

1) Revenue consists mainly of sales of products to external customers and there are no internal sales between the segments.
2) Includes items affecting comparability.

## ITEMS AFFECTING COMPARABILITY IN EBITDA AND EBIT

| 2023, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| **Operative EBITDA, O&G divestment adjusted** [3] | 330.9 | 265.0 | 595.9 |
| O&G divestment adjustment | 0.0 | 70.8 | 70.8 |
| **Operative EBITDA** | 330.9 | 335.8 | 666.7 |
| Restructuring and streamlining programs | | | -0.9 |
| Transaction and integration expenses in acquisitions | | | -0.2 |
| Divestment of businesses and other disposals | | | -125.9 |
| Other items | | | 0.4 |
| **Total items affecting comparability** | -22.9 | -103.7 | -126.7 |
| **EBITDA** | 308.0 | 232.0 | 540.0 |
| | | | |
| **Operative EBIT, O&G divestment adjusted** [3] | 216.3 | 199.2 | 415.5 |
| O&G divestment adjustment | 0.0 | 47.6 | 47.6 |
| **Operative EBIT** | 216.3 | 246.7 | 463.0 |
| Items affecting comparability in EBITDA | -22.9 | -103.7 | -126.7 |
| Items affecting comparability in depreciation, amortization and impairments | 0.0 | 0.0 | 0.0 |
| **Operating profit (EBIT)** | 193.4 | 143.0 | 336.4 |

3) The figures for the comparison year 2023 have been adjusted because Kemira divested its Oil & Gas (O&G)-related portfolio on February 2, 2024. The figures adjusted for the Oil & Gas divestment reflect the underlying business performance of Kemira's Pulp & Paper and Industry & Water segments after the divestment. Kemira's management follows the Oil & Gas divestment adjusted figures.

Quarterly information on items affecting comparability is disclosed in the section Reconciliation of IFRS figures.

## BALANCE SHEET ITEMS

| 2023, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| **Segment assets** | 1,539.6 | 791.2 | 2,330.8 |
| Reconciliation to total assets as reported in the Group balance sheet: | | | |
| Other shares | | | 305.4 |
| Deferred income tax assets | | | 31.8 |
| Other investments | | | 7.9 |
| Defined benefit pension receivables | | | 106.3 |
| Other assets | | | 304.5 |
| Cash and cash equivalents | | | 402.5 |
| Assets classified as held-for-sale | | | 255.6 |
| **Total assets** | | | 3,489.3 |
| | | | |
| **Segment liabilities** | 276.6 | 175.8 | 452.4 |
| Reconciliation to total liabilities as reported in the Group balance sheet: | | | |
| Interest-bearing non-current financial liabilities | | | 615.7 |
| Interest-bearing current financial liabilities | | | 322.1 |
| Other liabilities | | | 308.1 |
| Liabilities classified as held-for-sale | | | 104.8 |
| **Total liabilities** | | | 1,805.1 |

## OTHER ITEMS

| 2023, EUR million | Pulp & Paper | Industry & Water | Group |
|---|---|---|---|
| Capital employed by segments on Dec 31 | 1,263.0 | 615.4 | 1,878.4 |
| Capital employed by segments [1)] | 1,282.0 | 873.5 | 2,155.5 |
| Operative ROCE, % | 16.9 | 28.2 | 21.5 |
| Capital expenditure | 126.2 | 80.5 | 206.8 |
| Cash flow after investing activities [2)] | 216.3 | 242.5 | 349.3 |

1) 12-month rolling average.
2) Cash flows related to financing items and taxes have not been addressed to segments.

## INFORMATION ABOUT GEOGRAPHICAL AREAS: REVENUE BY GEOGRAPHICAL AREA BASED ON CUSTOMER LOCATION

| EUR million | 2024 | 2023 |
|---|---|---|
| Finland, domicile of the parent company | 368.6 | 448.1 |
| Other Europe, Middle East and Africa | 1,174.6 | 1,171.9 |
| Americas | 1,113.0 | 1,458.8 |
| Asia Pacific | 291.8 | 304.9 |
| **Total** | 2,948.1 | 3,383.7 |

## NON-CURRENT ASSETS BY GEOGRAPHICAL AREA

| EUR million | 2024 | 2023 |
|---|---|---|
| Finland, domicile of the parent company | 772.1 | 821.9 |
| Other Europe, Middle East and Africa | 460.4 | 441.7 |
| Americas | 526.2 | 483.2 |
| Asia Pacific | 154.4 | 166.0 |
| **Total** | 1,913.2 | 1,912.8 |

### Information about major customers

The Group has several significant customers. No more than 10% of the Group's revenue was accumulated from any single external customer in 2024 or in 2023.

## The Group's accounting policies

### Segment reporting

Segment information is presented in a manner consistent with the Group’s internal organizational and reporting structure. Kemira's management evaluates the performance of the segments based on operative EBITDA and operative EBIT, among other factors. Assets and liabilities dedicated to a particular segment’s operations are included in that segment’s total assets and liabilities. Segment assets include property, plant and equipment, intangible assets, right-of-use assets, investments in associates, inventories and certain current non-interest-bearing receivables. Segment liabilities include certain current non-interest-bearing liabilities. Geographically, Kemira’s operations are divided into three business regions: Europe, the Middle East and Africa (EMEA), the Americas and the Asia Pacific (APAC).

**Revenue recognition**

IFRS 15 standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers to an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or service underlying the particular performance obligation is transferred to the customer.

The Group's revenue consists mainly of contract types that include sales of chemical products as well as services and equipment which are related to sales of these chemical products. In 2024 and 2023, services have not formed a significant part of the Group's revenue.

Revenue recognition occurs at the point when the control of the products is transferred to the customer. Generally, in the Group's sales agreements, control is transferred to the customer based on delivery terms and the revenue is recognized at a point in time.

The Group provides delivery and handling services in conjunction with the sale of chemical products to customers. The delivery and handling services are recognized at the same time as revenue from products and they are not treated as a separate performance obligation. Kemira recognizes the sale of products and the delivery and handling services for the same reporting period.

Discounts provided to customers are not a significant component of the sales price in Kemira's sales contracts.

## 2.2 OTHER OPERATING INCOME AND EXPENSES

### OTHER OPERATING INCOME

| EUR million | 2024 | 2023 |
|---|---|---|
| Gains on the sale of non-current assets | 0.1 | 0.1 |
| Rental income | 0.6 | 0.7 |
| Services | 1.0 | 3.1 |
| Other income from operations [1] | 0.4 | 4.8 |
| **Total** | 2.1 | 8.6 |

1) Other income from operations consists mainly of insurance compensations in 2023.

### OPERATING EXPENSES

| EUR million | 2024 | 2023 |
|---|---|---|
| Materials and supplies [2] | 1,422.9 | 1,754.2 |
| Employee benefit expenses | 431.9 | 440.8 |
| External services and other expenses [3] [4] | 340.9 | 440.5 |
| Freights and delivery expenses | 204.1 | 216.9 |
| **Total** | 2,399.8 | 2,852.3 |

2) In 2024, materials and supplies included EUR 4.7 million (7.1) Government grants for energy intensive industry in several European countries.

3) Includes equipment costs, travel expenses, leases, office related expenses, insurance, consulting, and other operational expenses. Other expenses include EUR 11 million (101) loss on the divestment of the Oil & Gas business, including transaction fees. Kemira completed the divestment in February 2024.

4) In 2024, other operating expenses included research and development expenses of EUR 33.7 million (32.8) including government grants received. Government grants received for R&D were EUR 0.4 million (0.6). The extent of the grants received reduces the research and development expenses.

### EMPLOYEE BENEFIT EXPENSES

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| **Wages, salaries and emoluments** | | | |
| Wages and salaries [5] | | 322.5 | 330.4 |
| Share-based payments | 2.3. | 12.5 | 13.1 |
| **Total** | | 335.0 | 343.5 |
| | | | |
| **Indirect employee benefit expenses** | | | |
| Expenses for defined benefit pension plans and employee benefits | 4.5. | 1.7 | 2.0 |
| Pension expenses for defined contribution plans | | 34.3 | 34.9 |
| Other employee benefit costs | | 60.9 | 60.4 |
| **Total** | | 96.9 | 97.3 |
| | | | |
| **Total employee benefit expenses** | | 431.9 | 440.8 |

5) Includes emoluments of Kemira Oyj's CEO and the Board of Directors.

The salaries and fees of Kemira Oyj's CEO and members of the Board of Directors are disclosed in Note 6.1.

## NUMBER OF PERSONNEL

| | 2024 | 2023 |
|---|---|---|
| **Average number of personnel by geographical area[1)]** | | |
| Europe, Middle East and Africa | 2,542 | 2,512 |
| Americas | 1,271 | 1,506 |
| Asia Pacific | 933 | 928 |
| **Total** | 4,746 | 4,946 |
| | | |
| Personnel in Finland, average | 818 | 806 |
| Personnel outside Finland, average | 3,928 | 4,140 |
| **Total** | 4,746 | 4,946 |
| | | |
| **Number of personnel on Dec 31** | 4,698 | 4,915 |

## AUDITOR'S FEES AND SERVICES

| EUR million | 2024 | 2023 |
|---|---|---|
| Audit fees | 1.7 | 1.8 |
| Tax services | 0.1 | 0.1 |
| Other services | 0.2 | 0.1 |
| **Total** | 2.0 | 2.0 |

Ernst & Young Oy is acting as the principal auditor for Kemira Group.

## The Group's accounting policies

### Government grants

Government grants for investments are recognized as a deduction from the carrying amount of PP&E. The grants are recognized in the income statement as smaller depreciation over the asset's useful life. Government grants for research activities are recognized as a deduction from expenses. Certain other grants are recognized either as a deduction from expenses or as other income from operations.

### Research and developments costs

Research and development costs are recognized as an expense as incurred. Development costs are capitalized as intangible assets when it can be shown that a development project will generate a probable future economic benefit, and the costs attributable to the development project can reliably be measured. Capitalized development costs include material, labor, and testing costs, as well as any capitalized borrowing costs that are directly attributable to bringing the asset ready for its intended use. Other development costs that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in the subsequent periods.

## 2.3 SHARE-BASED PAYMENTS

**Share incentive plans 2019–2023**
In December 2018, Kemira's Board of Directors of Kemira Oyj decided to establish a long-term incentive plan for 2019–2023. The long-term share incentive plan was directed towards a group of key employees. This was composed of two one-year performance periods for the years 2019 and 2020 and three three-year performance periods for the years 2019–2021, 2020–2022 and 2021–2023.The Board decided on the plan's performance criteria and the targets for each criterion at the beginning of each performance period.

The rewards for the performance periods have been paid partly in Kemira Oyj's shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising to the participant from the reward. As a rule, no reward has been paid if a participant's employment or service has ended before the reward payment. The shares paid as a reward may not be transferred during the restriction period, which ends two years after the end of the performance period. If a participant's employment or service has ended during the restriction period, the participant has, as a rule, gratuitously returned the shares given as a reward, without consideration. The restriction period only applies to the one-year performance period.

**Share incentive plans 2022–2026**
In December 2021, the Board of Directors of Kemira Oyj decided to establish a long-term share incentive plan directed to a group of key employees at Kemira. The long-term share incentive plan includes three three-year performance periods: years 2022–2024, 2023–2025 and 2024–2026. The Board shall decide on the plan's performance criteria and on the required performance levels for each criterion at the beginning of each performance period. The Board shall also decide on the plan's participants and on share allocations at the beginning of each performance period.

The potential reward is paid partly in Kemira Oyj's shares and partly in cash. The cash portion covers taxes and tax-related costs arising to the participant from the reward. As a rule, no reward will be paid if a participant's employment or service ends before the reward payment.

**Share incentive plans 2025–2029**
In December 2024, the Board of Directors of Kemira Oyj decided to establish a long-term share incentive plan directed to a group of key employees at Kemira. The aim of the plan is to combine the objectives of the shareholders and the persons participating in the plan to increase the value of Kemira, to commit the participants to Kemira and to offer them a competitive reward plan. The long-term share incentive plan includes three three-year performance periods: years 2025–2027, 2026–2028 and 2027–2029.

The Board shall decide on the plan's performance criteria and on the required performance levels for each criterion at the beginning of each performance period. The Board shall also decide on the plan's participants and on share allocations at the beginning of each performance period.

The potential reward is to be paid partly in Kemira shares and partly in cash. The cash portion covers taxes and tax-related costs arising to the participant from the reward. As a rule, no reward will be paid if a participant's employment or service ends before the reward payment.

**Restricted Share Plan**
In December 2023, the Board of Directors of Kemira Oyj also decided to establish a restricted share plan. In particular, the Restricted Share Plan can be used as a commitment instrument in specific executive recruitment situations. The terms allow for the plan to be used with careful consideration in retention situations also.

The restricted share plan is continuous. The Board will approve, for each calendar year, an annual quota of shares which can be granted within a respective year under the RSP. The annual quota shall mean a net number of shares together with a cash proportion required for cover all taxes. The total amount of shares offered during the year cannot exceed the respective quota approved by the Board.

The plan offers participants the opportunity to receive a predetermined number of company shares, after a specific restriction period which can vary from twelve (12) to forty (40) months, with a decision by the Board of Directors. No earnings criteria are applied to the restricted share plan and the delivery of the share reward is subject to the continuation of employment.

The maximum aggregated amount of shares that may be granted under the Restricted Share Plan in year 2024 is 70,000 Kemira shares. In addition, a cash proportion intended to cover the taxes and tax-related costs arising from the reward is included. No persons were under the plan during 2024. The maximum amount of shares that may be granted under the Restricted Share Plan in year 2025 is 96,090 Kemira shares (referring to gross earnings before the withholding of the applicable payroll tax).

**Share incentive plans 2025–2027**

Participation in the long-term share incentive plan's performance period 2025–2027 is directed to approximately 80 people. Should the performance targets set for the PSP 2025–2027 be fully achieved, the maximum number of shares to be paid is approximately 960,898 shares (referring to gross earnings before the withholding of the applicable payroll tax).

| Share incentive plan | 2020-2022 | 2021-2023 | 2022-2024 | 2023-2025 | 2024-2026 |
|---|---|---|---|---|---|
| Performance period (calendar year) | 2020-2022 | 2021-2023 | 2022-2024 | 2023-2025 | 2024-2026 |
| Issue year of shares | 2023 | 2024 | 2025 | 2026 | 2027 |
| Share price at the grant date | 13.41 | 12.57 | 13.32 | 14.58 | 16.87 |
| Number of transferred shares from the plans | 254,375 | 468,437 | — | — | — |
| Estimated number of shares on December 31, 2024 | — | — | 458,700 | 337,126 | 415,800 |
| Number of participants on December 31, 2024 | — | — | 78 | 77 | 86 |
| Performance criteria | 1) | 1) | 1) | 2) | 2) |

1) Intrinsic value and organic growth-%. Intrinsic value is defined as follows: operative EBITDA * 8 - net debt.
2) ROCE-%, average organic revenue growth-%, Kemira $CO_2$ emission reduction from Scope 1 & 2 and revenue growth of renewable products.

The Board recommends that a member of the Group Leadership Team shall own such a number of the Company's shares that the total value of his or her shareholding corresponds to the value of his or her annual gross salary, for as long as the membership continues. The Board further recommends that a member of the Group Leadership Team shall hold at least 50 per cent of the number of shares given on the basis of this plan, even after a possible reward payout, until his or her shareholding in total corresponds to the value of his or her annual gross salary.

### THE EFFECT OF SHARE-BASED PAYMENTS ON OPERATING PROFIT

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| Rewards provided in shares | | 5.5 | 5.9 |
| Rewards provided in cash | | 7.0 | 7.1 |
| **Total** | 2.2. | 12.5 | 13.1 |

## The Group's accounting policies

**Share-based payments**

The Group has equity-settled share-based incentive plans under which the Group receives services from persons as consideration for share-based rewards. The potential rewards for these services are provided to the person partly in shares and partly in cash. The Group's share incentive plan includes persons in several different countries where the Group is obliged under local tax laws or regulations to pay the tax liability to the tax authorities on behalf of a person in cash. The Group's share-based incentive plans have been entirely classified as an equity-settled transaction.

The rewards granted on the basis of a share-based arrangement are recognized as personnel expenses in the income statement and in equity. The expense is recognized on a straight-line basis over the vesting period, which is the period over which the specified vesting conditions are to be satisfied.

The fair value of the share awards has been determined at the grant date minus the estimated expected dividends that will not be received during the vesting period. The fair value of the rewards is based on the Group's estimate of the number of shares to which the right is expected to be vested at the end of the vesting period. The estimate of the number of shares is reviewed at each balance sheet date. The potential effect of revisions to estimates is recognized as a personnel expense in the income statement, with the corresponding fair value adjustment made to equity.

## 2.4 DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

| EUR million | 2024 | 2023 |
|---|---|---|
| **Amortization of intangible assets and depreciation of property, plant and equipment** | | |
| Other intangible assets [1] | 17.8 | 19.0 |
| Buildings and constructions | 23.9 | 23.8 |
| Machinery and equipment | 105.0 | 116.3 |
| Other tangible assets | 6.8 | 6.4 |
| **Total** | 153.5 | 165.5 |
| | | |
| **Depreciations of right-of-use assets** | | |
| Land | 1.9 | 1.6 |
| Buildings and constructions | 9.1 | 10.3 |
| Machinery and equipment | 21.8 | 25.6 |
| Other tangible assets | 0.5 | 0.6 |
| **Total** | 33.3 | 38.1 |
| | | |
| **Impairments of intangible assets and property, plant and equipment [2]** | | |
| Goodwill | 0.0 | 0.0 |
| Buildings and constructions | 0.0 | 0.0 |
| Machinery and equipment | 0.0 | 0.0 |
| Other tangible assets | 0.7 | 0.0 |
| Total | 0.7 | 0.0 |
| | | |
| **Total depreciation, amortization and impairments** | 187.4 | 203.6 |

1) Amortization of intangible assets related to business acquisitions amounted to EUR 5.8 million (6.9) during the financial year 2024.
2) In 2024, impairments related to the closure of a manufacturing site in Vancouver, Canada.

Goodwill impairment tests are disclosed in Note 3.1. Goodwill.

### The Group's accounting policies

**Depreciation/amortization**

Depreciation/amortization is calculated on a straight-line basis over the asset's estimated useful life. Land is not depreciated. The most commonly applied depreciation/amortization periods included in the Group's accounting policies are presented in the following table.

| Depreciation of property, plant and equipment and amortization of intangible assets in years | |
|---|---|
| Buildings and constructions | 20-40 |
| Machinery and equipment | 3-15 |
| Development costs | a maximum of 8 years |
| Customer relationships | 5-7 |
| Technologies | 5-10 |
| Non-compete agreements | 3-5 |
| Other intangible assets | 5-10 |
| Right-of-use assets | during a lease term |

Depreciation/amortization of an asset begins when it is available for use and ceases at the moment when the asset is classified under IFRS 5 as held for sale or it is included in the disposal group.

## 2.5 FINANCE INCOME AND EXPENSES

| EUR million | 2024 | 2023 |
|---|---|---|
| **Finance income** | | |
| Dividend income | 0.0 | 0.0 |
| Interest income | | |
| Interest income from loans and receivables | 15.9 | 10.3 |
| Interest income from financial assets at fair value through profit or loss | 2.3 | 2.3 |
| Other finance income | 0.0 | 0.1 |
| **Total** | 18.2 | 12.7 |
| | | |
| **Finance expense** | | |
| Interest expenses | | |
| Interest expenses from other liabilities | -28.8 | -32.9 |
| Interest expenses from financial liabilities at fair value through profit or loss | -1.8 | -4.2 |
| Interest expenses from lease liabilities | -7.8 | -7.8 |
| Other finance expenses [1] | -4.6 | -4.5 |
| **Total** | -43.0 | -49.3 |
| | | |
| **Exchange differences** | | |
| Exchange differences from financial assets and liabilities at fair value through profit or loss | -2.0 | 16.6 |
| Exchange differences, other | -0.1 | -24.4 |
| **Total** | -2.1 | -7.7 |
| | | |
| **Total finance income and expenses** | -26.9 | -44.4 |
| | | |
| Net finance expenses as a percentage of revenue, % | 0.9 | 1.3 |
| Net interest as a percentage of revenue, % | 0.7 | 1.0 |

| EUR million | 2024 | 2023 |
|---|---|---|
| **Change in Consolidated Statement of Comprehensive Income from hedge accounting instruments** | | |
| Cash flow hedge accounting: amount recognized in the Consolidated Statement of Comprehensive Income [2] | -14.1 | -54.1 |
| **Total** | -14.1 | -54.1 |
| | | |
| **Exchange differences** | | |
| Realized | 0.2 | 13.2 |
| Unrealized | -2.3 | -20.9 |
| **Total** | -2.1 | -7.7 |

1) Includes EUR 1.4 million (1.2) of arrangement fees relating to loans in 2024.
2) Consists mostly of changes in the fair value of derivatives under hedge accounting treatment.

## 2.6 INCOME TAXES

| EUR million | 2024 | 2023 |
|---|---|---|
| Current taxes | -70.5 | -87.3 |
| Taxes for prior years | -3.0 | 2.6 |
| Change in deferred taxes | 0.0 | 4.1 |
| **Total** | -73.6 | -80.7 |

### RECONCILIATION BETWEEN TAX EXPENSE AND TAX CALCULATED AT DOMESTIC TAX RATE

| EUR million | 2024 | 2023 |
|---|---|---|
| Profit before tax | 336.3 | 292.0 |
| | | |
| Tax at parent company's tax rate 20% | -67.3 | -58.4 |
| Foreign subsidiaries' different tax rate | -3.8 | -8.0 |
| Non-deductible expenses and tax-exempt profits | -0.4 | -30.8 |
| Share of profit or loss of associates | 0.1 | -0.1 |
| Tax losses during the period without deferred tax | -0.1 | -1.3 |
| Tax for prior years | -3.0 | 2.6 |
| Effect of change in tax rates | 0.0 | -0.1 |
| Utilization of prior years' tax losses with no deferred tax | 0.6 | 1.0 |
| Changes in deferred taxes | 0.4 | 14.4 |
| **Income taxes in the Income Statement** | -73.6 | -80.7 |

In 2024, the effective tax rate of the Group was 21.9% (27.6%). Effective tax rate for the year 2023 was impacted by the divestment of the Oil & Gas business.

### TAX LOSSES AND RELATED DEFERRED TAXES

| | Tax losses carried forward | | Recognized deferred taxes | | Unrecognized deferred taxes | |
|---|---|---|---|---|---|---|
| EUR million | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Expiry within 5 years | 26.2 | 42.6 | 4.1 | 7.9 | 2.0 | 2.2 |
| Expiry after 5 years | 24.1 | 2.5 | 3.5 | 0.6 | 2.2 | 0.0 |
| No expiry | 33.9 | 52.5 | 5.8 | 9.2 | 5.0 | 7.5 |
| Total | 84.2 | 97.6 | 13.4 | 17.7 | 9.2 | 9.7 |

At the end of 2024, the subsidiaries had EUR 32.3 million (31.1) tax losses, of which no deferred tax benefits have been recognized. The subsidiaries' tax losses are incurred in different currencies and born mainly in China and Brazil.

Kemira is within the scope of the OECD Pillar 2 model rules. Pillar 2 legislation has been enacted in many Kemira countries, including Finland, where the rules came into effect from 1 January 2024. Kemira applies the mandatory IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes. Kemira has establish a process and tools to analyse the outcome of Pillar 2 related safe harbour rules and GloBE calculations, and manages the analysing and compliance requirements centrally. Based on the Kemira’s assessment majority of the group companies are expected to pass the safe harbour rules during the transitional period, and only 2-3 group companies are expected to require detailed GloBE calculations, which, however, are not expected to result any increase in taxes. Therefore, it is not expected that Pillar 2 has an impact on the amount of the Group’s income taxes.

### The Group's accounting policies

**Income taxes**

The Group’s tax expense for the period comprises current tax, adjustments from prior tax periods and deferred tax. Tax is recognized in the income statement, except where it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated based on tax laws enacted or substantively enacted on the balance sheet date in the countries where the parent company and its subsidiaries and associated companies operate and generate taxable income.

## The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Deferred taxes and uncertain tax positions**

The management regularly evaluates the positions taken in the tax returns to identify situations where the applicable tax regulation may be subject to interpretation. The management evaluates also other potential uncertainties related to the tax positions identified in the tax audits or tax disputes. Taxes of uncertain tax positions are recognized based on estimated outcome and probability.

## 2.7 EARNINGS PER SHARE

| | 2024 | 2023 |
|---|---|---|
| **Earnings per share, basic** | | |
| Net profit attributable to equity owners of the parent company, EUR million | 249.4 | 199.1 |
| Weighted average number of shares [1] | 153,920,990 | 153,573,071 |
| **Basic earnings per share, EUR** | 1.62 | 1.30 |
| | | |
| **Earnings per share, diluted** | | |
| Net profit attributable to equity owners of the parent company, EUR million | 249.4 | 199.1 |
| Weighted average number of shares [1] | 153,920,990 | 153,573,071 |
| Adjustments: | | |
| Average number of treasury shares it is possible to be issued on the basis of the share-based payments | 1,312,591 | 1,478,009 |
| Weighted average number of shares for diluted earnings per share | 155,233,581 | 155,051,080 |
| **Diluted earnings per share, EUR** | 1.61 | 1.28 |

1) Weighted average number of shares outstanding, excluding the number of treasury shares held by Kemira Oyj.

### The Group's accounting policies

#### Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to the equity owners of the parent company by the weighted average number of shares issued during the period, excluding treasury shares held by parent company Kemira Oyj. The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares with the dilutive effect of all the potential dilutive shares, such as shares from share-based payments.

## 2.8 OTHER COMPREHENSIVE INCOME

| EUR million | 2024 | 2023 |
|---|---|---|
| **Items that may be reclassified subsequently to profit or loss** | | |
| Exchange differences on translating foreign operations | 7.5 | -17.5 |
| Cash flow hedges | -15.0 | -67.7 |
| **Items that will not be reclassified subsequently to profit or loss** | | |
| Other shares | -34.9 | -76.7 |
| Remeasurements of defined benefit plans | 16.6 | 23.3 |
| **Other comprehensive income for the period before taxes** | -25.8 | -138.7 |
| Tax effects relating to components of other comprehensive income | 2.2 | 25.1 |
| **Other comprehensive income for the period, net of tax** | -23.6 | -113.4 |

### THE TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| EUR million | Before tax | Tax charge (-) /credit (+) | After tax | Before tax | Tax charge (-) /credit (+) | After tax |
| **Items that may be reclassified subsequently to profit or loss** | | | | | | |
| Exchange differences on translating foreign operations | 7.5 | 0.2 | 7.7 | -17.5 | 0.6 | -16.9 |
| Cash flow hedges | -15.0 | 0.9 | -14.1 | -67.7 | 13.6 | -54.1 |
| **Items that will not be reclassified subsequently to profit or loss** | | | | | | |
| Other shares | -34.9 | 7.0 | -27.9 | -76.7 | 15.3 | -61.3 |
| Remeasurements of defined benefit plans | 16.6 | -5.9 | 10.7 | 23.3 | -4.4 | 18.9 |
| **Total other comprehensive income** | -25.8 | 2.2 | -23.6 | -138.7 | 25.1 | -113.4 |

# 3. Capital expenditures and acquisitions

## 3.1 GOODWILL

| EUR Million | Note | 2024 | 2023 |
|---|---|---|---|
| **Net book value on Jan 1** | | 480.9 | 510.5 |
| Acquisition of subsidiaries and business acquisitions | | 2.5 | 2.3 |
| Impairments | | 0.0 | 0.0 |
| Transferred to assets classified as held-for-sale [1)] | 3.7. | 0.0 | -26.5 |
| Exchange differences | | 7.3 | -5.3 |
| **Net book value on Dec 31** | | 490.6 | 480.9 |

1) In 2023, goodwill was reclassified as held-for-sale assets which was related to the sale of the Oil & Gas business. See Note 3.7. for further details regarding the held-for-sale assets.

### Impairment testing of goodwill

Goodwill is allocated to the two individual cash-generating units that are the Group's reportable segments. The reportable segment represents the lowest level within the Group at which goodwill is monitored for internal management purposes. The Group's two reportable segments are Pulp & Paper and Industry & Water. A summary of the tested net book values and goodwill relating to the Group's reportable segments is presented in the following table.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| EUR Million | Net book value | of which goodwill | Net book value | of which goodwill |
| Pulp & Paper | 1,246 | 353 | 1,263 | 349 |
| Industry & Water | 638 | 137 | 615 | 132 |
| **Total** | 1,884 | 491 | 1,878 | 481 |

The Group carries out its impairment testing of goodwill annually, or whenever there is an indication that the recoverable amount may be less than its carrying amount. The recoverable amounts of the cash-generating units have been determined based on value in use calculations which require the use of estimates and assumptions. The key assumptions in the value in use calculations are the EBITDA margin and the discount rate.

The long-term EBITDA margin assumption used for the impairment testing of goodwill is based on past experience regarding EBITDA margins and also reflects the management's perception of developments in sales prices and sales volumes during the forecast period. The impact of climate-related risks to the Group's long-term performance has been considered in the cash flow forecasts. The cash flow forecasts used in the impairment testing are based on cash flow forecasts approved by the management, covering a five-year horizon. The expected growth used to extrapolate cash flows in the subsequent five-year forecast period was assumed to be 1% (2023: 1%) in both cash-generating units, Pulp & Paper and Industry & Water.

The discount rates applied were based on the Group's adjusted Weighted Average Cost of Capital (WACC) before taxes. The risk-adjusted WACC rate was defined for both cash-generating units. The pre-tax discount rates used in performing the impairment tests of the Group's reportable segments are presented in the following table.

| % | 2024 | 2023 |
|---|---|---|
| Pulp & Paper | 9.0 | 9.3 |
| Industry & Water | 9.0 | 9.3 |

In addition, an impairment test based on market value has been carried out as part of impairment testing. The value in use calculation based on cash flow forecasts has been validated by comparing it against the quoted market value of Kemira Oyj.

During the financial years 2024 and 2023, the impairment tests have not indicated any impairment and no impairment loss has been recognized in the income statement.

### Sensitivity analysis

In 2024, as part of the impairment testing, the Group carried out a sensitivity analysis that assessed key changes in assumptions as follows: a decrease of 2 percentage points in EBITDA margin, a decrease of 10% in estimated cash flow during the forecast period, an increase of 1 and 2 percentage points in the discount rates or a decrease of 10% in cash flows and an increase of 2 percentage points in the discount rate.

Based on the sensitivity analyses carried out, the management has estimated that changes in the key assumptions of EBITDA margins, discount rates and cash flows would not result in the cash-generating units carrying amounts exceeding the recoverable amounts and, consequently, there would be no impairment losses recorded in either of the reportable segments.

## The Group's accounting policies

**Goodwill**

Goodwill arises from business combinations. Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less the accumulated impairment losses.

**Impairment testing**

On each balance sheet date, the Group assesses whether there is any indication of an asset's impairment. If any indication of impairment exists, the recoverable amount of the asset or of the cash-generating unit is calculated on the basis of the value in use or the net selling price.

For the purpose of impairment testing goodwill, a cash-generating unit has been defined as an operating segment. Two or more operating segments are not combined into one reportable segment. The recoverable amount of a reportable segment is defined as its value in use, which consists of the discounted future cash flows to the unit. Estimates of future cash flows are based on the continuing use of an asset and on forecasts by the management. Cash flow estimates do not include the effects of improved asset performance, investments or future reorganizations.

Goodwill impairment is tested by comparing the recoverable amount with the carrying amount for the reportable segments Pulp & Paper and Industry & Water. The carrying amount includes goodwill, intangible assets and PP&E, right-of-use assets and working capital. Other than goodwill, the Group does not have intangible assets with indefinite useful lives. All goodwill has been allocated to the reportable segments.

An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. An impairment loss is recognized in the income statement. If there has been a positive change in the estimates used to determine an asset's recoverable amount since the last impairment loss was recognized, an impairment loss recognized for previous years is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the previous years. An impairment loss for goodwill is never reversed.

## The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Impairment test of goodwill**

The impairment tests of goodwill and other assets include determining future cash flows which, with regard to the most significant assumptions, are based on EBITDA margin and discount rates. Significant adverse developments in cash flows and interest rates may necessitate the recognition of an impairment loss.

## 3.2 OTHER INTANGIBLE ASSETS

| 2024, EUR million | Other intangible assets | Prepayments | Total |
|---|---|---|---|
| **Acquisition cost on Jan 1** | 334.5 | 3.4 | 337.9 |
| Additions | 9.8 | 1.4 | 11.2 |
| Purchases of subsidiaries and business acquisitions | 0.5 | 0.0 | 0.5 |
| Decreases | -0.3 | 0.0 | -0.3 |
| Reclassifications | 0.0 | 0.0 | 0.0 |
| Exchange rate differences and other changes | 2.2 | 0.0 | 2.1 |
| **Acquisition cost on Dec 31** | 346.7 | 4.9 | 351.5 |
| | | | |
| **Accumulated amortization on Jan 1** | -287.4 | | -287.4 |
| Accumulated amortization relating to decreases and transfers | 0.0 | | 0.0 |
| Amortization during the financial year | -17.8 | | -17.8 |
| Impairments | 0.0 | | 0.0 |
| Exchange rate differences | -2.1 | | -2.1 |
| **Accumulated amortization on Dec 31** | -307.2 | | -307.2 |
| | | | |
| **Net book value on Dec 31** | 39.4 | 4.9 | 44.3 |
| Emission rights | | | 0.3 |
| **Net book value including emission rights on Dec 31** | | | 44.5 |

The Group holds assigned emissions allowances under the EU Emissions Trading System at its Helsingborg site in Sweden and under the UK Emissions Trading System at its Bradford site in the UK. At the Group level, the allowances showed a surplus of 130,573 tons of carbon dioxide in 2024 (a surplus of 112,573 tons).

| 2023, EUR million | Other intangible assets | Prepayments | Total |
|---|---|---|---|
| **Acquisition cost on Jan 1** | 333.7 | 11.1 | 344.8 |
| Additions | 17.8 | -7.5 | 10.3 |
| Purchases of subsidiaries and business acquisitions | 1.2 | 0.0 | 1.2 |
| Decreases | -0.9 | 0.0 | -0.9 |
| Transferred to assets classified as held-for-sale [1)] | -13.3 | 0.0 | -13.3 |
| Reclassifications | 0.0 | -0.1 | -0.1 |
| Exchange rate differences and other changes | -4.0 | 0.0 | -4.0 |
| **Acquisition cost on Dec 31** | 334.5 | 3.4 | 337.9 |
| | | | |
| **Accumulated amortization on Jan 1** | -283.8 | | -283.8 |
| Accumulated amortization relating to decreases and transfers | 0.9 | | 0.9 |
| Amortization during the financial year | -19.0 | | -19.0 |
| Impairments | 0.0 | | 0.0 |
| Transferred to assets classified as held-for-sale [1)] | 11.6 | 0.0 | 11.6 |
| Exchange rate differences | 2.9 | | 2.9 |
| **Accumulated amortization on Dec 31** | -287.4 | | -287.4 |
| | | | |
| **Net book value on Dec 31** | 47.1 | 3.4 | 50.5 |
| Emission rights | | | 0.6 |
| **Net book value including emission rights on Dec 31** | | | 51.1 |

1) In 2023, other intangible assets amounting to EUR 1.6 million were reclassified as held-for-sale assets. These assets were used by the Oil & Gas business. See Note 3.7. for further details regarding the held-for-sale assets.

## The Group's accounting policies

**Other intangible assets**

Other intangible assets include, for instance, software and software licenses and patents, technologies, non-compete agreements and customer relationships acquired in business combinations. Contrarily, acquisitions of cloud-based softwares as a service generally do not, by their nature, meet the characteristics of an intangible asset and they are therefore recognized as an expense. Intangible assets are measured at cost, less accumulated amortization and any impairment losses. The Group has no intangible assets that have an indefinite useful life other than goodwill.

**Emission rights**

Emission rights purchased on the market are accounted for as intangible assets, measured at cost. Emission rights received free of charge are measured at their nominal value (zero). Emission rights are not amortized. A provision for the fulfillment of the obligation to return emission rights is recognized if the free-of-charge emissions are not sufficient to cover actual emissions. The Group’s consolidated balance sheet shows no items related to emission rights where the volume of actual emissions is lower than that of the free-of-charge emissions allowances and the Group has not bought allowances on the market.

## 3.3 PROPERTY, PLANT AND EQUIPMENT

| 2024, EUR million | Land | Buildings and constructions | Machinery and equipment | Other property, plant and equipment | Prepayments and assets under construction [1] | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 45.8 | 517.5 | 1,663.1 | 92.6 | 131.1 | 2,450.1 |
| Additions | 0.1 | 47.6 | 121.3 | 9.5 | -22.4 | 156.0 |
| Acquisitions of subsidiaries and business acquisitions | — | — | 0.2 | — | — | 0.2 |
| Decreases | -9.9 | — | — | -2.4 | — | -12.4 |
| Disposed of subsidiaries | — | — | — | — | — | — |
| Transferred to assets classified as held-for-sale [2] | — | -0.1 | -2.2 | — | 1.3 | -1.0 |
| Reclassifications | — | -0.1 | 0.1 | 0.1 | — | — |
| Exchange rate differences and other changes | -0.2 | 7.0 | 21.5 | 1.5 | -0.4 | 29.3 |
| **Acquisition cost on Dec 31** | 35.7 | 571.8 | 1,803.9 | 101.2 | 109.4 | 2,622.1 |
| | | | | | | |
| **Accumulated depreciation on Jan 1** | -9.9 | -269.0 | -1,175.8 | -55.8 | | -1,510.5 |
| Accumulated depreciation related to decreases and transfers | 9.9 | — | — | 2.4 | | 12.3 |
| Depreciation during the financial year | — | -23.9 | -105.0 | -6.8 | | -135.7 |
| Impairments | — | — | — | -0.7 | | -0.7 |
| Transferred to assets classified as held-for-sale [2] | — | — | — | — | | — |
| Exchange rate differences | — | -3.3 | -18.5 | -1.3 | | -23.1 |
| **Accumulated depreciation on Dec 31** | — | -296.2 | -1,299.3 | -62.1 | | -1,657.6 |
| | | | | | | |
| **Net book value on Dec 31** | 35.7 | 275.6 | 504.7 | 39.1 | 109.4 | 964.5 |

1) Prepayment and non-current assets under construction are mainly composed of plant investments.
2) In 2024, an amount of EUR 1 million of property, plant and equipment is reclassified as held-for-sale assets related to the Teesport manufacturing facility in the United Kingdom. See Note 3.7. for further details regarding the held-for-sale assets.

| 2023, EUR million | Land | Buildings and constructions | Machinery and equipment | Other property, plant and equipment | Prepayments and assets under construction [1] | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 47.5 | 552.0 | 1,819.5 | 97.5 | 153.2 | 2,669.7 |
| Additions | 0.2 | 55.3 | 129.9 | 7.5 | 1.1 | 194.0 |
| Decreases | 0.0 | -2.2 | -41.7 | -2.1 | 0.0 | -46.0 |
| Disposed of subsidiaries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transferred to assets classified as held-for-sale [2] | -1.7 | -80.0 | -223.3 | -8.0 | -17.0 | -330.0 |
| Reclassifications | 0.0 | 0.0 | 4.6 | 0.0 | -4.4 | 0.1 |
| Exchange rate differences and other changes | -0.3 | -7.6 | -25.9 | -2.3 | -1.8 | -37.8 |
| **Acquisition cost on Dec 31** | 45.8 | 517.5 | 1,663.1 | 92.6 | 131.1 | 2,450.1 |
| | | | | | | |
| **Accumulated depreciation on Jan 1** | -9.9 | -270.2 | -1,249.6 | -59.9 | | -1,589.6 |
| Accumulated depreciation related to decreases and transfers | 0.0 | 2.2 | 41.6 | 2.1 | | 45.9 |
| Depreciation during the financial year | 0.0 | -23.8 | -116.3 | -6.4 | | -146.5 |
| Impairments | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 |
| Transferred to assets classified as held-for-sale [2] | 0.0 | 20.0 | 130.7 | 6.7 | 0.0 | 157.5 |
| Exchange rate differences | 0.0 | 2.7 | 17.8 | 1.7 | | 22.3 |
| **Accumulated depreciation on Dec 31** | -9.9 | -269.0 | -1,175.8 | -55.8 | | -1,510.5 |
| | | | | | | |
| **Net book value on Dec 31** | 35.9 | 248.5 | 487.3 | 36.8 | 131.1 | 939.6 |

1) Prepayment and non-current assets under construction are mainly composed of plant investments.
2) In 2023, property, plant and equipment amounting to EUR 172.5 million was reclassified as held-for-sale assets. These assets were used by the Oil & Gas business. See Note 3.7. for further details regarding the held-for-sale assets.

## The Group's accounting policies

### Property, plant and equipment

Property, plant and equipment is measured at cost, less accumulated depreciation and any impairment losses. The residual values and useful lives of the assets are reviewed at least at the end of each financial year. Gains and losses on the sale of non-current assets are included in other operating income and expenses. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of the asset in question, when it is probable that they will generate future economic benefits and the costs can be reliably measured. The costs of major inspections or of the overhaul of an asset performed at regular intervals are identified as separate components and are capitalized and depreciated over their useful lives.

## 3.4 LEASES

### CHANGES IN RIGHT-OF-USE ASSETS

| 2024, EUR million | Land | Buildings and constructions | Machinery and equipment | Other property, plant and equipment | Total |
|---|---|---|---|---|---|
| **Net book value Jan 1** | 25.8 | 29.4 | 66.5 | 1.3 | 123.0 |
| Additions | 4.3 | 9.3 | 24.3 | 0.2 | 38.2 |
| Purchases of subsidiaries and business acquisitions | 0.5 | 0.0 | 0.1 | 0.0 | 0.6 |
| Depreciation and impairments | -1.9 | -9.1 | -21.8 | -0.5 | -33.3 |
| Transferred to assets classified as held-for-sale [1)] | -1.5 | 0.0 | 0.0 | 0.0 | -1.5 |
| Reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exchange rate differences and other changes | 0.6 | 1.5 | 2.6 | 0.0 | 4.7 |
| **Net book value Dec 31** | 27.8 | 31.1 | 71.8 | 1.0 | 131.8 |

| 2023, EUR million | Land | Buildings and constructions | Machinery and equipment | Other property, plant and equipment | Total |
|---|---|---|---|---|---|
| **Net book value Jan 1** | 31.5 | 37.8 | 74.8 | 1.9 | 146.0 |
| Additions | 0.4 | 5.2 | 31.3 | 0.2 | 37.1 |
| Depreciation and impairments | -1.6 | -10.3 | -25.6 | -0.6 | -38.1 |
| Transferred to assets classified as held-for-sale [2)] | -3.8 | -2.8 | -11.1 | -0.1 | -17.8 |
| Reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exchange rate differences and other changes | -0.7 | -0.6 | -2.9 | 0.0 | -4.2 |
| **Net book value Dec 31** | 25.8 | 29.4 | 66.5 | 1.3 | 123.0 |

1) In 2024, right-of-use assets amounting to EUR 1,5 million are reclassified as held-for-sale assets related to the Teesport manufacturing facility in the United Kingdom. See Note 3.7. for further details regarding the held-for-sale assets.
2) In 2023, right-of-use assets amounting to EUR 17.8 million were reclassified as held-for-sale assets. These assets were used by the Oil & Gas business. See Note 3.7. for further details regarding the held-for-sale assets.

Maturity of lease liabilities has been presented in Note 5.3. Interest-bearing liabilities. Changes in lease liabilities and payments related to lease liabilities have been presented in Note 5.1. Capital Structure.

In 2024, the amount of lease expenses recognized in the income statement for leases of short-term or low-value assets is EUR 4 million (3).

### The Group's accounting policies

**Leases**

At the time of entering into an agreement, the Group assesses whether the agreement is a lease or whether it contains a lease. An agreement is a lease in accordance with IFRS 16 if the agreement gives the Group, as the lessee, the right to control the asset and to control its use for a specified period, against consideration. The Group's leases are mainly for land, buildings and transport equipment.

The lease is recognized as a right-of-use asset and as a corresponding liability when the leased asset is available to the Group. The rent paid is divided into debt and interest expenses. Interest expenses are recognized in the income statement over the lease term and the asset is amortized over the lease term. Assets and liabilities arising from leases are initially measured at present value. Lease liabilities include the net fair value of rentals, consisting of a fixed payment and a variable rent that are index- or price-level dependent. The lease liability is discounted to its present value using an interest rate on the additional loan, consisting of the reference interest rate and the lessee's credit margin, which the lessee would pay on the acquisition of the corresponding asset by debt financing. This additional loan rate will vary depending on the duration of the lease and on the currency.

The lease term is the period during which the lease cannot be canceled. The Group leases typically have a fixed term and some contracts have options for renewal. The option is included in the lease liability if it is reasonably certain that the option will be exercised. If there is a change in the estimate of the exercise of the option, the lease liability and the related asset are reassessed.

A right-of-use asset is measured at cost, which includes the original amount of the lease liability. In building leases, the lease and non-lease components are treated separately, wherever they can be identified and distinguished from the right-of-use asset. In subsequent periods, the accumulated depreciation and impairment losses are deducted from the asset. Fixed assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

Payments for short-term and low-value leases are recognized as an expense in the income statement, on a straight-line basis over the lease term. Leases with a maximum term of 12 months are regarded as short-term. Low value assets include IT equipment, office furniture and other low value machines.

## 3.5 OTHER SHARES

| 2024, EUR million | The shares of Pohjolan Voima Group | Other non-listed shares | Total |
|---|---|---|---|
| **Net book value on Jan 1** | 303.9 | 1.4 | 305.4 |
| Additions | — | 0.0 | 0.0 |
| Decreases | — | — | — |
| Change in fair value | -34.9 | — | -34.9 |
| **Net book value on Dec 31** | 269.0 | 1.5 | 270.5 |

| 2023, EUR million | | | |
|---|---|---|---|
| **Net book value on Jan 1** | 380.6 | 2.7 | 383.3 |
| Additions | — | — | — |
| Decreases | — | -0.3 | -0.3 |
| Change in fair value | -76.7 | — | -76.7 |
| Reclassifications | — | -1.0 | -1.0 |
| **Net book value on Dec 31** | 303.9 | 1.4 | 305.4 |

## SHARES IN THE POHJOLAN VOIMA GROUP

| EUR million | Class of shares | Holding, % | Class of assets | 2024 | 2023 |
|---|---|---|---|---|---|
| Pohjolan Voima Oyj | A | 5 | hydro power | 119.6 | 100.2 |
| Pohjolan Voima Oyj | B | 2 | nuclear power | 40.4 | 47.9 |
| Pohjolan Voima Oyj | B2 | 7 | nuclear power | 30.3 | 62.9 |
| Teollisuuden Voima Oyj | A | 2 | nuclear power | 77.8 | 92.2 |
| Other Pohjolan Voima Oyj | G5, G6 | several | several | 0.8 | 0.8 |
| **Total** | | | | 269.0 | 303.9 |

Kemira Oyj owns 5% of Pohjolan Voima Oyj, a company of the Pohjolan Voima Group, and 1% of its joint venture Teollisuuden Voima Oyj.

### Discounted cash flow assumptions and related sensitivities

| | 2024 | 2023 |
|---|---|---|
| Short-term discount rate | 4.7% | 5.1% |
| Long-term discount rate | 4.7% | 5.1% |
| Electricity price estimate EUR/MWh | 55.13 - 64.60 | 51.85 - 69.32 |
| Forward electricity prices EUR/MWh | 29.45 - 70.90 | 44.25 - 95.25 |

A 10% decrease or increase in the electricity market price in the future would negatively or positively impact the fair value of the shares by approximately EUR +/- 104 million (+/- 98). An increase or decrease of one percentage point in the discount rate would negatively or positively impact the fair value of the shares by approximately EUR -54 million (-49) or approximately EUR 80 million (69).

## The Group's accounting policies

**Other shares**
Other shares are classified at fair value through other comprehensive income. Changes in the fair value of other shares are recognized in other comprehensive income, under equity in the fair value reserve, taking the tax effect into account and including gains and losses from sales. The dividends are recognized in the profit or loss statement. Other shares include non-listed companies, with the shareholdings in Pohjolan Voima Oyj (PVO) and Teollisuuden Voima Oyj (TVO) representing the largest investments.

PVO and its joint venture TVO comprise a private energy generating group, owned by Finnish manufacturing and power companies, to whom it supplies energy at cost. Kemira Group has A series shares in TVO and A, B and G series shares in PVO. The shareholdings of PVO's B series are related to the holdings in TVO and TVO operates three nuclear power plant units (Olkiluoto 1, 2 and 3) in Olkiluoto in the municipality of Eurajoki in Finland. Different share series entitle the shareholder to electricity generated by different power plants. The owners of each separate share series are responsible for the fixed costs of the series in question, in proportion to the number of the shares they hold, regardless of whether they use their power/energy share or not, and for variable costs in proportion to the amount of energy used.

Kemira Oyj's ownership in the PVO Group, which entitles it to electricity from the power plants in regular production, is measured at the fair value based on the discounted cash flow resulting from the difference between the market price of the electricity and the cost price. The forward electricity price quotations for the Finnish price area, published by the Nordic Electricity Exchange, have been used as the basis for the market price for the electricity for the first five years and, thereafter, the development of the electricity price is to be based on a fundamental simulation model of the Nordic electricity market. The impact of inflation in the coming years is taken into account in the price of the electricity and in the cost prices. The cost prices are determined by each share series. Future cash flows have been discounted based on the estimated useful lifecycles of the plants related to each share series and hydro power also includes terminal values. The discount rate has been calculated using the annually determined average weighted cost of capital.

## The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Estimated fair value of shares in the PVO Group**
The Group's shareholding in the unlisted PVO Group is measured at fair value, based on the discounted cash flow resulting from the difference between the market price of electricity and the cost price, using the valuation model. Developments in the actual fair value may differ from the estimated value due to factors such as electricity prices, inflation, the forecast period or the discount rate.

## 3.6 BUSINESS COMBINATIONS

**2024: The acquisition of Norit's UK reactivation operations**

In Q3 2024, Kemira acquired Norit's UK reactivation operations. Kemira has a 100% interest in the acquired business. The acquisition was not material to Kemira's consolidated income statement and balance sheet.

The acquisition calculation under IFRS 3 is provisional. The fair values of the net assets and goodwill may change during the 12-month period during which the acquisition calculation will be finalized. The purchase price of EUR 3.2 million was paid in cash. Based on preliminary acquisition calculations, EUR 0.6 million was allocated to intangible assets such as customer lists. A provisional goodwill of EUR 2.5 million arises mainly from the expected synergies.

The acquired subsidiary Purton Carbons Limited was consolidated into the Industry & Water segment in Q3 2024.

**2023: The acquisition of SimAnalytics Oy**

In Q3 2021, Kemira acquired a minority interest in the advanced process optimization start-up SimAnalytics Oy. In Q1 2023, Kemira acquired the rest of the business and now has a 100% interest in the acquired business. The acquisition was not material to Kemira's consolidated income statement and balance sheet.

The purchase price of EUR 3 million was paid in cash, except for certain payments which will be made later. The purchase price is divided into two installments, of which EUR 2 million was paid in Q1 2023 and EUR 1 million was paid earlier in 2021. The remainder of the payments to the acquired company's employees, made after the acquisition date, are remunerations for services under IFRS 3 and these payments have no effect on goodwill.

Based on acquisition calculations, EUR 1 million was allocated to intangible assets such as software. A goodwill of EUR 2 million arises mainly from the expected synergies.

The acquired business has been consolidated into the Pulp & Paper segment, beginning in Q1 2023.

### The Group's accounting policies

**Business combinations**

The acquisition method is applied to business combinations. The consideration transferred for the acquisition of a subsidiary is defined as an aggregate of the fair values of the assets transferred, the liabilities assumed and the equity interest issued by the Group. The consideration transferred may include the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities that are assumed in a business combination are measured at their fair values on the acquisition date.

## 3.7 ASSETS CLASSIFIED AS HELD-FOR-SALE

**Sale of the Oil & Gas business to Sterling Specialty Chemicals, LLC**

On December 4, 2023, Kemira signed an agreement to divest its Oil & Gas-related portfolio to Sterling Specialty Chemicals LLC, a US subsidiary of Artek Group, a global industrial chemicals group based in India. On February 2, 2024, Kemira announced that it has completed the divestment of its Oil & Gas-related portfolio to the buyer.

Approximately 250 employees transferred to the buyer as part of the transaction, which includes Kemira’s manufacturing facilities in Mobile, Columbus and Aberdeen in the United States and the novel liquid polymer (NLP) manufacturing assets in Botlek, the Netherlands. The Teesport manufacturing facility in the United Kingdom is also included in the transaction. The closing of the Teesport is expected to happen later, subject to site specific closing conditions.

The total consideration on a cash and debt-free basis amounts to approximately USD 280 million, around EUR 260 million. The recognized loss from the sale of the Oil & Gas business was EUR 112 million, including related expenses, of which EUR 11 million was recognized in 2024. The Oil & Gas business was part of Kemira's Industry & Water segment.

As of Q4 2023, the assets and liabilities related to the sale of the Oil & Gas business were classified as a disposal group, held for sale according to IFRS 5. As a result, the assets and liabilities related to the sale of the Oil & Gas business were presented on the consolidated balance sheet, on separate lines. The tables below provide more information on the assets as held-for-sale and on the related liabilities.

## ASSETS CLASSIFIED AS HELD-FOR-SALE AT FAIR VALUES

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| Goodwill | 3.1. | — | — |
| Intangible assets | 3.2. | — | 1.6 |
| Property, plant and equipment | 3.3. | 4.5 | 109.5 |
| Right-of-use assets | 3.4. | 5.5 | 17.8 |
| Deferred tax assets | 4.4. | — | 19.2 |
| Inventories | 4.1. | — | 48.3 |
| Trade receivables and other receivables | 4.2. | — | 57.0 |
| Cash and cash equivalents | 5.4. | — | 2.2 |
| **Total** | | 9.9 | 255.6 |

## LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD-FOR-SALE

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| Liabilities related to right-of-use assets | 5.3. | 12.0 | 24.1 |
| Deferred tax liabilities | 4.4. | — | 32.1 |
| Trade payables and other liabilities | 4.3. | — | 44.0 |
| Current income tax liabilities | | — | 4.6 |
| **Total** | | 12.0 | 104.8 |

## The Group's accounting policies

**Non-current assets held for sale**

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale transaction is considered highly probable. Since the time of classification, the assets have been valued as the lower of the carrying amount or the fair value, less the costs to sell. Depreciation on these assets discontinues at the time of classification. Non-current assets classified as held for sale are disclosed separately in the balance sheet.

# 4. Working capital and other balance sheet items

## NET WORKING CAPITAL

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| Inventories | 4.1. | 307.9 | 281.8 |
| Trade receivables and other receivables | 4.2. | 420.1 | 468.2 |
| Excluding financing items in other receivables [1] | | -7.1 | -18.6 |
| Trade payables and other liabilities | 4.3. | 517.8 | 489.4 |
| Excluding financing items in other liabilities [1] | | -44.5 | -37.0 |
| **Total** | | 247.7 | 278.9 |

1) Includes mainly interest income and expenses, exchange gains and losses and hedging related items.

Due to the Oil & Gas divestment, in net working capital in 2023, EUR 48.3 million of inventory, EUR 57.0 million of trade receivables and other receivables and EUR 44.0 million trade payables and other payables have been reclassified as held-for-sale. Kemira has completed the divestment in February 2024.

Quarterly information on net working capital is disclosed in the section on Reconciliation to IFRS figures.

## 4.1 INVENTORIES

| EUR million | 2024 | 2023 |
|---|---|---|
| Materials and supplies | 115.1 | 113.0 |
| Finished goods | 171.6 | 149.4 |
| Prepayments | 21.3 | 19.4 |
| **Total** | 307.9 | 281.8 |

In 2024, EUR 1.5 million (2.4) of the inventory value was recognized as an expense in order to decrease the book values of the inventories to correspond with their net realizable value.

### The Group's accounting policies

**Inventories**

Inventories are measured at the lower of cost and net realizable value. Costs are determined on a first-in first-out (FIFO) basis or by using a weighted average cost formula, depending on the nature of the inventory. The cost of finished goods and work in progress includes the proportion of production overheads at normal capacity. The net realizable value is the sales price received in the ordinary course of business, less the estimated costs for completing the asset and the sales costs.

## 4.2 TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES

| EUR million | 2024 | 2023 |
|---|---|---|
| **Trade and other receivables** | | |
| Trade receivables | 345.8 | 386.2 |
| Prepayments | 11.2 | 8.5 |
| Prepaid expenses and accrued income | 25.5 | 38.9 |
| Other current receivables | 37.6 | 34.7 |
| **Total** | 420.1 | 468.2 |

## AGING OF OUTSTANDING TRADE RECEIVABLES

| | 2024 | | |
|---|---|---|---|
| EUR million | Receivables, gross amount | Expected credit losses | Receivables, net amount |
| Not due trade receivables | 299.2 | -0.5 | 298.7 |
| Trade receivables 1-90 days overdue | 45.5 | -0.1 | 45.4 |
| Trade receivables more than 91 days overdue | 5.8 | -4.0 | 1.8 |
| **Total** | 350.4 | -4.6 | 345.8 |

| | 2023 | | |
|---|---|---|---|
| **EUR million** | **Receivables, gross amount** | **Expected credit losses** | **Receivables, net amount** |
| Not due trade receivables | 327.9 | -0.1 | 327.7 |
| Trade receivables 1-90 days overdue | 58.1 | -0.3 | 57.8 |
| Trade receivables more than 91 days overdue | 5.0 | -4.3 | 0.6 |
| **Total** | 390.9 | -4.8 | 386.2 |

In 2024, the impairment loss (+) /gain(-) of trade receivables amounted to EUR 0.6 million (-0.2).

In 2024, items that were due in a time period longer than one year included trade receivables of EUR 0.8 million (0.3), prepaid expenses and an accrued income of EUR 1.6 (1.3), other receivables of EUR 0.4 (0.1) and prepayments of EUR 0.2 (0.0).

## The Group's accounting policies

**Trade receivables, loan receivables and other current receivables**

Trade receivables, loan receivables and other current receivables are initially recognized at fair value and subsequently measured at amortized cost, taking impairment into account. These items are subject to a simplified impairment model, in accordance with the IFRS 9 standard, where the estimated amount of credit losses is based on the expected credit losses over their expected life.

The expected credit loss rates for the impairment model vary for trade receivables in EMEA, Americas and APAC, according to age distribution and geographical area. Credit loss rates are based on sales payment profiles and historical credit losses.

The expected credit losses for trade receivables are recognized using the simplified impairment model, in accordance with IFRS 9. Expected credit losses are calculated by multiplying the book value of unpaid trade receivables by the expected credit loss rate for the geographical area. Any trade receivables overdue by more than 180 days are assessed using a specific risk assessment. In addition, an estimate of a credit loss is recognized for individual trade receivables when there is objective evidence that the receivables will not be recovered on all the original terms.

Trade receivables, loan receivables and other current receivables do not include a significant financial component.

## 4.3 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

| EUR million | 2024 | 2023 |
|---|---|---|
| **Trade payables and other liabilities** | | |
| Prepayments received | 3.1 | 1.6 |
| Trade payables | 237.7 | 226.7 |
| Accrued expenses | 233.2 | 218.4 |
| Other non-interest-bearing current liabilities | 43.8 | 42.7 |
| **Total** | 517.8 | 489.4 |

| **Accrued expenses** | | |
|---|---|---|
| Employee benefits | 97.0 | 89.7 |
| Items related to revenue and purchases | 94.0 | 91.4 |
| Interest | 7.1 | 7.7 |
| Exchange rate differences | 11.7 | 6.9 |
| Other | 23.4 | 22.7 |
| **Total** | 233.2 | 218.4 |

## The Group's accounting policies

**Trade payables and other current liabilities**

Trade and other payables are presented as current liabilities if payment is due within 12 months after the financial period. Trade payables are initially recognized at fair value and subsequently measured at amortized cost.

## 4.4 DEFERRED TAX LIABILITIES AND ASSETS

| EUR million | On Jan 1, 2024 | Recognized in the income statement | Recognized in other comprehensive income | Recognized in equity | Acquired subsidiaries and items classified as held-for-sale | Exchange differences and reclassifications | On Dec 31, 2024 |
|---|---|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | | | |
| Intangible and fixed assets | 40.4 | 1.8 | 0.0 | 0.0 | 0.0 | -0.4 | 41.8 |
| Leased assets | 1.7 | 4.1 | 0.0 | 0.0 | 0.0 | 1.6 | 7.4 |
| Other shares | 37.3 | 0.0 | -7.0 | 0.0 | 0.0 | 0.0 | 30.4 |
| Financial instruments | 3.0 | -0.5 | -2.2 | 0.0 | 0.0 | 0.0 | 0.4 |
| Defined benefit arrangements | 20.9 | -1.8 | 4.2 | 0.0 | 0.0 | 0.0 | 23.3 |
| Fair value adjustments of net assets acquired | 0.4 | -0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.5 |
| Other accruals | 4.5 | -0.5 | -0.2 | -0.9 | 0.0 | -0.1 | 2.8 |
| **Total** | 108.3 | 3.0 | -5.2 | -0.9 | 0.1 | 1.1 | 106.5 |
| Deducted from deferred tax assets | -27.0 | | | | | | -33.4 |
| **Deferred tax liabilities in the balance sheet** | 81.3 | | | | | | 73.1 |
| | | | | | | | |
| **Deferred tax assets** | | | | | | | |
| Intangible and fixed assets | 8.0 | -1.7 | 0.0 | 0.0 | 0.0 | -1.0 | 5.4 |
| Provisions and accruals | 17.7 | 8.8 | 0.0 | 0.0 | 0.0 | -0.8 | 25.8 |
| Lease liabilities | 4.2 | 3.1 | 0.0 | 0.0 | 0.0 | 1.9 | 9.1 |
| Financial instruments | 0.6 | -0.5 | 1.3 | 0.0 | 0.0 | 0.0 | 1.4 |
| Tax losses and tax credits | 17.2 | -5.3 | 0.0 | 0.0 | 0.0 | 1.5 | 13.4 |
| Defined benefit arrangements | 3.4 | -0.6 | 1.7 | 0.0 | 0.0 | 0.1 | 4.6 |
| Other | 7.7 | -0.8 | 0.0 | 0.0 | 0.0 | -1.5 | 5.2 |
| **Total** | 58.8 | 3.0 | 3.0 | 0.0 | 0.0 | 0.2 | 65.0 |
| Deducted from deferred tax liabilities | -27.0 | | | | | | -33.4 |
| **Deferred tax assets in the balance sheet** | 31.8 | | | | | | 31.5 |

| EUR million | On Jan 1, 2023 | Recognized in the income statement | Recognized in other comprehensive income | Recognized in equity | Acquired subsidiaries and items classified as held-for-sale | Exchange differences and reclassifications | On Dec 31, 2023 |
|---|---|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | | | |
| Intangible and fixed assets | 73.2 | -0.8 | 0.0 | 0.0 | -29.4 | -2.5 | 40.4 |
| Leased assets [1)] | 0.0 | 3.1 | 0.0 | 0.0 | -1.2 | -0.2 | 1.7 |
| Other shares | 52.7 | 0.0 | -15.3 | 0.0 | 0.0 | 0.0 | 37.3 |
| Financial instruments | 16.5 | 0.0 | -11.6 | 0.0 | 0.0 | -1.9 | 3.0 |
| Defined benefit arrangements | 15.9 | 0.2 | 5.1 | 0.0 | 0.0 | -0.3 | 20.9 |
| Fair value adjustments of net assets acquired | 0.6 | -0.3 | 0.0 | 0.0 | 0.2 | 0.0 | 0.4 |
| Other accruals | 4.3 | 1.8 | -0.6 | 0.7 | -1.4 | -0.2 | 4.5 |
| **Total** | 163.1 | 4.0 | -22.5 | 0.7 | -31.9 | -5.1 | 108.3 |
| Deducted from deferred tax assets | -44.9 | | | | | | -27.0 |
| **Deferred tax liabilities in the balance sheet** | 118.2 | | | | | | 81.3 |
| | | | | | | | |
| **Deferred tax assets** | | | | | | | |
| Intangible and fixed assets | 0.0 | 5.8 | 0.0 | 0.0 | -7.2 | 9.4 | 8.0 |
| Provisions and accruals | 20.7 | 0.8 | 0.0 | 0.0 | -10.3 | 6.5 | 17.7 |
| Lease liabilities [1)] | 0.0 | 4.4 | 0.0 | 0.0 | -1.5 | 1.3 | 4.2 |
| Financial instruments | 0.0 | 0.5 | 2.0 | 0.0 | 0.0 | -1.9 | 0.6 |
| Tax losses and tax credits | 21.3 | -3.4 | 0.0 | 0.0 | 0.0 | -0.7 | 17.2 |
| Defined benefit arrangements | 2.6 | -0.2 | 0.7 | 0.0 | 0.0 | 0.4 | 3.4 |
| Other | 27.5 | 0.2 | 0.0 | 0.0 | -0.2 | -19.8 | 7.7 |
| **Total** | 72.0 | 8.1 | 2.7 | 0.0 | -19.2 | -4.8 | 58.8 |
| Deducted from deferred tax liabilities | -44.9 | | | | | | -27.0 |
| **Deferred tax assets in the balance sheet** | 27.1 | | | | | | 31.8 |

1) As a result of the amendment to the IAS 12 standard, as of January 1, 2023, deferred taxes have been recognized in connection with initial recognition of the leases for new lease contracts.

## The Group's accounting policies

### Deferred taxes

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax in the initial recognition of goodwill is recognized only in cases where goodwill is locally tax deductible. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that a future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to the income taxes levied by the same taxation authority on either the same tax entity or on different taxable entities where there is an intention to settle the balances on a net basis.

## The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Deferred taxes**

For the recognition of deferred tax assets for tax losses and other items, the management assesses the amount of a probable future taxable profit against which unused tax assets can be utilized. Actual profits may differ from the forecasts and in such cases may affect taxes in future periods.

## 4.5 DEFINED BENEFIT PENSION PLANS AND EMPLOYEE BENEFITS

The Group has several defined benefit pension plans and other employee benefit obligations. The main defined benefit pension plans are in Finland, Sweden and Germany.

### Finland

The Group's most significant defined benefit plan is in Finland, through Pension Fund Neliapila, which takes care of part of some employees' supplementary pension benefits. Pension Fund Neliapila covers employees whose employment with Kemira began before January 1, 1991, meaning that the fund is closed to new employees. Currently the majority of the members of Pension Fund Neliapila are pensioners. At the end of 2024, the obligations of Pension Fund Neliapila totaled EUR 141.8 million (156.2) and the assets of the plan totaled EUR 257.4 million (262.5).

Pension Fund Neliapila's supplementary benefits include old-age pensions, disability pensions, survivors' pensions and funeral grants. The aggregated pension benefit is 66 percent of the pension salary. To qualify for a full pension, an employee must have accrued a pensionable service of 25 years. The supplementary pension benefit is the difference between the aggregated and compulsory pension benefits.

The Board of Directors of Pension Fund Neliapila decided in December 2024 to return the fund's surplus of EUR 10 million to Kemira Group companies. The return of the surplus will be paid by Pension Fund Neliapila when approval is obtained from the Financial Supervisory Authority. The approval is required by the Pension Fund Act. The surplus payment is expected to be paid during the first half of 2025. The Group has not recognized any items regarding the return of the surplus in the Consolidated Financial Statements 2024.

### Sweden

In Sweden, there is a defined benefit pension plan called the ITP 2 plan for white-collar employees. To qualify for a full pension, an employee must have a projected period of pensionable service, from the date of entry until retirement age, of at least 30 years. The pension arrangements comprise the normal retirement pension, complementary retirement pensions and a survivors' pension. In addition, Kemira must have credit insurance from PRI, the Pensionsgaranti Mutual Insurance Company, for the ITP 2 plan pension liability. At the end of 2024, the defined benefit obligations in Sweden totaled EUR 41.7 million (38.2).

## ASSETS AND LIABILITIES OF DEFINED BENEFIT PLANS RECOGNIZED IN THE BALANCE SHEET

| EUR million | 2024 | 2023 |
|---|---|---|
| Present value of defined benefit obligations | 222.5 | 233.9 |
| Fair value of plans' assets | -265.3 | -272.2 |
| Surplus (-) / Deficit (+) | -42.8 | -38.3 |
| The effect of asset ceiling | 0.4 | 1.8 |
| **Net receivables (-) / liabilities (+) of defined benefit plans recognized in the Balance Sheet** | -42.4 | -36.5 |
| | | |
| Liabilities of defined benefit plans | 73.1 | 69.8 |
| Receivables of defined benefit plans | -115.7 | -106.3 |
| **Net receivables (-) / liabilities (+) of defined benefit plans recognized in the Balance Sheet** | -42.4 | -36.5 |
| | | |
| **AMOUNTS OF DEFINED BENEFIT PLANS RECOGNISED IN THE INCOME STATEMENT** | | |
| Service costs | 1.7 | 2.0 |
| Net interest cost [1)] | -0.6 | -0.5 |
| **Defined benefit plans' expenses (+) / income (-) in the Income Statement** | 1.1 | 1.5 |

1) Net interest costs are presented in net finance costs, in the Consolidated Income Statement.

## DEFINED BENEFIT PLANS RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME

| EUR million | 2024 | 2023 |
|---|---|---|
| Items resulting from remeasurements of defined benefit plans [2] | | |
| Actuarial gains (-) / losses (+) in defined benefit obligations arising from changes in demographic assumptions | 0.0 | 0.3 |
| Actuarial gains (-) / losses (+) in defined benefit obligations arising from changes in financial assumptions | 0.0 | 1.9 |
| Actuarial gains (-) / losses (+) in defined benefit obligations arising from experience based assumptions | -2.0 | 6.9 |
| Actuarial gains (-) / losses (+) in plan assets [3] | -10.2 | -32.2 |
| Effect from asset ceiling | -1.5 | 0.3 |
| **Defined benefit plans' expenses (+) / income (-) in the other comprehensive income** | -13.8 | -22.8 |

2) The remeasurements of defined benefit plans are included in the Statement of Comprehensive Income, as part of Other comprehensive income. The item has been disclosed net of tax and the related income tax is disclosed in Note 2.8. Other comprehensive income.

3) In 2024 and 2023, the actuarial gains are mainly due to the return on assets in Pension Fund Neliapila.

## CHANGES IN PLAN ASSETS OVER THE PERIOD IN DEFINED BENEFIT PLANS

| EUR million | 2024 | 2023 |
|---|---|---|
| **Defined benefit obligation on Jan 1** | 233.9 | 231.5 |
| Current service costs | 1.3 | 1.6 |
| Interest costs | 7.4 | 8.4 |
| Actuarial losses (+) / gains (-) | -2.0 | 9.1 |
| Exchange differences on foreign plans | -0.9 | 0.0 |
| Benefits paid | -17.0 | -16.8 |
| Curtailments and settlements | 0.0 | 0.0 |
| Other items | -0.2 | 0.0 |
| **Present value of defined benefit obligations on Dec 31** | 222.5 | 233.9 |

## CHANGES IN PLAN ASSETS OVER THE PERIOD IN DEFINED BENEFIT PLANS

| EUR million | 2024 | 2023 |
|---|---|---|
| **Fair value on Jan 1** | 272.2 | 244.4 |
| Interest income | 8.1 | 9.0 |
| Contributions | 0.3 | 0.4 |
| Return of surplus assets [4] | -11.9 | — |
| Actuarial losses (-) / gains (+) | 10.2 | 32.2 |
| Exchange differences on foreign plans | 0.2 | 0.1 |
| Benefits paid | -13.1 | -13.3 |
| Curtailments and settlements | 0.0 | 0.0 |
| Other items | -0.7 | -0.5 |
| **Fair value of plan assets on Dec 31** | 265.3 | 272.2 |

4) In 2024, Pension Fund Neliapila paid a surplus return of EUR 11.9 million to Kemira Group companies.

## PLAN ASSETS BY ASSET CATEGORY IN DEFINED BENEFIT PLANS

| EUR million | 2024 | 2023 |
|---|---|---|
| Interest rate investments and other assets | 131.1 | 144.1 |
| Shares and share funds | 91.2 | 79.5 |
| Properties occupied by the Group | 43.0 | 46.8 |
| Kemira Oyj's shares | — | 1.9 |
| **Total assets** | 265.3 | 272.2 |

The Finnish Pension Fund Neliapila holds most of the defined benefit plan’s assets. At the end of 2024, Pension Fund Neliapila's assets amounted to EUR 257.4 million (262.5), which consisted of interest rate investments and other assets of EUR 123.3 million (134.5), shares and share funds of EUR 91.1 million (79.4) and property investments of EUR 43.0 million (46.8). Within Pension Fund Neliapila, the investment position is managed within an asset-liability matching (ALM) framework that has been developed to combine long-term investments in line with the obligations under the pension plan. Market risks can be considered a significant investment risk within Pension Fund Neliapila. The market risks arising from cyclical fluctuations of the financial markets are managed by ensuring that the investment position is sufficiently diversified.

The income (+) / expense (-) of the actual returns on the plan assets of the Group's defined benefit plan were EUR 18.3 million (41.2).

## SIGNIFICANT ACTUARIAL ASSUMPTIONS

| % | 2024 | 2023 |
|---|---|---|
| Discount rate | 3.0 - 5.6 | 3.1 - 4.5 |
| Inflation rate | 1.9 - 3.2 | 1.6 - 3.1 |
| Future salary increases | 2.3 - 2.5 | 2.1 - 2.5 |
| Future pension increases | 2.0 - 2.2 | 2.0 - 2.3 |

The significant assumptions used in calculating the obligations of the Finnish Pension Fund Neliapila were as follows: discount rate 3.2% (3.1%), inflation rate 1.9% (2.1%), future salary increases 1.9% (2.1%) and future pension increases 2.1% (2.3%).

### Sensitivity analysis

The sensitivity analysis is based on keeping other assumptions constant when one assumption is changed. In practice, this is unlikely to occur and changes in some of the assumptions may correlate with each other. When calculating the sensitivity of the defined benefit obligation with significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognized within the balance sheet.

If the discount rate would be 0.5 percentage points lower in all of the significant countries, the defined benefit obligation would increase by EUR 11.1 million (5.0%), if all other assumptions were held constant.

## SENSITIVITY ANALYSIS - PENSION FUND NELIAPILA IN FINLAND

| | Defined benefit obligation | | Impact on defined benefit obligation | |
|---|---|---|---|---|
| EUR million | 2024 | 2023 | 2024 | 2023 |
| Discount rate 3.2% (3.1%) | 141.8 | 156.2 | | |
| Discount rate +0.5% | 135.6 | 149.2 | -4.3% | -4.5% |
| Discount rate -0.5% | 148.4 | 163.8 | 4.7% | 4.9% |
| | | | | |
| Future pension increases 2.1% (2.3%) | 141.8 | 156.2 | | |
| Future pension increases +0.5% | 147.7 | 163.0 | 4.2% | 4.4% |
| Future pension increases -0.5% | 136.2 | 149.8 | -3.9% | -4.1% |

A change in the mortality assumption where life expectancy is increased by one year will increase the defined benefit obligation by EUR 6.3 million (4.4%).

## SENSITIVITY ANALYSIS - ITP 2 PENSION PLAN IN SWEDEN

| | Defined benefit obligation | | Impact on defined benefit obligation | |
|---|---|---|---|---|
| EUR million | 2024 | 2023 | 2024 | 2023 |
| Discount rate 3.0% (3.8%) | 41.7 | 38.2 | | |
| Discount rate +0.5% | 39.2 | 36.0 | -6.1% | -5.8% |
| Discount rate -0.5% | 44.6 | 40.7 | 6.8% | 6.4% |
| | | | | |
| Future salary increases 2.3% (2.1%) | 41.7 | 38.2 | | |
| Future salary increases +0.5% | 42.5 | 38.9 | 1.8% | 1.6% |
| Future salary increases -0.5% | 41.0 | 37.7 | -1.6% | -1.5% |

A change in the mortality assumption where life expectancy is increased by one year will increase the defined benefit obligation by EUR 1.7 million (4.1%).

Expected contributions to the defined benefit plans for the year ending on December 31, 2025 are EUR 3.6 million. In addition, Pension Fund Neliapila is expected to pay a surplus return of EUR 10 million to Kemira Group companies during the first half of 2025.

## The Group's accounting policies

**Defined benefit pension plans and employee benefits**
The Group has different post-employment schemes, including both defined contribution and defined benefit pension plans, in accordance with the local legislation and practices of the countries in which it operates. Pension plans are generally funded through contributions to pension insurance companies or to a separate pension fund.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as their compensation level and their years of service.

The liability recognized in the balance sheet in respect to the defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and with their terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates for government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Current service costs are included in the Consolidated Income Statement, in the employee benefit expenses and net interest costs on finance income and finance expense. Past service costs are recognized immediately in profit or loss.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

## The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Defined benefit pension plans**
Determining pension liabilities under defined benefit pension plans includes a number of actuarial assumptions and significant changes in these assumptions may affect the amounts of pension liabilities and expenses. Actuarial calculations include assumptions by the management, such as the discount rate and assumptions of salary increases and the termination of employment contracts. The pension liability is calculated by independent actuaries.

## 4.6 PROVISIONS

| EUR million | Personnel related provisions | Restructuring provisions | Environmental provisions [1] | Other provisions [2] | Total |
|---|---|---|---|---|---|
| **Non-current provisions** | | | | | |
| **On January 1, 2024** | 0.1 | 0.0 | 12.4 | 25.3 | 37.8 |
| Exchange rate differences | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Additional provisions and increases in existing provisions | 0.2 | 0.0 | 1.3 | 8.4 | 9.9 |
| Used during the financial year | 0.0 | 0.0 | -0.2 | -0.2 | -0.5 |
| Unused provisions reversed | 0.0 | 0.0 | -0.1 | -0.3 | -0.4 |
| Reclassification | 0.0 | 0.0 | -1.1 | -7.8 | -8.9 |
| **On December 31, 2024** | 0.2 | 0.0 | 12.3 | 25.4 | 37.9 |
| | | | | | |
| **Current provisions** | | | | | |
| **On January 1, 2024** | 0.3 | 0.0 | 7.7 | 8.9 | 16.9 |
| Exchange rate differences | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 |
| Additional provisions and increases in existing provisions | 3.9 | 1.0 | 1.5 | 0.8 | 7.3 |
| Used during the financial year | -0.5 | 0.0 | -5.3 | -8.7 | -14.5 |
| Unused provisions reversed | -0.2 | 0.0 | 0.0 | -0.5 | -0.7 |
| Reclassification | 0.0 | 0.0 | 1.1 | 7.8 | 8.9 |
| **On December 31, 2024** | 3.5 | 1.0 | 5.0 | 8.4 | 17.9 |

1) The Group's operations in the chemical industry are governed by numerous international agreements as well as by regional and national legislation all over the world. The Group treats its environmental liabilities and risks according to established internal principles and procedures. In 2024, provisions for environmental remediation totaled EUR 17.3 million (20.1). The biggest provisions relate to site closures and to the reconditioning of the sediment of a lake in Vaasa, Finland.

2) Other provisions totaled EUR 33.8 million (34.2). The biggest provisions relate to expected liabilities for an energy company producing steam in Pori, Finland, owned via Pohjolan Voima.

| EUR million | 2024 | 2023 |
|---|---|---|
| **Breakdown of the total amount of provisions** | | |
| Non-current provisions | 37.9 | 37.8 |
| Current provisions | 17.9 | 16.9 |
| **Total** | 55.8 | 54.6 |

### The Group's accounting policies

**Provisions**

Provisions for restructuring costs, personnel related costs, environmental obligations, legal claims and onerous contracts are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and, furthermore, a reliable estimate of the amount of this obligation can be made. A restructuring provision is recognized when there is a detailed and appropriate plan prepared for it and the implementation of the plan has begun or has been notified to those whom the restructuring concerns.

The amount recognized as a provision is the present value of the expenditure expected to be required to settle the obligation on the balance sheet date, using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### The items in the financial statements that include significant accounting estimates and accounting policies that require judgment

**Provisions**

Recognizing provisions requires the management’s estimates, since the precise amount of obligations related to the provisions is not known when preparing the Financial Statements.

# 5. Capital structure and financial risks

## 5.1 CAPITAL STRUCTURE

| EUR million | 2024 | 2023 |
|---|---|---|
| Equity | 1,803.5 | 1,684.2 |
| Total assets | 3,381.0 | 3,489.3 |
| | | |
| Gearing, % 1) | 16 | 32 |
| Equity ratio, % 2) | 53 | 48 |

1) The definition of the key figure for Gearing is 100 × Interest-bearing net liabilities / Total equity.
2) The definition of the key figure for the Equity ratio is 100 × Total equity / (Total assets - prepayments received).

## INTEREST-BEARING NET LIABILITIES

| EUR million | Note | 2024 | 2023 |
|---|---|---|---|
| Non-current interest-bearing liabilities | 5.3. | 547.1 | 615.7 |
| Current interest-bearing liabilities | 5.3. | 263.6 | 322.1 |
| **Interest-bearing liabilities** | | 810.7 | 937.8 |
| Cash and cash equivalents | 5.4. | 519.2 | 402.5 |
| **Interest-bearing net liabilities** | | 291.5 | 535.2 |

Quarterly information on interest-bearing net liabilities is disclosed in the section on the Reconciliation with IFRS figures.

Kemira aims to achieve over 4% average annual organic growth, with an operative EBITDA margin of 18– 21 %. Operative Return on Capital Employed, ROCE, is targeted to be over 16%. The revolving credit facility agreement and some bilateral loan agreements contain a covenant, which is reported quarterly, according to which company gearing must be below 115%. At the end of the financial year there were EUR 363.5 million  loans in the balance sheet bearing the covenant. Kemira has no indication that it will have difficulty complying with this covenant.

The Board of Directors proposes a per-share dividend of EUR 0.74 for 2024 (0.68), corresponding to a dividend payout ratio of 46% (52%). Kemira's dividend policy aims for a competitive dividend that will increase over time.

### The Group's accounting policies

**Dividend distribution**

Any dividend proposed by the Board of Directors is not deducted from distributable equity until it has been approved by the Annual General Meeting.

**Interest-bearing liabilities and cash and cash equivalents**

The accounting policies for interest-bearing liabilities and cash and cash equivalents are described in Note 5.4. Financial assets and liabilities by measurement category.

## INTEREST-BEARING NET LIABILITIES CONNECTED IN CASH FLOW STATEMENTS

| EUR million | Non-current interest-bearing liabilities including current portion | Current interest-bearing liabilities | Interest-bearing liabilities total | Cash and cash equivalents | Interest-bearing net liabilities |
|---|---|---|---|---|---|
| **Net book value on Jan 1, 2024** | 849.0 | 88.8 | 937.8 | 402.5 | 535.2 |
| Change in net liabilities with cash flows | | | | | |
| Proceeds from non-current liabilities (+) | 50.0 | | 50.0 | | 50.0 |
| Payments of non-current liabilities (-) | -200.0 | | -200.0 | | -200.0 |
| Payments of lease liabilities (-) | -31.7 | | -31.7 | | -31.7 |
| Proceeds from current liabilities (+) and payments (-) | | 4.3 | 4.3 | | 4.3 |
| Change in cash and cash equivalents | | | | 115.2 | -115.2 |
| Change in net liabilities without cash flows | | | | | |
| Increases in lease liabilities (+) | 37.3 | | 37.3 | | 37.3 |
| Effect on change in exchange gains and losses | 7.9 | 3.2 | 11.1 | 1.4 | 9.6 |
| Other changes without cash flows | 1.7 | 0.2 | 1.9 | — | 1.9 |
| **Net book value on Dec 31, 2024** | 714.1 | 96.5 | 810.7 | 519.2 | 291.5 |

| EUR million | Non-current interest-bearing liabilities including current portion | Current interest-bearing liabilities | Interest-bearing liabilities total | Cash and cash equivalents | Interest-bearing net liabilities |
|---|---|---|---|---|---|
| **Net book value on Jan 1, 2023** | 875.5 | 146.3 | 1,021.8 | 250.6 | 771.2 |
| Change in net liabilities with cash flows | | | | | |
| Proceeds from non-current liabilities (+) | 0.2 | | 0.2 | | 0.2 |
| Payments of non-current liabilities (-) | — | | — | | — |
| Payments of lease liabilities (-) | -37.3 | | -37.3 | | -37.3 |
| Proceeds from current liabilities (+) and payments (-) | | -50.7 | -50.7 | | -50.7 |
| Change in cash and cash equivalents | | | | 158.0 | -158.0 |
| Change in net liabilities without cash flows | | | | | |
| Increases in lease liabilities (+) | 36.4 | | 36.4 | | 36.4 |
| Effect on change in exchange gains and losses | -4.4 | -6.8 | -11.1 | -6.1 | -5.0 |
| Other changes without cash flows [1)] | -21.5 | — | -21.5 | — | -21.5 |
| **Net book value on Dec 31, 2023** | 849.0 | 88.8 | 937.8 | 402.5 | 535.2 |

1) Due to the Oil & Gas divestment EUR 24.1 million of lease liabilities have been reclassified as held-for-sale. Kemira completed the divestment in February 2024.

## 5.2 SHAREHOLDERS' EQUITY

### SHARE CAPITAL AND TREASURY SHARES

| EUR million | Number of shares outstanding (1,000) | Number of treasury shares (1,000) | Number of shares (1,000) | Book value of share capital | Book value of treasury shares |
|---|---|---|---|---|---|
| **January 1, 2024** | 153,619 | 1,723 | 155,343 | 221.8 | 11.6 |
| Treasury shares issued to the participants in the share incentive plan 2021-2023 | 468 | -468 | — | — | -3.2 |
| Treasury shares issued to the Board of Directors | 10 | -10 | — | — | -0.1 |
| As part of Pension fund Neliapila surplus return, shares were transferred to Kemira Oyj | -115 | 115 | — | — | 1.9 |
| **December 31, 2024** | 153,983 | 1,359 | 155,343 | 221.8 | 10.3 |
| | | | | | |
| **January 1, 2023** | 153,352 | 1,990 | 155,343 | 221.8 | 13.4 |
| Treasury shares issued to the participants in the share incentive plan 2020-2022 | 254 | -254 | — | — | -1.7 |
| Treasury shares issued to the Board of Directors | 13 | -13 | — | — | -0.1 |
| **December 31, 2023** | 153,619 | 1,723 | 155,343 | 221.8 | 11.6 |

Kemira Oyj has one class of shares. Each share entitles its holder to one vote at the Annual General Meeting. On December 31, 2024, the share capital was EUR 221.8 million and the number of shares was 155,342,557, including 1,359,348 treasury shares. Under the Articles of Association of Kemira Oyj, the company does not have a minimum or maximum share capital or a par value for a share. All issued shares have been fully paid.

Kemira had possession of 1,359,348 (1,722,725) treasury shares on December 31, 2024. The average share price of the treasury shares was EUR 7.58 (6.73) and they represented 0.9% (1.1%) of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 1.9 million (2.5).

**Share premium**
The share premium is a reserve accumulated through subscriptions and participation in the management stock option program of 2001. This reserve is based on the old Finnish Companies Act (734/1978) and the value of the reserve will no longer change.

**Fair value reserves**
The fair value reserve is a reserve accumulated based on other shares, measured at fair value and using hedge accounting.

**Other reserves**
Other reserves originate from local legal requirements. On December 31, 2024, other reserves were EUR 4.1 million (4.1).

**Unrestricted equity reserve**
The unrestricted equity reserve includes other equity-type investments and the subscription price of shares to the extent that they will not, based on a specific decision, be recognized in share capital.

**Exchange differences**
Foreign currency exchange differences arise from the translation of foreign subsidiaries' financial statements. Additionally, loans have been granted to some foreign subsidiaries and the exchange differences of these have been included in foreign currency exchange differences.

### The Group's accounting policies

**Treasury shares**
Purchases of own shares (treasury shares), including the related costs, are deducted directly from equity in the Consolidated Financial Statements.

## 5.3. INTEREST-BEARING LIABILITIES

### MATURITY OF INTEREST-BEARING LIABILITIES

| 2024, EUR million | 2025 | 2026 | 2027 | 2028 | 2029 | 2030- | Book value, total |
|---|---|---|---|---|---|---|---|
| Loans from financial institutions | 133.5 | 60.0 | 120.0 | 7.7 | 7.7 | 34.6 | 363.5 |
| Bonds | — | — | — | 195.3 | — | — | 195.3 |
| Lease liabilities | 27.6 | 24.1 | 18.5 | 13.3 | 8.8 | 40.0 | 132.2 |
| Other non-current liabilities | 6.3 | 16.9 | — | — | — | — | 23.2 |
| Other current liabilities | 96.5 | — | — | — | — | — | 96.5 |
| **Total amortizations of interest-bearing liabilities** | 263.9 | 101.0 | 138.5 | 216.3 | 16.5 | 74.6 | 810.7 |

| 2023, EUR million | 2024 | 2025 | 2026 | 2027 | 2028 | 2029- | Book value, total |
|---|---|---|---|---|---|---|---|
| Loans from financial institutions | — | 190.9 | — | 120.0 | — | — | 310.9 |
| Bonds | 199.6 | — | — | — | 193.9 | — | 393.5 |
| Lease liabilities | 27.6 | 20.0 | 16.6 | 11.5 | 7.8 | 38.0 | 121.4 |
| Other non-current liabilities | 6.1 | 1.0 | 16.0 | — | — | — | 23.2 |
| Other current liabilities | 88.8 | — | — | — | — | — | 88.8 |
| **Total amortizations of interest-bearing liabilities** | 322.1 | 211.9 | 32.6 | 131.5 | 201.7 | 38.0 | 937.8 |

At year-end 2024, the Group's interest-bearing net liabilities were EUR 291.5 million (535.2). For more information, see Note 5.1. Capital structure.

### MATURITY OF NON-CURRENT INTEREST-BEARING LIABILITIES BY CURRENCY

| 2024<br>Currency, EUR million | 2025 | 2026 | 2027 | 2028 | 2029 | 2030- | Book value, total |
|---|---|---|---|---|---|---|---|
| EUR | 96.3 | 81.4 | 123.6 | 205.0 | 8.9 | 49.9 | 565.1 |
| USD | 57.8 | 14.5 | 12.2 | 9.8 | 6.8 | 21.3 | 122.4 |
| GBP | 1.1 | 1.0 | 0.6 | 0.3 | 0.2 | 0.9 | 4.1 |
| Other | 12.1 | 4.1 | 2.1 | 1.1 | 0.5 | 2.6 | 22.5 |
| **Total** | 167.4 | 101.0 | 138.5 | 216.3 | 16.5 | 74.6 | 714.2 |

| 2023<br>Currency, EUR million | 2024 | 2025 | 2026 | 2027 | 2028 | 2029- | Book value, total |
|---|---|---|---|---|---|---|---|
| EUR | 206.8 | 155.3 | 18.9 | 122.1 | 195.2 | 14.0 | 712.3 |
| USD | 12.4 | 52.4 | 10.4 | 8.3 | 5.9 | 19.4 | 108.7 |
| GBP | 0.9 | 0.5 | 0.2 | — | — | 1.7 | 3.3 |
| Other | 13.3 | 3.8 | 3.0 | 1.1 | 0.6 | 2.9 | 24.6 |
| **Total** | 233.3 | 211.9 | 32.6 | 131.5 | 201.7 | 38.0 | 849.0 |

## 5.4. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

### FINANCIAL ASSETS

| | | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Book values | Fair values | | | | Book values | Fair values | | | |
| EUR million | Note | | Level 1 | Level 2 | Level 3 | Total | | Level 1 | Level 2 | Level 3 | Total |
| **Fair value through profit and loss** | 5.6. | | | | | | | | | | |
| Derivatives not qualifying for hedge accounting | | 4.3 | — | 4.3 | — | 4.3 | 3.6 | — | 3.6 | — | 3.6 |
| **Fair value through other comprehensive income** | 5.6. | | | | | | | | | | |
| Derivatives qualifying for hedge accounting | | | | | | | | | | | |
| Cash flow hedges 1) | | 2.1 | — | 2.1 | — | 2.1 | 15.9 | — | 15.9 | — | 15.9 |
| **Other shares** | 3.5. | | | | | | | | | | |
| The shares of Pohjolan Voima Group | | 269.0 | — | — | 269.0 | 269.0 | 303.9 | — | — | 303.9 | 303.9 |
| Other non-listed shares | | 1.5 | — | — | 1.5 | 1.5 | 1.4 | — | — | 1.4 | 1.4 |
| **Amortized cost** | | | | | | | | | | | |
| Other non-current assets 2) | | 6.3 | — | 6.3 | — | 6.3 | 6.3 | — | 6.3 | — | 6.3 |
| Loan receivables 2) | | 48.3 | — | 48.3 | — | 48.3 | 0.3 | — | 0.3 | — | 0.3 |
| Trade receivables 2) | 4.2. | 345.8 | — | 345.8 | — | 345.8 | 386.2 | — | 386.2 | — | 386.2 |
| Cash and cash equivalents | | | | | | | | | | | |
| Cash in hand and at bank accounts | | 266.7 | — | 266.7 | — | 266.7 | 271.0 | — | 271.0 | — | 271.0 |
| Deposits and money market investments 3) | | 252.5 | — | 252.5 | — | 252.5 | 131.5 | — | 131.5 | — | 131.5 |
| **Assets classified as held-for-sale 4)** | 3.7. | | — | — | — | — | 57.1 | — | 57.1 | — | 57.1 |
| **Total financial assets** | | 1,196.5 | — | 926.0 | 270.5 | 1,196.5 | 1,177.2 | — | 871.9 | 305.3 | 1,177.2 |

1) Includes derivative contracts of EUR 0.1 million (1.6) maturing after the year 2025.
2) In 2024, other non-current assets and loan receivables include expected credit losses of EUR 0.9 million (0.2), in accordance with the IFRS 9 standard. Trade receivables include expected credit losses of EUR 4.6 million (4.8).
Trade receivables are disclosed in more detail in Note 4.2. Trade receivables and other receivables.
3) Deposits and money market investments comprise bank deposits and other liquid investments with a maximum original maturity of three months.
4) Kemira completed the divestment of its Oil & Gas business in February 2024 .See Note 3.7. for further details regarding the held-for-sale assets.

## FINANCIAL LIABILITIES

| | | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Book | Fair values | | | | Book | Fair values | | | |
| EUR million | Note | values | Level 1 | Level 2 | Level 3 | Total | values | Level 1 | Level 2 | Level 3 | Total |
| **Fair value through profit and loss** | 5.6. | | | | | | | | | | |
| Derivatives not qualifying for hedge accounting | | 3.2 | — | 3.2 | — | 3.2 | 4.1 | — | 4.1 | — | 4.1 |
| **Fair value through other comprehensive income** | 5.6. | | | | | | | | | | |
| Derivatives qualifying for hedge accounting | | | | | | | | | | | |
| Cash flow hedges [1)] | | 7.3 | — | 7.3 | — | 7.3 | 3.6 | — | 3.6 | — | 3.6 |
| **Amortized cost** | | | | | | | | | | | |
| **Interest-bearing liabilities** | 5.3. | | | | | | | | | | |
| Non-current loans from financial institutions | | 230.4 | — | 232.3 | — | 232.3 | 311.3 | — | 312.7 | — | 312.7 |
| Current portion | | 133.5 | — | 134.7 | — | 134.7 | — | — | — | — | — |
| Bonds | | 195.3 | — | 194.1 | — | 194.1 | 193.9 | — | 189.8 | — | 189.8 |
| Current portion | | — | — | — | — | — | 199.6 | — | 200.2 | — | 200.2 |
| Non-current leasing liabilities | | 104.9 | — | 104.9 | — | 104.9 | 93.9 | — | 93.9 | — | 93.9 |
| Current portion | | 27.3 | — | 27.3 | — | 27.3 | 27.6 | — | 27.6 | — | 27.6 |
| Other non-current liabilities | | 16.5 | — | 16.6 | — | 16.6 | 16.7 | — | 16.8 | — | 16.8 |
| Current portion | | 6.3 | — | 6.5 | — | 6.5 | 6.1 | — | 6.3 | — | 6.3 |
| Current loans from financial institutions | | 96.5 | — | 96.6 | — | 96.6 | 88.8 | — | 88.7 | — | 88.7 |
| **Non-interest-bearing liabilities** | | | | | | | | | | | |
| Other non-current liabilities | | 9.1 | — | 9.1 | — | 9.1 | 8.7 | — | 8.7 | — | 8.7 |
| Other current liabilities | | 26.8 | — | 26.8 | — | 26.8 | 26.2 | — | 26.2 | — | 26.2 |
| **Trade payables** | 4.3. | 237.7 | — | 237.7 | — | 237.7 | 226.7 | — | 226.7 | — | 226.7 |
| **Liabilities classified as held-for-sale [2)]** | 3.7. | 12.0 | — | 12.0 | — | 12.0 | 45.6 | — | 45.6 | — | 45.6 |
| **Total financial liabilities** | | 1,106.8 | — | 1,108.9 | — | 1,108.9 | 1,252.7 | — | 1,250.9 | — | 1,250.9 |

1) Includes derivative contracts of EUR -1.8 million (-2.1) maturing after the year 2025.
2) Kemira completed the divestment of its Oil & Gas business in February 2024 .See Note 3.7. for further details regarding the held-for-sale assets.

There were no transfers between levels 1–3 during the financial year.

| Level 3 specification, financial assets EUR million | 2024 | 2023 |
|---|---|---|
| **Net book value on Jan 1** | 305.4 | 383.3 |
| Effect on other comprehensive income | -34.9 | -76.7 |
| Increases | 0.0 | -0.3 |
| Decreases | — | -1.0 |
| **Net book value on Dec 31** | 270.5 | 305.4 |

## The Group's accounting policies

When a financial asset or a financial liability is initially recognized on the trade date, it is measured at cost, which equals the fair value of the consideration given or received.

### Financial Assets

The Group's financial assets are classified for subsequent measurement as financial assets at fair value through profit or loss, at amortized cost and at fair value through other comprehensive income.

| Category | Financial instrument |
|---|---|
| Fair value through profit or loss | Currency forward contracts, currency swaps, interest rate swaps, electricity derivative contracts and natural gas derivative contracts, certificates of deposit, and commercial papers |
| Amortized cost | Loan receivables, cash at bank and in hand, bank deposits, trade receivables, and other receivables |
| Fair value through other comprehensive income | Other investments: shares, derivatives qualifying for hedge accounting (cash flow or fair value hedging) |

### Financial assets at fair value through income statements

All derivatives are recognized at fair value on the balance sheet. Fair value is the amount for which an asset could be exchanged or loans paid between knowledgeable, willing parties in an arm's length transaction. These derivative contracts, to which hedge accounting in accordance with IFRS 9 is not applied, are classified as financial assets at fair value through profit or loss. On the balance sheet, these derivative contracts are shown under prepaid expenses and accrued income and accrued expenses and prepaid income. Any gains or losses arising from changes in fair value are recognized through profit or loss on the transaction date.

### Financial assets at amortized cost

Financial assets at amortized cost include non-current receivables carried at amortized cost, using the effective interest rate method and accounting for any impairment.

### Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand, demand deposits and other short-term, highly liquid investments. Items classified as cash and cash equivalents have a maximum maturity of three months from the date of purchase. Credit facilities in use are included in current interest-bearing liabilities.

### Financial assets at fair value through other comprehensive income

The accounting policy on Other shares is described in Notes 3.5. Other shares. The accounting treatment of change in the fair value of the derivatives qualifying for hedge accounting is presented in 5.6. Derivatives.

### Impairment of financial assets

The Group assesses any impairment losses on its financial instruments on each balance sheet date. An impairment of a financial asset is recognized in accordance with the requirements of the expected credit loss model of the IFRS 9 standard. For items measured at an amortized cost, the amount of the impairment loss equals the difference between the asset's carrying amount and the present value of estimated future cash flows from the receivable. This is discounted at the financial asset's original effective interest rate. For items measured at fair value, the fair value determines the amount of impairment. Impairment charges are recognized in the income statement.

The Group sells certain trade receivables to finance companies within the framework of limits stipulated in the agreement. The credit risk associated with these sold receivables and the contractual rights to the financial assets in question are transferred from the Group on the selling date. The related expenses are recognized in the financial expenses.

**Financial liabilities**

Financial liabilities are classified as financial liabilities accounted at fair value through profit or loss, at amortized cost and at fair value through other comprehensive income. Financial liabilities at fair value through profit or loss include derivatives to which hedge accounting is not applied, whereas derivatives which are qualified for hedge accounting are booked at fair value through other comprehensive income.

Other financial liabilities are initially recognized on the balance sheet at the initial value of received net assets, with direct costs deducted. Later, these financial liabilities are measured at amortized cost and the difference between the received net assets and amortizations is recognized as an interest cost over the loan term. Changes in the fair value of loans under fair value hedge accounting are booked in the income statement together with the changes in the fair value of derivatives under fair value hedge accounting.

If the terms of a loan measured at amortized cost are modified and the loan is not derecognized, the gain or loss of the modification is booked in the income statement at the point of modification and is then amortized over the life of the modified loan. Profit or loss is equal to the difference between the present value of the cash flows under the original and modified terms, discounted at the original effective interest rate.

| Category | Financial instrument |
|---|---|
| Financial liabilities at fair value through profit or loss | Currency forward contracts and currency swaps, interest rate swaps, electricity derivative contracts, and natural gas derivative contracts |
| Amortized cost | Current and non-current loans, pension loans, bonds, lease liabilities, and trade payables |
| Financial liabilities at fair value through other comprehensive income | Derivatives qualifying for hedge accounting (cash flow hedging) |

The following levels are used to measure fair value:

Level 1: Fair value is determined based on quoted market prices.

Level 2: Fair value is determined with valuation techniques. Fair value refers either to the value that is observable from the market value of elements of the financial instrument or the market value of corresponding financial instruments, or to the value that is observable by using commonly accepted valuation models and techniques if the market value can be reliably measured with them.

Level 3: Fair value is determined by using valuation techniques which use inputs that have a significant effect on the recorded fair value and the inputs are not based on observable market data. Level 3 mainly includes the shares of Pohjolan Voima Group.

## 5.5 MANAGEMENT OF FINANCIAL RISKS

Kemira Group Treasury's objective is to ensure sufficient funding in the most cost efficient way and to manage financial risks. Approved by the Board of Directors, treasury policy defines the principles of treasury management. The Board of Directors approves both the annual Treasury plan and the maximum permissible financial risk levels.

Financial risk management aims to protect the Company from unfavorable changes in financial markets, thereby contributing to safeguarding the Company's profit performance and shareholders' equity and ensuring sufficient sources of finance. Management of financial risks is centralized in the Group Treasury, which uses, for hedging purposes, derivative instruments whose market values and risks can be monitored continuously and reliably.

### Foreign exchange risk

Foreign currency transaction risk arises from currency flows, assets and liabilities denominated in currencies other than the domestic currency. Transaction risks arise from cash flows and balance sheet items where changes in exchange rates will have an impact on earnings and cash flows. Translation risk arises when the currency denominated income statement and the balance sheet items of group companies located outside the euro area are consolidated into euro. The transaction risk is mainly hedged using foreign currency forwards.

The Group's most significant transaction currency risks arise from the US dollar, the Chinese renminbi, the Canadian dollar and the Swedish krona. At the end of the year, the US dollar denominated exchange rate risk against EUR had an equivalent value of approximately EUR 142 million (132), the average hedging rate and hedging ratio being 1.09 and 62% (56%) respectively. The Chinese renminbi denominated exchange rate risk was approximately EUR 121 million (115), the average hedging rate and hedging ratio being 7.72 and 74% (69%) respectively. The Canadian dollar denominated exchange rate risk was approximately EUR 41 million (56), the average hedging rate and hedging ratio being 1.50 and 73% (56%) respectively. The denominated exchange rate risk of the Swedish krona against EUR had an equivalent value of approximately EUR 39 million (35), the average hedging rate and hedging ratio being 11.46 and 71% (73%) respectively.

In addition, Kemira is exposed to smaller transaction risks against EUR, mainly in relation to the Danish krona, the Polish zloty, the Korean won and the Norwegian krona and against USD mainly in relation to the Brazilian real and the Canadian dollar with the annual exposure in those currencies being approximately EUR 144 million.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Transaction exposure, the most significant currencies, EUR million** | **USD against EUR** | **CNY against EUR** | **CAD against EUR** | **SEK against EUR** | **USD against EUR** | **CNY against EUR** | **CAD against EUR** | **SEK against EUR** |
| Operative cash flow forecast, net [1] | 141,5 | -120,7 | 40,9 | -38,7 | 131,8 | -115,1 | 55,5 | -35,3 |
| Loans, net | 289,2 | 59,2 | 0,0 | -13,6 | 390,8 | 57,6 | 0,0 | -9,3 |
| Derivatives, operative cash flow hedging, net | -98,5 | 90,2 | -33,7 | 25,8 | -74,5 | 82,8 | -39,9 | 25,3 |
| Derivatives, hedging of loans, net | -64,5 | -59,3 | 0,0 | 14,0 | -180,1 | -57,6 | 0,0 | 9,9 |
| **Total** | 267,7 | -30,6 | 7,2 | -12,6 | 268,0 | -32,3 | 15,6 | -9,4 |

1) Based on a 12-month foreign currency operative cash flow forecast.

At the end of 2024, the foreign currency operative cash flow forecast for 2025 was EUR 553 million, of which 69% was hedged (61%). The hedge ratio is monitored daily. A minimum of 40% and a maximum of 100% of the forecast flow must always be hedged. A 10 percent strengthening of the euro against the Swedish krona, based on the exchange rates as of December 31, 2024, without hedging, would increase EBITDA by approximately EUR 4 million and a 10 percent strengthening of the euro against the Chinese renminbi, without hedging, would increase EBITDA by approximately EUR 12 million. Whereas, a 10 percent strengthening of the euro against the Canadian dollar and the US dollar, without hedging, would cause a EUR 4 and 14 million negative impact on EBITDA, respectively. A corresponding decrease in the exchange rates would have approximately an equal opposite impact.

On the balance sheet date, the market value of currency derivatives included in cash flow hedge accounting was EUR -3.8 million (4.7). Cash flow hedge accounting deals have been done to hedge highly probable currency flows. In 2025, no ineffectiveness in derivatives under hedge accounting was recognized in the Income statement (-).

The most significant translation risk currencies are the US dollar, the Canadian dollar, the Polish zloty, the Swedish krona and the Chinese renminbi.

Kemira's main equity items denominated in foreign currencies are in the Canadian dollar, the Swedish krona and the US dollar. The objective is to hedge the balance sheet risk by maintaining a balance between foreign currency denominated liabilities and assets, currency by currency. In hedging the net investment in its units abroad, Kemira monitors the equity ratio. Long-term loans and currency derivatives can be used for hedging net investments in foreign subsidiaries. These hedges do not apply to hedge accounting. Loans in US dollars have been granted to some foreign subsidiaries and the currency differences have been included in foreign currency translation differences.

**Interest rate risk**

Kemira is exposed to interest rate risks through interest-bearing loans and derivatives. Movements in interest rates create re-pricing and price risks, generating fluctuation in cash flows and fair value of loans and derivatives. A total of 114% (77%) of the Group's entire net debt portfolio, including lease liabilities, was fixed at the end of 2024. The net financing cost for the Group was 6.2% (5.6%). The net financing cost is attained by dividing yearly net interest and other financing expenses, excluding exchange rate differences and dividends, by the average interest bearing net debt figure for the corresponding period. The most significant impact on the net financing cost arises from variation in the interest rate levels of the euro, the US dollar and the Chinese renminbi.

In accordance with treasury policy, the Group's interest rate risk is measured with the duration which describes the average repricing moment of the loan portfolio, excluding lease liabilities. The duration must be in the range of 6–60 months. The Kemira Group Treasury manages duration by borrowing with fixed and floating rate loans in addition to interest rate derivatives. On the balance sheet date, the Group had no outstanding interest rate derivatives. The duration of the Group's interest-bearing loan portfolio, excluding lease liabilities, was 13 months (16) at the end of 2024. On the balance sheet date, the average interest rate of the loan portfolio was approximately 2.8% (2.8%). A total of 75% (69%) of the loan portfolio consists of floating rate or fixed rate loans that mature in the following 12 months.

Due to a strong cash position, Kemira will reprice -26% (30%) of the Group's net debt portfolio in 2025, as shown in the table below.

| 2024<br>Time to interest rate fixing, EUR million | <1 year | 1–5 years | > 5 years | Total |
|---|---|---|---|---|
| Floating net liabilities | -130.7 | — | — | -130.7 |
| Fixed net liabilities [1] | 90.0 | 200.0 | — | 290.0 |
| **Total** | -40.7 | 200.0 | — | 159.3 |

| 2023<br>Time to interest rate fixing, EUR million | <1 year | 1–5 years | > 5 years | Total |
|---|---|---|---|---|
| Floating net liabilities | 123.8 | — | — | 123.8 |
| Fixed net liabilities [1] | — | 290.0 | — | 290.0 |
| **Total** | 123.8 | 290.0 | — | 413.8 |

1) Excluding lease liabilities.

If interest rates had risen by one percentage point on January 1, 2025, the consequent net interest expenses before taxes resulting from loans, cash, deposits and money market investments over the next 12 months would decrease by approximately EUR 1.4 million (0.5). Correspondingly, a decrease of one percentage point would increase net interest expenses by EUR 1.4 million.

**Commodity price risk**

Kemira Group is exposed to commodity market price variation, mainly related to the price of electricity. Kemira Group takes hedging measures with respect to its commodity purchases in order to even out its raw material costs. In line with its hedging policy, the Group hedges its existing sales agreements in such a way that the hedges cover the commitments made. The hedging policy aims to minimize the cash flow risk of electricity and natural gas purchases.

The price of electricity varies greatly according to the market situation. The company primarily uses electricity derivatives as hedging instruments. Regional price risks in Finland and in Sweden are hedged. The outstanding electricity derivatives are treated in accordance with cash flow hedge accounting. The forecasts for physical deliveries of the underlying assets, or purchases, are not recorded until the delivery period. A +/- 10% change in the market price of electricity hedging contracts outstanding at year end would impact the valuation of these contracts by EUR +/- 1.4 million (+/- 3.6). This impact would be in equity.

In addition to electricity derivatives, the Group manages the price risk of electricity by entering into long-term electricity sourcing agreements. The Group also has shares of 5% of Pohjolan Voima Oy (PVO) and a 1% share of Teollisuuden Voima Oy. More information on the share ownership can be found in Note 3.5.

Natural gas price risk is hedged with derivative contracts. The outstanding natural gas derivatives are treated in accordance with cash flow hedge accounting. A +/- 10% change in the market price of natural gas hedging contracts outstanding at year end would impact the valuation of these contracts by EUR +/- 0.2 million (0.0). This impact would be in equity.

**Credit risk**

The Group is exposed to credit risks through commercial accounts receivables, as bank account balances, deposits, short-term investments, other current receivables and derivatives.

The Group's treasury policy defines the credit rating requirements for the counterparties of investment activities and derivative agreements as well as the related investment policy. The Group seeks to minimize its counterparty risk by dealing solely with counterparties that are financial institutions with a solid credit rating, as well as by spreading agreements among them. Counterparty risk is regularly monitored.

The counterparty risk in treasury operations is due to the possibility that a contractual party to a financing transaction might not necessarily be able to fulfill its contractual obligations. Risks are mainly related to investment activities and the counterparty risks associated with derivative contracts.

The Group Treasury approves the new banking relationships of subsidiaries. Financial institution counterparties, used by the Group Treasury, have a credit rating of at least an investment grade based on Standard & Poor's credit rating information. The maximum risk assignable to the Group's financial institution counterparties on the balance sheet date amounted to EUR 521,1 million (414.8). Kemira monitors its counterparty risk on a monthly basis, by defining the maximum risk associated with each counterparty based on the market value of receivables. Kemira has defined an approved limit for each financial institution.

No material changes related to the Group's credit risk were associated with financing transactions in the year 2024 and these transactions did not result in credit losses during the financial year.

Kemira has a group-wide credit policy related to commercial activities. According to the policy, each customer has a predefined risk category and credit limit. These are constantly monitored. Based on the customer evaluation, Kemira decides the applicable payment terms to minimize credit risks. Pre-approved payment terms have been defined at the group level. If necessary, securities and documentary credit, such as letters of credit, are applied. The Group does not have any significant credit risk concentrations due to its extensive customer base across the world. The credit losses related to trade receivables are described in Note 4.2.

In the USA, Kemira has an accounts receivable purchase facility worth USD 75 million, enabling Group companies in the USA to sell certain accounts receivables to a counterparty. The credit risk of the accounts receivables is transferred to the financial institutions and 95.5% of the receivables transferred are derecognized from the balance sheet. The amount of outstanding receivables transferred, which also reflects the fair value of the receivables before the transfer, was EUR 38.8 million (30.5) on December 31, 2024. The amounts recognized in the balance sheet are EUR 1.8 million (4.6) in assets and EUR 1.0 million (0.9) in liabilities.

**Liquidity and refinancing risks**

Kemira's liquidity is secured with cash and cash equivalents, account overdrafts and a revolving credit facility. At the end of 2024, the Group's cash and cash equivalents stood at EUR 519.2 million (402.5), consisting of cash in bank accounts of EUR 266.7 million (271.0) and bank deposits of EUR 252.5 million (131.5). In addition, the Group has a revolving credit facility of EUR 400 million linked to sustainability targets which will mature on April 17, 2026. At the turn of the year 2024/2025, the revolving credit facility was undrawn.

The Group has a EUR 600 million domestic commercial paper program enabling it to issue commercial papers with a maximum maturity of one year. At the end of 2024, the Group did not have any commercial paper outstanding on the market (-).

Kemira manages its refinancing risk with a diversified loan portfolio. Long-term financing consists of bonds and bilateral loan agreements with several financial institutions. In addition, the Group had leasing liabilities, in accordance with the IFRS 16 standard, of EUR 132.2 million (121.4) at the end of the year.

According to Group treasury policy, the Group must have committed credit facilities to cover planned funding needs, the current portion of long term debt, commercial paper borrowings and other uncommitted short-term loans in the next 12 months. The average maturity of outstanding loans, excluding lease liabilities, may temporarily be under the 3-year minimum target. The average maturity of debt, excluding lease liabilities, at the end of 2024 was 2.9 years (2.5).

## LOAN REPAYMENTS

| 2024<br>Loan type, EUR million [1] | Undrawn | 2025 | 2026 | 2027 | 2028 | 2029 | 2030- | Total drawn |
|---|---|---|---|---|---|---|---|---|
| Loans from financial institutions | — | 133.8 | 60.0 | 120.0 | 7.7 | 7.7 | 34.6 | 363.8 |
| Bonds | — | — | — | — | 200.0 | — | — | 200.0 |
| Revolving credit facility | 400.0 | — | — | — | — | — | — | — |
| Lease liabilities | — | 36.4 | 29.0 | 21.8 | 15.5 | 10.3 | 39.4 | 152.4 |
| Commercial paper program | 600.0 | — | — | — | — | — | — | — |
| Other interest-bearing non-current liabilities | — | 6.3 | 16.9 | — | — | — | — | 23.2 |
| Other interest-bearing current liabilities | — | 96.5 | — | — | — | — | — | 96.5 |
| Estimated contractual interest payments [2] | — | 14.2 | 12.4 | 9.1 | 4.1 | 1.8 | 3.8 | 45.3 |
| **Total interest-bearing liabilities** | 1,000.0 | 287.2 | 118.2 | 150.9 | 227.3 | 19.8 | 77.8 | 881.2 |

| 2023<br>Loan type, EUR million [1] | Undrawn | 2024 | 2025 | 2026 | 2027 | 2028 | 2029- | Total drawn |
|---|---|---|---|---|---|---|---|---|
| Loans from financial institutions | — | — | 191.2 | — | 120.0 | — | — | 311.2 |
| Bonds | — | 200.0 | — | — | — | 200.0 | — | 400.0 |
| Revolving credit facility | 400.0 | — | — | — | — | — | — | — |
| Lease liabilities | — | 33.9 | 26.1 | 19.8 | 13.9 | 9.5 | 37.1 | 140.2 |
| Commercial paper program | 600.0 | — | — | — | — | — | — | — |
| Other interest-bearing non-current liabilities | — | 6.1 | 1.0 | 16.0 | — | — | — | 23.2 |
| Other interest-bearing current liabilities | — | 88.8 | — | — | — | — | — | 88.8 |
| Estimated contractual interest payments [2] | — | 23.6 | 13.8 | 10.2 | 6.9 | 2.0 | — | 56.5 |
| **Total interest-bearing liabilities** | 1,000.0 | 328.8 | 218.3 | 35.8 | 133.9 | 209.5 | 37.1 | 963.4 |

1) Loan structure presented by type and maturity, using contractual undiscounted payments.
2) Excluding estimated interest payments from lease liabilities.

## 5.6 DERIVATIVE INSTRUMENTS

| | Maturity structure | | | | | 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| **Nominal values, EUR million** | **2025** | **2026** | **2027** | **2028** | **2029** | **Total** | **Total** |
| **Currency derivatives** | | | | | | | |
| Forward contracts | 589.2 | — | — | — | — | 589.2 | 789.6 |
| Inflow | 279.3 | — | — | — | — | 279.3 | 440.2 |
| of which cash flow hedges | 25.7 | — | — | — | — | 25.7 | 48.7 |
| Outflow | 309.9 | — | — | — | — | 309.9 | 349.3 |
| of which cash flow hedges | 101.4 | — | — | — | — | 101.4 | 217.1 |
| | | | | | | | |
| **Commodity derivatives** | | | | | | | |
| Commodity forward contracts (GWh) | 231.4 | 80.4 | 24.3 | 10.9 | — | 347.0 | 637.8 |
| of which cash flow hedges | 231.4 | 80.4 | 24.3 | 10.9 | — | 347.0 | 637.8 |

The nominal values of the financial instruments do not necessarily correspond to the actual cash flows between the counterparties and therefore individual items do not give a fair view of the Group's risk position.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Fair values, EUR million** | **Positive** | **Negative** | **Net** | **Positive** | **Negative** | **Net** |
| **Currency derivatives** | | | | | | |
| Forward contracts | 4.8 | -7.6 | -2.8 | 8.4 | -4.2 | 4.2 |
| of which cash flow hedges | 0.5 | -4.3 | -3.8 | 4.8 | -0.1 | 4.7 |
| | | | | | | |
| **Commodity derivatives** | | | | | | |
| Commodity forward contracts [1] | 1.6 | -3.0 | -1.4 | 11.2 | -3.5 | 7.7 |
| of which cash flow hedges | 1.6 | -3.0 | -1.4 | 11.2 | -3.5 | 7.7 |

1) Includes the fair value of electricity forward contracts of EUR 0.1 million (1.6) and EUR -1.8 million (-2.1) maturing after the year 2025. Commodity derivatives are mainly electricity derivatives.

The Group has ISDA or EFET Master netting agreements with the counterparties of derivative contracts. They allow for the net settlement of outstanding market value within the scope of the agreement in cases of non-payment, as defined in the agreement. At the end of the reporting period, counterparty risk according to the master netting agreements was EUR 1.8 million (15.4) to Kemira and EUR 5.9 million (3.5) to counterparties.

## The Group's accounting policies

**Derivatives**

The fair values of currency, interest rate and commodity derivatives as well as publicly traded shares are based on prices quoted in active markets on the balance sheet date. The value of other financial instruments measured at fair value is determined on the basis of valuation models, using information available in the financial markets.

All the derivatives are measured at their fair values on the balance sheet date. Changes in the value of forward contracts are calculated by measuring the contracts against the forward exchange rates on the balance sheet date and comparing them with the counter values calculated through the forward exchange rates on the date of entry into the forward contracts. The fair value of interest rate derivatives is determined using the market value of similar instruments on the balance sheet date. Other derivatives are measured at the market price on the balance sheet date.

Derivative assets maturing during the following 12 months are presented in the balance sheet as part of line item Trade receivables and other receivables, whereas derivatives with a maturity of over 12 months are posted to Other financial assets, under Non-current assets . Derivative liabilities maturing in less than 12 months are presented in the balance sheet as part of line item Trade payables and other liabilities, whereas the fair value of derivative liabilities with a maturity beyond 12 months is posted under Non-current liabilities, in Other financial liabilities.

**Hedge accounting**

Hedge accounting is applied according to IFRS 9. This refers to a method of accounting aimed at allocating one or more hedging instruments in such a way that their fair value offsets, in full or in part, the changes in the fair value or cash flows of the hedged item. Hedged items must be highly probable. The Group applies hedge accounting for hedging interest rate risk, currency risk, commodity risk and fair value, if the designated derivative contracts meet the hedge accounting criteria.

Hedge effectiveness is monitored as required by IFRS 9. Effectiveness refers to the capacity of a hedging instrument to offset changes in the fair value of the hedged item or the cash flows from a hedged transaction, which are due to the realization of the risk being hedged. A hedging relationship is considered to be highly effective when the change in the fair value of the hedging instrument offsets changes in the cash flows attributable to the hedged items. Hedge effectiveness is assessed prospectively. Hedge effectiveness testing is repeated on each balance sheet date.

Hedge accounting is discontinued when the criteria for hedge accounting are no longer fulfilled. Gains or losses recognized in other comprehensive income and presented under equity are derecognized and transferred immediately in the income statement if the hedged item is sold or falls due. However, gains or losses arising from changes in the fair value of those derivatives not fulfilling the hedge accounting criteria are recognized directly in the income statement.

At the inception of a hedge, the Group documents the existence of the economic relationship of the hedged item and the hedging instrument, including the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, the objectives of risk management and the strategy for undertaking hedging as well as the description of how hedge effectiveness is assessed.

**Cash flow hedging**

Cash flow hedging is used to hedge against variability in cash flows attributable to a particular risk associated with a recognized asset or liability in the balance sheet or a highly probable forecast transaction. Currency, interest rate and commodity derivatives are used as hedging instruments in cash flow hedging. Cash flow hedge accounting, as specified in IFRS 9, is applied by the Group to selected hedging items only. Changes in the fair value of derivative instruments associated with cash flow hedges are recognized in other comprehensive income (including the tax effect) and presented under equity, providing that they fulfill the criteria set for hedge accounting and are based on effective hedging. The ineffective portion of the gain or loss on the hedging instrument is recognized under financial items in the income statement. Derivatives not fulfilling the hedge accounting criteria are recognized in financial items, through profit or loss.

# 6. Group structure

## 6.1 RELATED PARTIES

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party or if the parties exercise joint control in making financial and operating decisions. The Group's related parties include the parent company, subsidiaries, associates, joint-ventures and the Pension Fund Neliapila. Related parties also include the members of the Board of Directors and the Group's Management Board, the CEO and his Deputy and their immediate family members.

### EMPLOYEE BENEFITS PAID TO THE CEO, THE INTERIM CEO, CEO'S DEPUTY AND MEMBERS OF THE MANAGEMENT BOARD

| EUR | Salaries and other benefits | Bonuses | Share-based payments 1) | 2024 Total | 2023 Total |
|---|---|---|---|---|---|
| CEO Antti Salminen (since 12 February 2024) 2) | 608,544 | 122,738 | 1,112,314 | 1,843,597 | — |
| Interim CEO Petri Castrén (18 July 2023 - 11 February 2024) 2) | 312,203 | 465,000 | 889,851 | 1,667,054 | 228,722 |
| CEO Jari Rosendal (until 11 July 2023) 3) | — | — | — | — | 4,375,054 |
| CEO's Deputy Jukka Hakkila 4) | 203,028 | 80,534 | 622,896 | 906,458 | 608,815 |
| Other members of Management Board 5) 6) | 1,702,052 | 751,387 | 2,274,990 | 4,728,429 | 4,839,544 |
| **Total** | 2,825,827 | 1,419,659 | 4,900,051 | 9,145,538 | 10,052,134 |

1) Includes share and cash portions. Share-based incentive plans for the management and key personnel are disclosed in Note 2.3. Share-based payments.

2) Includes all salaries and benefits paid during 2024.

3) The CEO Jari Rosendal left on sick leave on July 11, 2023 and died after a short illness on July 31, 2023. The final salary and ongoing incentive plans 2020-2022, 2021-2023 and 2022-2024 were paid in cash to his death estate, in accordance with the terms of the plans. These are included in the figures disclosed in 2023.

4) Jukka Hakkila acted as the CEO's Deputy from July 11 to July 17, 2023. No remuneration was paid to the CEO's Deputy based on CEO substitution.

5) Other members of the Management Board on December 31, 2024 are CFO Petri Castrén, EVP Strategy Linus Hildebrandt, CTO Matthew R. Pixton, EVP Operational Excellence Esa-Matti Puputti, President Segment Industry & Water Tuija Pohjolainen-Hiltunen, Interim President Segment Pulp & Paper Harii Eronen and EVP Human Resources Eeva Salonen. Other members of the Management Board who are employed by a Finnish Kemira company do not have any supplementary pension arrangements in addition to their statutory pensions. The members of the Management Board who are employed by a foreign Kemira company participate in the pension systems based on statutory pension arrangements and market practices. The Kemira policy is that all new supplementary pension arrangements are defined contribution pension plans.

6) Includes salaries and benefits paid related to Antti Salminen during 2023 and to Petri Castrén from 1 January 2023 to 17 July 2023.

**Employment terms and conditions of the CEO**

Remuneration of the CEO comprises a monthly salary, including opportunity for a car benefit, a mobile phone benefit and performance-based incentives. The performance-based incentives consist of an annual short-term bonus plan and a long-term share incentive plan. The annual short-term bonus plan is based on terms approved by the Board of Directors and the maximum bonus is 80% of the annual base salary. The long-term share incentive plan is based on the terms of the plan. The maximum reward is determined as a number of shares and a cash portion, intended to cover taxes and the tax-related costs arising from the reward.

The CEO belongs to the Finnish Employees' Pension Act (TyEL) scheme, which provides pension security based on years of service and earnings, as stipulated by law. No supplementary pension has been offered to the CEO.

The mutual termination notice period is 6 months. The CEO is entitled to severance pay of 12 months' salary, in addition to the salary earned during the notice period, in case the company terminates his service.

**The Board of Directors' emoluments**

On March 20, 2024, the Annual General Meeting decided that the Board of Directors' annual fee shall be paid as a combination of the company's shares and cash, in such a manner that 40% of the annual fee is paid with Kemira shares owned by the company or, if this is not possible, then with Kemira shares acquired from the securities market, and 60% is paid in cash. On May 6, 2024, 9,940 shares owned by the company were distributed to the members of the Board of Directors.

There are no special terms or conditions associated with owning the shares received as part of the annual fee. The members of the Board of Directors are not eligible for any of Kemira Oyj's short-term bonus plans, long-term share incentive plans or supplementary pension plans.

Meeting fees are paid in cash and travel expenses are paid according to Kemira's travel policy.

## MEMBERS OF THE BOARD OF DIRECTORS

| | Number of shares | Share value, EUR | Cash compensation, EUR [5)] | 2024 Total, EUR | 2023 Total, EUR |
|---|---|---|---|---|---|
| Matti Kähkönen, Chair | 2,323 | 50,383 | 84,517 | 134,900 | 128,200 |
| Annika Paasikivi, Vice Chair | 1,301 | 28,217 | 56,183 | 84,400 | 76,600 |
| Wolfgang Büchele (until March 22, 2023) | — | — | — | — | 5,400 |
| Tina Sejersgård Fanø | 1,003 | 21,754 | 46,346 | 68,100 | 64,000 |
| Werner Fuhrmann | 1,003 | 21,754 | 47,096 | 68,850 | 66,400 |
| Timo Lappalainen | 1,003 | 21,754 | 50,096 | 71,850 | 79,600 |
| Fernanda Lopes Larsen (March 22, 2023-July 31, 2024) | 1,003 | 21,754 | 11,967 | 33,720 | 64,000 |
| Kristian Pullola | 1,301 | 28,217 | 53,933 | 82,150 | 62,800 |
| Mikael Staffas (since March 22, 2023) | 1,003 | 21,754 | 47,996 | 69,750 | 59,200 |
| **Total** | 9,940 | 215,588 | 398,133 | 613,720 | 606,200 |

5) Includes both annual fees and meeting fees.

## TRANSACTIONS CARRIED OUT WITH RELATED PARTIES

| EUR million | 2024 | 2023 |
|---|---|---|
| **Revenue** | | |
| Associated companies | 0.0 | 0.0 |
| | | |
| **Leases, purchases of goods and services** | | |
| Associated companies | 31.2 | 31.6 |
| Pension Fund Neliapila | 0.7 | 0.8 |
| **Total** | 32.0 | 32.4 |
| | | |
| **Receivables** | | |
| Associated companies | 7.1 | 5.7 |
| | | |
| **Liabilities** | | |
| Associated companies | 5.6 | 7.2 |
| Pension Fund Neliapila | 0.0 | 0.7 |

Real estate owned by Pension Fund Neliapila is leased to the Group. The commitments for these real estate leases are treated in accordance with IFRS 16 Leases.

Related parties include Pension Fund Neliapila, which is a separate legal entity. Neliapila manages Kemira's voluntarily organized additional pension fund. It also manages part of the pension assets of the Group's personnel in Finland. Supplementary benefits in Neliapila and surplus return are disclosed in more detail in Note 4.5. Defined benefit pension plans and employee benefits.

The amount of contingent liabilities on behalf of associates is presented in Note 7.1. Commitments and contingent liabilities.

There were no loans granted to key management personnel at the end of 2024 or 2023, nor were there contingency items or commitments on behalf of key management personnel. Persons close to key management personnel do not have any significant business relationship with the Group.

## 6.2 THE GROUP'S SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES

### SUBSIDIARIES

| | City | Country | Kemira Group's holding, % | Kemira Oyj's holding, % | Non-controlling interest's holding, % |
|---|---|---|---|---|---|
| **Kemira Oyj (parent company)** | Helsinki | Finland | | | |
| Aliada Quimica de Portugal Lda. | Estarreja | Portugal | 50.1 | 0.0 | 49.9 |
| AS Kemivesi | Lehmja Küla | Estonia | 100.0 | 100.0 | 0.0 |
| Corporación Kemira Chemicals de Venezuela, C.A. | Caracas | Venezuela | 100.0 | 0.0 | 0.0 |
| Industry Park i Helsingborg Förvaltning AB | Helsingborg | Sweden | 100.0 | 0.0 | 0.0 |
| Kemifloc a.s. | Přerov | Czech Republic | 51.0 | 0.0 | 49.0 |
| Kemifloc Slovakia s.r.o. | Prešov | Slovakia | 51.0 | 0.0 | 49.0 |
| Kemipol Sp. z.o.o. | Police | Poland | 51.0 | 0.0 | 49.0 |
| Kemira (Asia) Co., Ltd. | Shanghai | China | 100.0 | 0.0 | 0.0 |
| Kemira (Jining) Environmental Engineering Co., Ltd. | Jining | China | 100.0 | 0.0 | 0.0 |
| Kemira (Malaysia) SDN.BHD | Kuala Lumpur | Malaysia | 100.0 | 0.0 | 0.0 |
| Kemira (Thailand) Co., Ltd. | Bangkok | Thailand | 100.0 | 0.0 | 0.0 |
| Kemira (Vietnam) Company Limited | Long Thanh | Vietnam | 100.0 | 0.0 | 0.0 |
| Kemira Argentina S.A. | Buenos Aires | Argentina | 100.0 | 51.0 | 0.0 |
| Kemira Australia Pty Ltd | Hallam | Australia | 100.0 | 0.0 | 0.0 |
| Kemira Cell Sp. z.o.o. | Ostroleka | Poland | 55.0 | 55.0 | 45.0 |
| Kemira Chemicals (India) Private Limited | New Delhi | India | 100.0 | 0.0 | 0.0 |
| Kemira Chemicals (Nanjing) Co., Ltd. | Nanjing | China | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals (Shanghai) Co., Ltd. | Shanghai | China | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals (UK) Ltd. | Bradford | United Kingdom | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals (Yanzhou) Co., Ltd. | Yanzhou City | China | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals AS | Gamle Fredrikstad | Norway | 100.0 | 0.0 | 0.0 |
| Kemira Chemicals Brasil Ltda. | São Paulo | Brazil | 100.0 | 99.9 | 0.0 |
| Kemira Chemicals Germany GmbH | Frankfurt am Main | Germany | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals Korea Corporation | Gunsan-City | South Korea | 100.0 | 100.0 | 0.0 |
| Kemira Chemicals NV | Aartselaar | Belgium | 100.0 | 0.0 | 0.0 |
| Kemira Chemicals Oy | Helsinki | Finland | 100.0 | 0.0 | 0.0 |
| Kemira Chemicals Pte. Ltd. | Singapore | Singapore | 100.0 | 0.0 | 0.0 |
| Kemira Chemie Ges.mbH | Krems | Austria | 100.0 | 100.0 | 0.0 |
| Kemira Chile Comercial Limitada | Santiago | Chile | 100.0 | 99.0 | 0.0 |
| Kemira Chimie S.A.S.U. | Strasbourg | France | 100.0 | 0.0 | 0.0 |
| Kemira Europe Oy | Helsinki | Finland | 100.0 | 100.0 | 0.0 |
| Kemira Gdańsk Sp. z o.o. | Gdańsk | Poland | 100.0 | 0.0 | 0.0 |
| Kemira Hong Kong Company Limited | Hong Kong | China | 100.0 | 100.0 | 0.0 |
| Kemira Ibérica S.A. | Barcelona | Spain | 100.0 | 0.0 | 0.0 |
| Kemira International Finance B.V. | Rotterdam | Netherlands | 100.0 | 100.0 | 0.0 |
| Kemira Italy S.p.A. | San Giorgio di Nogaro | Italy | 100.0 | 0.0 | 0.0 |
| Kemira Japan Co., Ltd. | Tokyo | Japan | 100.0 | 0.0 | 0.0 |
| Kemira Kemi AB | Helsingborg | Sweden | 100.0 | 0.0 | 0.0 |
| Kemira Kopparverket KB | Helsingborg | Sweden | 100.0 | 0.0 | 0.0 |
| Kemira KTM d.o.o. | Ljubljana | Slovenia | 100.0 | 100.0 | 0.0 |

| | City | Country | Kemira Group's holding, % | Kemira Oyj's holding, % | Non-controlling interest's holding, % |
|---|---|---|---|---|---|
| Kemira Purton Ltd. | Purton | United Kingdom | 100.0 | 100.0 | 0.0 |
| Kemira Research Center Shanghai Co., Ltd. | Shanghai | China | 100.0 | 100.0 | 0.0 |
| Kemira Rotterdam B.V. | Rotterdam | Netherlands | 100.0 | 0.0 | 0.0 |
| Kemira South Africa (Pty) Ltd. | Weltevreden park | South Africa | 100.0 | 0.0 | 0.0 |
| Kemira Świecie Sp. z.o.o. | Swiecie | Poland | 100.0 | 100.0 | 0.0 |
| Kemira Taiwan Corporation | Taipei | Taiwan | 100.0 | 0.0 | 0.0 |
| Kemira TC Wanfeng Chemicals (Yanzhou) Co., Ltd. | Yanzhou City | China | 80.0 | 0.0 | 20.0 |
| Kemira Uruguay S.A. | Fray Bentos | Uruguay | 100.0 | 0.0 | 0.0 |
| Kemira Water Danmark A/S | Copenhagen | Denmark | 100.0 | 100.0 | 0.0 |
| Kemira Water Solutions Canada Inc. | Varennes | Canada | 100.0 | 0.0 | 0.0 |
| Kemira Water Solutions, Inc. | Atlanta, GA | United States | 100.0 | 0.0 | 0.0 |
| Kemwater ProChemie s.r.o. | Bradlec | Czech Republic | 95.1 | 0.0 | 4.9 |
| PT Kemira Chemicals Indonesia | Pasuruan | Indonesia | 99.8 | 99.8 | 0.2 |
| PT Kemira Indonesia | Surabaya | Indonesia | 100.0 | 76.2 | 0.0 |
| SimAnalytics Oy | Helsinki | Finland | 100.0 | 100.0 | 0.0 |

## ASSOCIATES

| | City | Country | Kemira Group's holding, % | Kemira Oyj's holding, % |
|---|---|---|---|---|
| Honkalahden Teollisuuslaituri Oy | Lappeenranta | Finland | 50.0 | 0.0 |
| Kemira Yongsan Chemicals Co., Ltd [1)] | Seoul | South Korea | 35.0 | 0.0 |

1) This associate produces dry polyacrylamide and cationic monomer which are used for retention and drainage in packaging and paper production as well as in wastewater treatment and in sludge dewatering.

## INVESTMENTS IN ASSOCIATES

| EUR million | 2024 | 2023 |
|---|---|---|
| **Net book value on Jan 1** | 4.8 | 5.1 |
| Additions | 0.0 | 0.0 |
| Decreases | 0.0 | 0.0 |
| Share of the profit (+) / loss (-) for the period | 0.3 | 0.1 |
| Exchange rate differences | -0.3 | -0.3 |
| **Net book value on Dec 31** | 4.8 | 4.8 |

A summary of the associates' financial information is presented in the following table. The presented figures equal the figures in the financial statements of each associate, not solely the portion of Kemira Group.

| EUR million | 2024 | 2023 |
|---|---|---|
| Assets | 43.3 | 52.3 |
| Liabilities | 29.8 | 38.6 |
| Revenue | 32.5 | 33.4 |
| Profit (+) / loss (-) for the period | 1.2 | 0.6 |

Related party transactions carried out with associates are disclosed in Note 6.1. Related parties.

## NON-CONTROLLING INTERESTS

| EUR million | 2024 | 2023 |
|---|---|---|
| **Net book value on Jan 1** | 19.4 | 14.7 |
| Dividends | -14.4 | -8.3 |
| Share of the profit for the period | 13.2 | 12.2 |
| Exchange rate differences | -0.1 | 0.8 |
| **Net book value on Dec 31** | 18.1 | 19.4 |

## CHANGES IN THE GROUP STRUCTURE

**New subsidiaries acquired and established**

- Kemira established a new company, Kemira Chemicals (India) Private Limited on August 8, 2024.
- Kemira acquired a new company, Kemira Purton Ltd on October 2, 2024.

**Sale of subsidiaries**

- Kemira sold Kemira Chemicals, Inc. company on February 2, 2024.
- Kemira sold JSC "Kemira HIM" company on September 30, 2024.

**Changes in the holdings on group companies with the**

- Kemira Chemicals Canada Inc. merged into Kemira Water Solutions Canada Inc. on September 1, 2024.
- Kemira Germany GmbH merged into Kemira Chemicals Germany GmbH on January 1, 2024.

# 7. Off-balance sheet items

## 7.1 COMMITMENTS AND CONTINGENT LIABILITIES

### COMMITMENTS

| EUR million | 2024 | 2023 |
|---|---|---|
| **Guarantees** | | |
| On behalf of own commitments | 114.8 | 109.5 |
| On behalf of associates | 10.9 | 11.7 |
| On behalf of others | 2.8 | 2.7 |
| | | |
| **Other obligations** | | |
| On behalf of own commitments | 0.8 | 0.7 |

**The most significant off-balance sheet investments commitments**
On December 31, 2024, the major amounts of contractual commitments for the acquisition of property, plant and equipment were EUR 18.7 million (6.0), primarily for plant investments.

In addition, the Group has a lease commitment related to the R&D Center to be constructed in Finland, with a value of EUR 46.5 million.

**Litigation**
In November 2024, Kemira received a court ruling in Yanzhou, China, related to the way Kemira's Joint Venture with Tiancheng Wanfeng Chemical Technology Co. (TCWF) is run. The joint venture, where Kemira holds 80% and TCWF 20%, mainly produces AKD wax and its key raw material, fatty acid chloride. The joint venture has been in operation in Shandong Province in China since 2018. Kemira has filed an appeal to a higher court in China as it believes the Yanzhou court ruling is without merit. There is a risk that the JV's operations might be impacted, depending on the outcome of the decision by the higher court.

In addition to the above, the Group is involved in some legal proceedings such as litigations, arbitrations, administrative and tax proceedings incidental to its global operations. The Group does not expect that the outcome of any of these legal proceedings will have a materially adverse effect upon its consolidated results or financial position.

### The Group's accounting policies

**Contingent liabilities**
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events not wholly within the control of the Group, or it may concern a present obligation which will most probably not require an outflow of resources embodying economic benefits to settle the obligation or when the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed in the notes.

## 7.2 EVENTS AFTER THE BALANCE SHEET DATE

The Group has no significant events after the balance sheet date.

# Kemira Oyj's income statement

| Thousand EUR | Note | 1.1.-31.12.2024 | 1.1.-31.12.2023 |
|---|---|---|---|
| | | | |
| **Revenue** | 2 | 1,950,291 | 2,030,416 |
| Change in inventory of finished goods and in work in progress +/- | 4 | 991 | -60,079 |
| Other operating income | 3 | 475 | 3,262 |
| Materials and services | 4 | -1,076,131 | -1,077,936 |
| Personnel expenses | 5 | -61,562 | -68,544 |
| Depreciation, amortization and impairments | 6 | -21,760 | -23,738 |
| Other operating expenses | 7 | -665,570 | -631,371 |
| **Operating profit** | | 126,734 | 172,010 |
| | | | |
| Financial income and expenses | 8 | 97,866 | -24,926 |
| **Profit before appropriations and taxes** | | 224,600 | 147,084 |
| | | | |
| Appropriations | 9 | -8,134 | -2,739 |
| Income taxes | 10 | -32,856 | -40,154 |
| **Profit for the financial year** | | 183,610 | 104,191 |

# Kemira Oyj's balance sheet

| Thousand EUR | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Intangible assets | 11 | 41,328 | 51,537 |
| Tangible assets | 12 | 38,213 | 36,383 |
| Investments | 13 | | |
| Holdings in Group undertakings | | 1,013,089 | 1,090,711 |
| Receivables from Group companies | | 372,002 | 445,180 |
| Other shares and holdings | | 98,339 | 98,339 |
| Other investments | | 6,127 | 6,127 |
| Total investments | | 1,489,557 | 1,640,357 |
| **Total non-current assets** | | 1,569,098 | 1,728,277 |
| **CURRENT ASSETS** | | | |
| Inventories | 14 | 143,985 | 141,366 |
| Non-current receivables | 15 | | |
| Deferred tax assets | | 16,181 | 15,595 |
| Loan receivables | | 400 | 400 |
| Other receivables | | 132 | 1,608 |
| Total non-current receivables | | 16,713 | 17,603 |
| Current receivables | 15 | 518,239 | 460,922 |
| Money market investments | 16 | 247,602 | 119,822 |
| Cash and cash equivalents | | 217,925 | 215,787 |
| **Total current assets** | | 1,144,464 | 955,499 |
| **Total assets** | | 2,713,562 | 2,683,777 |

| Thousand EUR | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | 17 | | |
| Share capital | | 221,762 | 221,762 |
| Share premium account | | 257,878 | 257,878 |
| Fair value reserve | | -2,217 | 9,961 |
| Unrestricted equity reserve | | 199,964 | 199,964 |
| Retained earnings | | 410,456 | 409,525 |
| Profit for the financial year | | 183,610 | 104,191 |
| **Total equity** | | 1,271,452 | 1,203,281 |
| **APPROPRIATIONS** | 18 | 16,971 | 15,837 |
| **PROVISIONS** | 19 | 52,464 | 52,957 |
| **LIABILITIES** | | | |
| Non-current liabilities | 20 | | |
| Deferred tax liabilities | | 281 | 2,581 |
| Other non-current liabilities | | 445,058 | 525,786 |
| Total non-current liabilities | | 445,340 | 528,367 |
| Current liabilities | 21 | 927,335 | 883,335 |
| **Total liabilities** | | 1,372,675 | 1,411,702 |
| **Total equity and liabilities** | | 2,713,562 | 2,683,777 |

# Kemira Oyj's cash flow statement

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net profit for the period | 183,610 | 104,191 |
| Adjustments for | | |
| Depreciation according to plan | 21,760 | 23,738 |
| Unrealized exchange differences (net) | -7,274 | 8,733 |
| Financial income and expenses (+/-) | -97,866 | 24,926 |
| Income taxes | 32,856 | 40,154 |
| Other adjustments (+/-) | -2,575 | 4,070 |
| **Operating profit before change in working capital** | 130,510 | 205,814 |
| | | |
| **Change in working capital** | | |
| Increase (-) / decrease (+) in non-interest-bearing current receivables | -58,066 | 18,283 |
| Increase (-) / decrease (+) in inventories | -2,620 | 70,237 |
| Increase (+) / decrease (-) in short-term interest-free debts | 134,495 | -46,073 |
| **Change in working capital** | 73,809 | 42,448 |
| | | |
| **Cash generated from operations before financial items and taxes** | 204,320 | 248,261 |
| | | |
| Interest and other finance costs paid | -32,413 | -33,531 |
| Interest and other finance income received | 92,233 | 78,136 |
| Realized exchange differences (net) | 985 | 11,591 |
| Dividends received | 44,580 | 39,621 |
| Income taxes paid | -43,071 | -59,530 |
| **Net cash from operating activities** | 266,633 | 284,549 |

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Acquisitions of subsidiary shares | -3,159 | -6,476 |
| Purchases of intangible assets | -6,477 | -10,244 |
| Purchases of tangible assets | -8,877 | -7,987 |
| Proceeds from sale of subsidiary shares | 94,056 | 28,259 |
| Proceeds from sale of investments | 0 | 400 |
| Proceeds from sale of tangible and intangible assets | 1,866 | 0 |
| Increase (-) / decrease (+) in loan receivables | 40,392 | -9,131 |
| **Net cash used in investing activities** | 117,800 | -5,178 |
| | | |
| **Cash flows before financing** | 384,433 | 279,371 |
| | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from non-current liabilities (+) | 50,000 | 127 |
| Repayment of non-current liabilities (-) | -200,000 | 0 |
| Short-term financing, net increase (+) / decrease (-) | 3,050 | -35,730 |
| Dividends paid | -104,702 | -95,236 |
| Group contribution paid | 0 | -9,000 |
| **Net cash used in financing activities** | -251,652 | -139,839 |
| | | |
| **Net increase (+) / decrease (-) in cash and cash equivalents** | 132,781 | 139,532 |
| | | |
| Cash and cash equivalents on Dec 31 | 465,527 | 335,609 |
| Exchange gains (+) / losses (-) on cash and cash equivalents | -2,863 | 1,612 |
| Cash and cash equivalents on Jan 1 | 335,609 | 194,464 |
| **Net increase (+) / decrease (-) in cash and cash equivalents** | 132,781 | 139,532 |

# Notes to the parent company financial statements

## 1. The parent company's accounting policies for the financial statements

### BASIS OF PREPARATION

The parent company's financial statements have been prepared in compliance with the relevant acts and regulations in force in Finland (FAS). Kemira Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), and the parent company applies the Group's accounting policies whenever it has been possible according to FAS.

### VALUATION AND ALLOCATION PRINCIPLES

### VALUATION OF NON-CURRENT ASSETS

Planned depreciation and any impairment losses have been deducted from the acquisition cost of the intangible and tangible assets entered in the balance sheet. The acquisition cost includes the variable costs of acquisition and manufacturing. Government grants received are recognized as a deduction from the carrying amount of property, plant, and equipment. Planned depreciation is calculated on a straight-line basis over the estimated intangible and tangible asset's useful life. Depreciation starts from the month of commencement of use.

**Depreciation periods:**

Other intangible assets 5–10 years
Buildings and structures 20–40 years
Machinery and equipment 3–15 years

Shares of non-current assets are valued at their acquisition cost or less impairment.

### VALUATION OF INVENTORY

Inventories are stated at cost, at the lower of replacement cost, or probable selling price. In addition to variable costs, the cost of inventories includes a portion of the fixed costs of acquisition and manufacturing. The acquisition cost of the raw material inventory are determined using a weighted average cost formula. The acquisition cost of finished goods and work in progress include the proportion of production overheads at normal capacity.

### VALUATION OF FINANCIAL INSTRUMENTS

The hedging of financial risk of Kemira Group is concentrated in Kemira Oyj, which enters into currency, interest rate, and commodity derivatives with third parties.  Changes in the fair value of currency derivatives that are applicable for hedge accounting in the Group, but not in the parent company (as underlying hedged item are with group companies) are entered in the profit and loss. Also, changes in the fair value of other currency derivatives not qualifying for hedge accounting in the Group, hedging commercial purchases, or sales or financial items in foreign currencies are entered in the profit and loss. Changes in the fair value of interest rate derivatives are recorded as financial items in both hedge accounting and non-hedge accounting. Commodity derivatives consist of electricity and natural gas derivative contracts.

The fair value of commodity derivatives hedging the parent company's commodity purchases and qualifying for hedge accounting is posted to the hedging reserve under equity as well as the change in the fair value of currency derivatives that qualify for hedge accounting in the parent company. These currency derivatives are hedging estimated currency flows in Kemira Oyj for the next 12-month period. When the hedging instrument is maturing or the hedging relationship is discontinued due to inefficiency, the hedging reserve is adjusted by the value of the derivative by booking the value in the Income Statement.

The valuation of Fair value derivative instruments is done according to the Finnish Accounting Act Chapter 5 Section 2a.

The valuation methods of derivative instruments are described in Notes 5.4 and 5.6 in the Consolidated Financial Statements.

Defining  the fair value of financial assets and liabilities is described in Group Note 5.4. Financial Risk management principles is illustrated in Group note 5.5. Hedge accounting principles and valuation of derivative instrument are described in Group note 5.6.

Reductions in the capital of other non-current loans as well as loan transaction costs have been capitalized in a manner allowed by the Finnish Accounting Act in the parent company's financial statement. The non-expensed portion of these expenses, EUR 1.1 million (1.6), is included in  the balance sheet.

### OBLIGATORY PROVISIONS

Obligatory provisions are recognized from pensions, personnel-related costs, environmental, and restructuring obligations.

### REVENUE

Kemira Oyj's revenue consists mainly of revenues from the sale of goods and services. Revenue also includes intercompany service charges on a gross basis.

### PENSION ARRANGEMENTS

The company's statutory pensions are handled by pension insurance companies and supplemental pensions mainly by Kemira's own pension fund. Pension costs consist of payments to pension insurance companies and possible contributions to the pension fund and are recognized in the income statement.

### SHARE-BASED INCENTIVE PLANS

The treatment of share-based plans is described in the Group's accounting policies. In the parent company, the cash proportion of share-based incentive plans is recognized as an expense in the performance year, and the share proportion is recognized in the year the shares are given using the average share price.

### FOREIGN CURRENCY TRANSLATION

In day-to-day bookkeeping, foreign currency transactions are translated into their functional currency at the exchange rates quoted on the transaction date. In the Financial Statements, foreign currency denominated receivables and liabilities are measured at the exchange rates quoted on the balance sheet date. Business-related exchange rate differences and business related foreign currency exchange rate hedges are treated as sales and purchase adjustments.

Any foreign exchange gains and losses related to financial items and respective hedging instruments are booked into financial income and expenses.

### DEFERRED TAXES

Deferred tax liabilities or assets are recognized for temporary differences between tax and financial statements using the tax rate for the year following as determined on the balance sheet date. The balance sheet includes the deferred tax liability in its entirety and the deferred tax asset at the estimated probable amount as assessed by the management. The efficient part of changes in the value of the electricity and currency derivatives qualifying for hedge accounting is recorded as a fair value reserve less deferred taxes.

### LEASE

Lease payments are treated as rental expenses.

### CASH FLOW STATEMENT

The parent company's cash flow statement has been prepared in accordance with the general guidelines on cash flow by the Finnish Board of Accounting.

## 2. Revenue

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Revenue by segments** | | |
| Pulp & Paper | 803,954 | 887,894 |
| Industry & Water | 547,696 | 524,291 |
| Intercompany revenue | 598,640 | 618,231 |
| **Total** | 1,950,291 | 2,030,416 |
| | | |
| **Distribution of revenue by geographical area as a percentage of total revenue** | | |
| Finland, domicile of the parent company | 22 | 25 |
| Other Europe, Middle East and Africa | 55 | 53 |
| Americas | 13 | 12 |
| Asia Pacific | 10 | 9 |
| **Total** | 100 | 100 |

## 3. Other operating income

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Gains on the sale of property, plant and equipment | 152 | 143 |
| Insurance compensation received | 53 | 2,481 |
| Other income from operations | 270 | 638 |
| **Total** | 475 | 3,262 |

## 4. Material and services

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Change in stocks of finished goods and in work in progress** | -991 | 60,079 |
| | | |
| **Materials and services** | | |
| Materials and supplies | | |
| Purchases during the financial year | 1,074,630 | 1,055,338 |
| Change in inventories (increase - / decrease +) | -7,153 | 13,628 |
| External services | 8,654 | 8,970 |
| **Total** | 1,076,131 | 1,077,936 |
| | | |
| **Total materials and services** | 1,075,140 | 1,138,015 |

# 5. Personnel expenses and number of personnel

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Personnel costs** | | |
| Wages and salaries | 64,092 | 58,900 |
| Pension expenses 1) [1] | -4,064 | 8,101 |
| Other personnel expenses | 1,534 | 1,544 |
| **Total** | 61,562 | 68,544 |

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Management wages and salaries 2) [2]** | | |
| CEO | 3,511 | 4,604 |
| CEO's Deputy | 906 | 609 |
| Board of Directors | 614 | 606 |
| **Total** | 5,031 | 5,819 |

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Salaries and fees include bonuses and share-based payments** | | |
| CEO | 2,590 | 3,815 |
| CEO's Deputy | 703 | 411 |
| **Total** | 3,293 | 4,226 |

In 2022, salaries and wages totaled EUR 49,228 thousand.

1) In 2024, the pension expenses include a return of surplus of EUR 11.9 million from the Neliapila Pension Fund.
2) The salary paid to Kemira Oyj's CEO and CEO's Deputy include fringe benefits.

Other transactions between related parties are presented in Note 6.1 in the Notes to the Consolidated Financial Statements.

| Number of personnel on Dec 31 | 2024 | 2023 |
|---|---|---|
| Pulp & Paper segment | 107 | 101 |
| Industry & Water segment | 35 | 39 |
| Other, of which | 339 | 357 |
| R&D and Technology | 149 | 164 |
| **Total** | 481 | 497 |
| | | |
| Average number of personnel | 506 | 500 |

# 6. Depreciation, amortization and impairments

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Depreciation according to plan and impairment** | | |
| Intangible rights | 10,681 | 13,219 |
| Impairment of intangible rights | 536 | 55 |
| Goodwill | 3,634 | 3,626 |
| Buildings and constructions | 678 | 666 |
| Machinery and equipment | 6,188 | 6,154 |
| Impairment of machinery and equipment | 42 | 17 |
| **Total** | 21,760 | 23,738 |

# 7. Other operating expenses

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Rents | 8,636 | 9,363 |
| Intercompany tolling manufacturing charges | 250,911 | 241,571 |
| Other intercompany charges | 161,546 | 166,582 |
| Freights and delivery expenses | 123,583 | 125,373 |
| External services | 22,377 | 22,082 |
| Other operating expenses [1] | 98,516 | 66,399 |
| **Total** | 665,570 | 631,371 |

1) In 2024, the other operating expenses include a net decrease of EUR 322 thousand in the obligatory provisions (a decrease of EUR 2,715 thousand in environmental expenses and an increase of EUR 223 thousand in restructuring expenses and EUR 2,170 thousand in personnel expenses ). In 2023, the operating expenses included a net increase of EUR 660 thousand in the obligatory provisions (a decrease of EUR 5,243 thousand in environmental expenses and an increase of EUR 5,903 thousand in restructuring expenses). The other operating expenses also include EUR 28,798 thousand expenses related to the divestment of the Oil & Gas business.

### AUDITOR'S FEES AND SERVICES

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Audit fees | 542 | 612 |
| Tax services | 61 | 37 |
| Other services | 139 | 116 |
| **Total** | 782 | 765 |

Ernst & Young Oy acts as the principal auditor for Kemira Oyj.

# 8. Finance income and expenses

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Dividend income** | | |
| From Group companies | 44,553 | 39,621 |
| From others | 26 | 0 |
| **Total** | 44,580 | 39,621 |
| | | |
| **Other interest and finance income** | | |
| Interest income from Group companies | 48,504 | 63,275 |
| Interest income from others | 14,266 | 7,953 |
| Other finance income from Group companies [1] | 16,720 | 572 |
| Other finance income from others [2] | 3,055 | 0 |
| Exchange gains from Group companies (net) | 21,206 | 0 |
| Exchange gains from others (net) | 0 | 10,059 |
| **Total** | 103,751 | 81,859 |
| | | |
| **Total finance income** | 148,330 | 121,481 |
| | | |
| **Change in value on non-current assets** | | |
| Group companies [3] | -10,376 | -97,024 |
| **Total** | -10,376 | -97,024 |
| | | |
| **Interest expenses and other finance expenses** | | |
| Interest expenses to Group companies | -9,914 | -6,767 |
| Interest expenses to others | -22,179 | -25,604 |
| Other finance expenses to others | -2,001 | -2,121 |
| Exchange losses from Group companies (net) | 0 | -14,889 |
| Exchange losses from others (net) | -5,995 | 0 |
| **Total** | -40,088 | -49,382 |
| | | |
| **Total finance expenses** | -50,464 | -146,406 |
| | | |
| **Total finance income and expenses** | 97,866 | -24,926 |

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Exchange gains and losses** | | |
| Realized | 1,203 | 11,591 |
| Unrealized | 14,009 | -16,422 |
| **Total** | 15,211 | -4,830 |

1) Other finance income from Group companies includes profit of EUR 16,720 thousand from the sale of Kemira Chemicals Canada Inc. shares to Kemira Europe Oy

2) Other finance income from others includes EUR 3,055 thousand from the sale of Kemira Chemicals, Inc shares to Artek US Holding Corp.

3) In 2024, changes in the value of non-current assets in Group companies include write-downs of subsidiary shares and in 2023, mainly Kemira Chemicals Inc.'s subsidiary shares related to the divestment of the Oil & Gas business.

# 9. Appropriations

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Change in accumulated depreciation difference (increase - / decrease +)** | | |
| Intangible rights | 215 | 382 |
| Other intangible assets | 0 | -457 |
| Goodwill | 2 | -6 |
| Buildings and structures | -215 | -268 |
| Machinery and equipment | -1,136 | -2,386 |
| Other tangible assets | 0 | -3 |
| **Total** | -1,134 | -2,739 |
| | | |
| **Group contribution** | | |
| Group contributions received | 0 | 7,000 |
| Group contributions given | -7,000 | -7,000 |
| **Total** | -7,000 | 0 |
| | | |
| **Total appropriations** | -8,134 | -2,739 |

# 10. Income taxes

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Income taxes on ordinary activities | -30,267 | -38,578 |
| Income taxes for prior years | -238 | 69 |
| Change in deferred taxes | -159 | 59 |
| Other taxes and parafiscal charges | -2,192 | -1,704 |
| **Total** | -32,856 | -40,154 |

# 11. Intangible assets

| 2024, Thousand EUR | Intangible rights | Goodwill | Advance payments and construction in progress | Other intangible assets | Total |
|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 292,837 | 32,597 | 1,692 | 39,878 | 367,005 |
| Additions | 4,244 | 0 | 2,234 | 0 | 6,477 |
| Decreases | -7,468 | 0 | 0 | 0 | -7,468 |
| Transfers | 827 | 0 | -827 | 0 | 0 |
| **Acquisition cost on Dec 31** | 290,440 | 32,597 | 3,099 | 39,878 | 366,014 |
| | | | | | |
| **Accumulated amortization on Jan 1** | -257,531 | -18,059 | 0 | -39,878 | -315,468 |
| Accumulated amortization relating to decreases | 5,096 | 0 | 0 | 0 | 5,096 |
| Amortization during the financial year | -10,681 | -3,634 | 0 | 0 | -14,315 |
| **Accumulated amortization on Dec 31** | -263,115 | -21,693 | 0 | -39,878 | -324,686 |
| | | | | | |
| **Net book value on Dec 31** | 27,325 | 10,905 | 3,099 | 0 | 41,328 |

| 2023, Thousand EUR | Intangible rights | Goodwill | Advance payments and construction in progress | Other intangible assets | Total |
|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 279,833 | 32,364 | 9,334 | 39,878 | 361,408 |
| Additions | 9,100 | 234 | 910 | 0 | 10,244 |
| Decreases | -4,648 | 0 | 0 | 0 | -4,648 |
| Transfers | 8,552 | 0 | -8,552 | 0 | 0 |
| **Acquisition cost on Dec 31** | 292,837 | 32,597 | 1,692 | 39,878 | 367,005 |
| | | | | | |
| **Accumulated amortization on Jan 1** | -248,890 | -14,433 | 0 | -39,878 | -303,200 |
| Accumulated amortization relating to decreases | 4,578 | 0 | 0 | 0 | 4,578 |
| Amortization during the financial year | -13,219 | -3,626 | 0 | 0 | -16,845 |
| **Accumulated amortization on Dec 31** | -257,531 | -18,059 | 0 | -39,878 | -315,468 |
| | | | | | |
| **Net book value on Dec 31** | 35,306 | 14,539 | 1,692 | 0 | 51,537 |

# 12. Tangible assets

| 2024, Thousand EUR | Land and water areas | Buildings and constructions | Machinery and equipment | Other tangible assets | Advance payments and construction in progress | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 1,618 | 17,619 | 108,873 | 343 | 3,877 | 132,330 |
| Additions | 0 | 467 | 3,518 | 0 | 4,893 | 8,877 |
| Decreases | 0 | 0 | -1,399 | 0 | 0 | -1,399 |
| Transfers | 0 | 21 | 1,618 | 0 | -1,639 | 0 |
| **Acquisition cost on Dec 31** | 1,618 | 18,107 | 112,609 | 343 | 7,131 | 139,808 |
| | | | | | | |
| **Accumulated depreciation on Jan 1** | -110 | -8,165 | -87,330 | -341 | 0 | -95,947 |
| Accumulated depreciation relating to decreases | 0 | 0 | 1,218 | 0 | 0 | 1,218 |
| Depreciation during the financial year | 0 | -678 | -6,188 | 0 | 0 | -6,866 |
| **Accumulated depreciation on Dec 31** | -110 | -8,843 | -92,300 | -342 | 0 | -101,595 |
| | | | | | | |
| **Net book value at 31 Dec** | 1,509 | 9,263 | 20,309 | 2 | 7,131 | 38,213 |

| 2023, Thousand EUR | Land and water areas | Buildings and constructions | Machinery and equipment | Other tangible assets | Advance payments and construction in progress | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost on Jan 1** | 1,263 | 16,261 | 102,080 | 343 | 4,725 | 124,671 |
| Additions | 59 | 311 | 4,268 | 0 | 3,349 | 7,987 |
| Decreases | 0 | 0 | -327 | 0 | 0 | -327 |
| Transfers | 297 | 1,047 | 2,853 | 0 | -4,196 | 0 |
| **Acquisition cost on Dec 31** | 1,618 | 17,619 | 108,873 | 343 | 3,877 | 132,330 |
| | | | | | | |
| **Accumulated depreciation on Jan 1** | -110 | -7,499 | -81,443 | -341 | 0 | -89,393 |
| Accumulated depreciation relating to decreases | 0 | 0 | 268 | 0 | 0 | 268 |
| Depreciation during the financial year | 0 | -666 | -6,154 | 0 | 0 | -6,821 |
| **Accumulated depreciation on Dec 31** | -110 | -8,165 | -87,330 | -341 | 0 | -95,947 |
| | | | | | | |
| **Net book value on Dec 31** | 1,509 | 9,453 | 21,543 | 2 | 3,877 | 36,383 |

# 13. Investments

| 2024, Thousand EUR | Holdings in Group companies | Receivables from Group companies | Other shares and holdings | Other receivables | Total |
|---|---|---|---|---|---|
| **Net book value on Jan 1** | 1,090,711 | 445,180 | 98,339 | 6,127 | 1,640,357 |
| Additions | 7,035 | 0 | 0 | 0 | 7,035 |
| Decreases | -74,281 | -73,178 | 0 | 0 | -147,459 |
| Impairments | -10,376 | 0 | 0 | 0 | -10,376 |
| **Net book value on Dec 31** | 1,013,089 | 372,002 | 98,339 | 6,127 | 1,489,557 |

| 2023, Thousand EUR | Holdings in Group companies | Receivables from Group companies | Other shares and holdings | Other receivables | Total |
|---|---|---|---|---|---|
| **Net book value on Jan 1** | 1,049,503 | 552,996 | 99,609 | 6,127 | 1,708,236 |
| Additions | 165,492 | 0 | 0 | 0 | 165,492 |
| Decreases | -31,767 | -107,817 | -270 | 0 | -139,854 |
| Impairments | -93,516 | 0 | 0 | 0 | -93,516 |
| Transfers | 1,000 | 0 | -1,000 | 0 | 0 |
| **Net book value on Dec 31** | 1,090,711 | 445,180 | 98,339 | 6,127 | 1,640,357 |

# 14. Inventories

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Raw materials and consumables | 50,379 | 43,225 |
| Finished goods | 88,455 | 88,525 |
| Advance payments | 5,152 | 9,615 |
| **Total** | 143,985 | 141,366 |

# 15. Receivables

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Non-current receivables** | | |
| | | |
| **Receivables from others** | | |
| Loan receivables | 400 | 400 |
| Other receivables | 132 | 1,608 |
| **Total** | 532 | 2,008 |
| | | |
| **Deferred tax assets** | | |
| From appropriations | 229 | 289 |
| From reservations | 9,759 | 9,823 |
| From foreign currency and electricity hedging | 835 | 91 |
| From revaluations | 4,285 | 4,285 |
| From other deferred tax receivables | 1,073 | 1,107 |
| **Total** | 16,181 | 15,595 |
| | | |
| **Total non-current receivables** | 16,713 | 17,603 |
| | | |
| **Current receivables** | | |
| | | |
| **Receivables from Associated companies** | | |
| Trade receivables | 391 | 40 |
| **Total** | 391 | 40 |

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Receivables from Group companies** | | |
| Trade receivables | 156,789 | 131,920 |
| Loan receivables | 143,326 | 93,415 |
| Advances paid | 18,066 | 18,836 |
| Other current receivables | 237,411 | 206,754 |
| Prepayments and accrued income | 8,266 | 25,604 |
| **Total** | 563,858 | 476,529 |
| | | |
| **Receivables from others** | | |
| Trade receivables | 123,785 | 137,406 |
| Loan receivables | 500 | 0 |
| Advances paid | 112 | 133 |
| Other current receivables | 5,934 | 3,626 |
| Prepayments and accrued income | 12,941 | 42,924 |
| **Total** | 143,272 | 184,088 |
| | | |
| **Total current receivables** | 707,522 | 660,657 |
| | | |
| **Total receivables** | 724,234 | 678,261 |
| | | |
| **Accrued income from others** | | |
| Taxes | 0 | 18,251 |
| Hedging accruals | 5,836 | 18,060 |
| Prepaid expenses | 4,989 | 4,285 |
| Accrued income | 446 | 1,486 |
| Other | 1,670 | 841 |
| **Total** | 12,941 | 42,924 |

# 16. Money market investments

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Money market investments** | | |
| Book value | 247,602 | 119,822 |
| Fair value | 248,000 | 120,000 |
| **Difference** | -398 | -178 |

Money market investments include deposits and commercial paper investments with maturity less than three months.

# 17. Capital and reserves

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Restricted equity** | | |
| **Share capital on Jan 1** | 221,762 | 221,762 |
| **Share capital on Dec 31** | 221,762 | 221,762 |
| | | |
| **Share premium account on Jan 1** | 257,878 | 257,878 |
| **Share premium account on Dec 31** | 257,878 | 257,878 |
| | | |
| **Fair value reserve on Jan 1** | 9,961 | 56,764 |
| Cash flow hedges | -12,178 | -46,803 |
| **Fair value reserve on Dec 31** | -2,217 | 9,961 |
| | | |
| **Total restricted equity on Dec 31** | 477,422 | 489,600 |
| | | |
| **Unrestricted equity** | | |
| **Unrestricted equity reserve on Jan 1** | 199,964 | 199,964 |
| **Unrestricted equity reserve on Dec 31** | 199,964 | 199,964 |
| | | |
| **Retained earnings on Jan 1** | 513,716 | 502,839 |
| Dividend distributions | -104,702 | -95,236 |
| Share-based incentive plan | | |
| Shares given | 3,372 | 1,922 |
| Shares returned | -1,931 | 0 |
| **Retained earnings on Dec 31** | 410,456 | 409,525 |
| | | |
| Profit for the financial period | 183,610 | 104,191 |
| **Total unrestricted equity on Dec 31** | 794,029 | 713,680 |
| | | |
| **Total capital and reserves on Dec 31** | 1,271,452 | 1,203,281 |
| | | |
| **Total distributable funds on Dec 31** | 794,029 | 713,680 |

### CHANGE IN TREASURY SHARES

| Thousand | EUR | Number of shares |
|---|---|---|
| **Acquisition value/number on Jan 1, 2024** | 11,596 | 1,723 |
| Change | -1,298 | -363 |
| **Acquisition value/number on Dec 31, 2024** | 10,299 | 1,359 |

# 18. Accumulated appropriations

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Appropriations** | | |
| Accumulated depreciation difference | 16,971 | 15,837 |
| Deferred tax liabilities on accumulated appropriations | 3,394 | 3,167 |

# 19. Obligatory provisions

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Non-current provisions** | | |
| Pension provisions | 5,365 | 5,536 |
| Environmental provisions | 9,960 | 9,835 |
| Personnel related provisions | 127 | 0 |
| Restructuring provisions | 24,943 | 24,390 |
| **Total non-current provisions** | 40,396 | 39,762 |
| | | |
| **Current provisions** | | |
| Environmental provisions | 2,383 | 4,890 |
| Personnel related provisions | 2,042 | 0 |
| Restructuring provisions | 7,643 | 8,305 |
| **Total current provisions** | 12,069 | 13,195 |
| | | |
| **Total provisions** | 52,464 | 52,957 |
| | | |
| **Change in obligatory provisions** | | |
| **Obligatory provisions on Jan 1** | 52,957 | 52,230 |
| Utilised during the year | -12,332 | -12,031 |
| Cancellation of unused reservations | -362 | 0 |
| Increase during the year | 12,202 | 12,758 |
| **Obligatory provisions on Dec 31** | 52,464 | 52,957 |

Environmental risks and liabilities are disclosed in Note 4.6 in the Notes to the Consolidated Financial Statements.

# 20. Non-current liabilities

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| Loans from financial institutions | 230,000 | 310,887 |
| Corporate bonds | 198,895 | 198,850 |
| Other non-current liabilities | 16,163 | 16,049 |
| **Total** | 445,058 | 525,786 |
| | | |
| **Maturity later than five years** | | |
| Other liabilities | 16,037 | 16,037 |
| **Total** | 16,037 | 16,037 |
| | | |
| **Deferred tax liabilities** | | |
| From foreign currency and electricity hedging | 281 | 2,581 |
| **Total** | 281 | 2,581 |
| | | |
| **Total non-current liabilities** | 445,340 | 528,367 |

# 21. Current liabilities

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Liabilities to Group companies** | | |
| Loan liabilities | 11,488 | 8,438 |
| Trade payables | 219,300 | 155,944 |
| Other liabilities | 363,798 | 285,937 |
| Accrued expenses | 6,559 | 7,663 |
| **Total** | 601,145 | 457,981 |
| | | |
| **Liabilities to others** | | |
| Corporate Bonds | 0 | 199,597 |
| Loans from financial institutions | 133,488 | 0 |
| Prepayments received | 437 | 1,064 |
| Trade payables | 94,762 | 95,134 |
| Other liabilities | 9,117 | 9,235 |
| Accrued expenses | 88,387 | 120,323 |
| **Total** | 326,190 | 425,354 |
| | | |
| **Total current liabilities** | 927,335 | 883,335 |
| | | |
| **Accrued expenses and deferred income** | | |
| Personnel expenses | 26,659 | 22,727 |
| Interest expenses and exchange rate differences | 12,127 | 10,958 |
| Cost accruals | 32,869 | 44,827 |
| Income tax accruals | 9,953 | 38,578 |
| Other | 6,780 | 3,233 |
| **Total** | 88,387 | 120,323 |

# 22. Derivatives

| | 2024 | 2023 |
|---|---|---|
| **Nominal values, thousand EUR** | **Total** | **Total** |
| **Currency derivatives** | | |
| Forward contracts | 612,726 | 812,819 |
| of which cash flow hedges | 127,134 | 110,463 |
| **Commodity derivatives** | | |
| Commodity forward contracts (MWh) [1)] | 230,656 | 525,989 |
| of which cash flow hedges | 230,656 | 525,989 |

1) Mainly electricity forward contracts.

| | | 2024 | |
|---|---|---|---|
| **Fair values, thousand EUR** | **Positive** | **Negative** | **Net** |
| **Currency derivatives** | | | |
| Forward contracts | 5,369 | 7,600 | -2,231 |
| of which cash flow hedges | 495 | 4,331 | -3,836 |
| **Commodity derivatives** | | | |
| Commodity forward contracts [1)] | 1,567 | 161 | 1,406 |
| of which cash flow hedges | 1,567 | 161 | 1,406 |

1) Includes fair value of commodity forward contracts of EUR 6 thousand maturing after the year 2024 (EUR 1,597 thousand)

| | | 2023 | |
|---|---|---|---|
| **Fair values, thousand EUR** | **Positive** | **Negative** | **Net** |
| **Currency derivatives** | | | |
| Forward contracts | 8,571 | 4,258 | 4,313 |
| of which cash flow hedges | 2,190 | 136 | 2,054 |
| **Commodity derivatives** | | | |
| Commodity forward contracts | 10,836 | 533 | 10,303 |
| of which cash flow hedges | 10,836 | 533 | 10,303 |

# 23. Collateral and contingent liabilities

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Given guarantees** | | |
| **On behalf of own commitments** | | |
| Business related delivery-, environmental and other guarantees | 18,964 | 35,482 |
| **On behalf of companies belonging to the same Group** | | |
| Business and financing guarantees | 523,933 | 527,802 |
| **On behalf of associated companies** | | |
| Business and financing guarantees | 10,915 | 11,718 |
| **On behalf of others** | | |
| Guarantees | 2,582 | 2,436 |
| **Rent liabilities** | | |
| Maturity within one year | 2,923 | 2,767 |
| Maturity after one year | 3,566 | 3,765 |
| **Total** | 6,489 | 6,532 |
| | | |
| **Leasing liabilities** | | |
| Maturity within one year | 2,513 | 1,870 |
| **Maturity after one year** | 4,528 | 3,551 |
| **Total** | 7,041 | 5,421 |

**Financial Liabilities**

The company is obliged to review the VAT deductions it has made for real estate investments completed in 2016–2024 if the taxable use of the properties decreases during the review period. The maximum liability is EUR 1.2 million and the last review year is 2033.

# 24. Related party transactions

| Thousand EUR | 2024 | 2023 |
|---|---|---|
| **Related party notes required by the Finnish Companies Act** | | |
| The most significant Group companies with which the company has loans | | |
| Kemira Water Solutions Inc. | 173,041 | 162,690 |
| Kemira Chemicals Oy | 67,400 | 77,400 |
| Kemira Chemicals (Nanjing) Co.,Ltd. | 59,679 | 56,109 |
| Other Group companies | 215,208 | 242,396 |
| **Total** | 515,327 | 538,594 |

Kemira Oyj acts as principal in the EMEA and APAC businesses. The most significant related party transactions on the balance sheet are Group companies' loans. For the most part, the loan is issued in the accounting currency of the subsidiary, while the parent company hedges the currency risk. The margins added to loan reference rates are market-based.

The Group uses consolidated bank account systems as a cash management tool. When involved, the parent company acts as the holder of the consolidated accounts. Subsidiaries are always entitled to the assets in their consolidated assets account, and consolidated account operations do not adversely affect the continuity of subsidiaries' operations.

# 25. Subsidiaries

| | Group holding, % | Kemira Oyj holding, % |
|---|---|---|
| AS Kemivesi | 100.00 | 100.00 |
| Kemira Argentina S.A. | 100.00 | 51.00 |
| Kemira Cell Sp. z.o.o. | 55.00 | 55.00 |
| Kemira Chemicals (Nanjing) Co., Ltd. | 100.00 | 100.00 |
| Kemira Chemicals (Shanghai) Co., Ltd. | 100.00 | 100.00 |
| Kemira Chemicals (UK) Ltd. | 100.00 | 100.00 |
| Kemira Chemicals (Yanzhou) Co., Ltd. | 100.00 | 100.00 |
| Kemira Chemicals Germany GmbH | 100.00 | 100.00 |
| Kemira Chemicals Korea Corporation | 100.00 | 100.00 |
| Kemira Chemie GesmbH | 100.00 | 100.00 |
| Kemira Chile Comercial Limitada | 100.00 | 99.00 |
| Kemira Europe Oy | 100.00 | 100.00 |
| Kemira Hong Kong Company Limited | 100.00 | 100.00 |
| Kemira International Finance B.V. | 100.00 | 100.00 |
| Kemira KTM d.o.o. | 100.00 | 100.00 |
| Kemira Purton Ltd | 100.00 | 100.00 |
| Kemira Świecie Sp. z o.o. | 100.00 | 100.00 |
| Kemira Water Danmark A/S | 100.00 | 100.00 |
| PT Kemira Chemicals Indonesia | 99.8 | 99.8 |
| PT Kemira Indonesia | 100.00 | 76.2 |
| SimAnalytics Oy | 100.00 | 100.00 |

**Changes in the group structure**

Kemira Oyj acquired 100% of the share capital of Purton Carbons Ltd. (now Kemira Purton Ltd.) in the UK in October 2, 2024.

Kemira Oy acquired 35.2% of the shares of Kemira Argentina S.A. on September 24, 2024.

Kemira Germany GmbH was merged with Kemira Chemicals Germany GmbH on January 1, 2024.

Kemira Oyj sold the shares of Kemira Chemicals Canada Inc. to Kemira Europe Oy on July 1, 2024.

Kemira Oyj sold the shares of Kemira Chemicals, Inc shares to Artek US Holding Corp on February 2, 2024.

The Group's subsidiaries and investment in associates are presented in Note 6.2. in the Consolidated Financial Statements.

# Kemira Oyj's Board of Directors' proposal to the Annual General Meeting for the distribution of distributable funds and signing of the Financial Statements and Board of Directors' Review

On December 31, 2024, Kemira Oyj's distributable funds are EUR 794,029,352 of which the net profit for the period amounts to EUR 183,609,785.

The Board of Directors proposes for the Annual General Meeting to be held on March 20, 2025 and that a dividend of EUR 0.74 per share be distributed. No dividend will be paid on the own shares held by the company as treasury shares on the dividend record date.

On the date of this proposal for the distribution of profits, a total of 153,983,209 shares are held outside the company and the total dividends paid would amount to EUR 113,947,575. Distributable funds of EUR 680,081,777 are to be retained as equity.

There have been no material changes in the company's financial position since December 31, 2024. The liquidity of the company remains good and the proposed dividend payment does not risk the solvency of the company.

The financial statements have been prepared in accordance with applicable accounting laws and regulations and give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of the companies included in its consolidated financial statements.

We also confirm that the Board of Directors' Review includes:

- A true and fair view of the development of the business and the financial result,
- A description of the most significant risks and uncertainties and other aspects of the company's condition, and
- A sustainability report prepared in accordance with the reporting standards referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

Helsinki, February 10, 2025

DocuSigned by:
A7CADA9C35434FA...
Matti Kähkönen
Chair

Signed by:
C1FECFAB852B4D9...
Annika Paasikivi
Vice Chair

Signed by:
EB78047CF47F4C6...
Tina Sejersgård Fanø

Signed by:
CEF1F688C8BA48B...
Werner Fuhrmann

Signed by:
38F33ED6BD504A5...
Timo Lappalainen

Signed by:
8DE4E871542642D...
Kristian Pullola

Signed by:
C30C425FA51148D...
Mikael Staffas

Signed by:
30C7F1A9AFF9461...
Antti Salminen
CEO

# Group key figures

Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities and gearing provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should instead be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the Definitions of the key figures in these Financial Statements, as well as at **www.kemira.com** > Investors > Financial information.

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **INCOME STATEMENT AND PROFITABILITY** | | | | | |
| Revenue, EUR million | 2,948 | 3,384 | 3,570 | 2,674 | 2,427 |
| Revenue, O&G divestment adjusted, EUR million [5)] | 2,904 | 2,889 | — | — | — |
| Operative EBITDA, EUR million | 585 | 667 | 572 | 426 | 435 |
| Operative EBITDA, O&G divestment adjusted, EUR million [5)] | 582 | 596 | — | — | — |
| Operative EBITDA, % | 19.9 | 19.7 | 16.0 | 15.9 | 17.9 |
| Operative EBITDA, O&G divestment adjusted, % [5)] | 20.0 | 20.6 | — | — | — |
| EBITDA, EUR million | 551 | 540 | 559 | 373 | 413 |
| EBITDA, % | 18.7 | 16.0 | 15.7 | 14.0 | 17.0 |
| Operative EBIT, EUR million | 399 | 463 | 362 | 225 | 238 |
| Operative EBIT, O&G divestment adjusted, EUR million [5)] | 395 | 415 | — | — | — |
| Operative EBIT, % | 13.5 | 13.7 | 10.1 | 8.4 | 9.8 |
| Operative EBIT, O&G divestment adjusted, % [5)] | 13.6 | 14.4 | — | — | — |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Operating profit (EBIT), EUR million | 363 | 336 | 348 | 170 | 216 |
| Operating profit (EBIT), % | 12.3 | 9.9 | 9.7 | 6.4 | 8.9 |
| Finance costs (net), EUR million | 27 | 44 | 39 | 27 | 35 |
| % of revenue | 0.9 | 1.3 | 1.1 | 1.0 | 1.4 |
| Profit before tax, EUR million | 336 | 292 | 308 | 143 | 181 |
| % of revenue | 11.4 | 8.6 | 8.6 | 5.4 | 7.5 |
| Net profit for the period (attributable to equity owners of the parent company), EUR million | 249 | 199 | 232 | 108 | 131 |
| % of revenue | 8.4 | 5.9 | 6.5 | 4.0 | 5.4 |
| Return on investment (ROI), % | 13.2 | 11.6 | 12.7 | 7.2 | 9.1 |
| Return of equity (ROE), % | 14.5 | 11.9 | 15.4 | 8.6 | 10.9 |
| Capital employed, EUR million [1)] | 1,920 | 2,156 | 2,238 | 1,995 | 1,965 |
| Operative return on capital employed (ROCE), % [1)] | 20.8 | 21.5 | 16.2 | 11.3 | 12.1 |
| Operative ROCE, %, O&G divestment adjusted [5)] | 20.6 | 22.4 | — | — | — |
| Return on capital employed (ROCE), % [1)] | 18.9 | 15.6 | 15.5 | 8.5 | 11.0 |
| Research and development expenses, EUR million | 34 | 34 | 33 | 28 | 29 |
| % of revenue | 1.1 | 1.0 | 0.9 | 1.1 | 1.2 |
| Organic growth, % | -1 | -2 | 27 | 11 | -7 |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **CASH FLOW** | | | | | |
| Net cash generated from operating activities, EUR million | 485 | 546 | 400 | 220 | 375 |
| Proceeds from sale of subsidiaries and property, plant and equipment and intangible assets, EUR million | 144 | 10 | 19 | 7 | 2 |
| Capital expenditure, EUR million | 170 | 207 | 198 | 170 | 198 |
| % of revenue | 5.8 | 6.1 | 5.5 | 6.3 | 8.2 |
| Capital expenditure excl. acquisitions, EUR million | 167 | 205 | 198 | 169 | 196 |
| % of revenue | 5.7 | 6.1 | 5.5 | 6.3 | 8.1 |
| Cash flow after investing activities, EUR million | 412 | 349 | 222 | 57 | 173 |
| | | | | | |
| **BALANCE SHEET AND SOLVENCY** | | | | | |
| Non-current assets, EUR million | 2,060 | 2,051 | 2,323 | 2,155 | 2,018 |
| Shareholders' equity (Equity attributable to equity owners of the parent company), EUR million | 1,785 | 1,665 | 1,670 | 1,329 | 1,192 |
| Total equity including non-controlling interests, EUR million | 1,804 | 1,684 | 1,685 | 1,343 | 1,205 |
| Total liabilities, EUR million | 1,566 | 1,700 | 1,966 | 1,797 | 1,590 |
| Total assets, EUR million | 3,381 | 3,489 | 3,651 | 3,139 | 2,796 |
| Net working capital | 248 | 279 | 362 | 287 | 197 |
| Interest-bearing net liabilities, EUR million | 291 | 535 | 771 | 850 | 759 |
| Equity ratio, % | 53 | 48 | 46 | 43 | 43 |
| Gearing, % | 16 | 32 | 46 | 63 | 63 |
| Interest-bearing net liabilities per EBITDA | 0.5 | 1.0 | 1.4 | 2.3 | 1.8 |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **PERSONNEL** | | | | | |
| Personnel at period-end | 4,698 | 4,915 | 4,902 | 4,926 | 4,921 |
| Personnel (average) | 4,746 | 4,946 | 4,936 | 4,947 | 5,038 |
| of whom in Finland | 818 | 806 | 780 | 784 | 790 |
| Wages and salaries, EUR million | 335 | 343 | 339 | 288 | 303 |
| | | | | | |
| **EXCHANGE RATES** | | | | | |
| Key exchange rates on Dec 31 | | | | | |
| USD | 1.039 | 1.105 | 1.067 | 1.133 | 1.227 |
| CAD | 1.495 | 1.464 | 1.444 | 1.439 | 1.563 |
| SEK | 11.459 | 11.096 | 11.122 | 10.250 | 10.034 |
| CNY | 7.583 | 7.851 | 7.358 | 7.195 | 8.023 |
| BRL | 6.425 | 5.362 | 5.639 | 6.310 | 6.374 |
| | | | | | |
| **PER SHARE FIGURES** | | | | | |
| Earnings per share (EPS), basic, EUR [2)] | 1.62 | 1.30 | 1.51 | 0.71 | 0.86 |
| Earnings per share (EPS), diluted, EUR [2)] | 1.61 | 1.28 | 1.50 | 0.70 | 0.86 |
| Net cash generated from operating activities per share, EUR [2)] | 3.15 | 3.56 | 2.61 | 1.44 | 2.45 |
| Dividend per share, EUR [2) 3)] | 0.74 | 0.68 | 0.62 | 0.58 | 0.58 |
| Dividend payout ratio, % [2) 3)] | 45.7 | 52.4 | 41.0 | 82.2 | 67.5 |
| Dividend yield, % [2) 3)] | 3.8 | 4.1 | 4.3 | 4.4 | 4.5 |
| Equity per share, EUR [2)] | 11.59 | 10.84 | 10.89 | 8.68 | 7.80 |
| Price per earnings per share (P/E ratio) [2)] | 12.04 | 12.95 | 9.48 | 18.88 | 15.07 |
| Price per equity per share [2)] | 1.68 | 1.55 | 1.32 | 1.54 | 1.66 |
| Price per cash flow from operations per share [2)] | 6.20 | 4.72 | 5.49 | 9.27 | 5.28 |
| Dividend paid, EUR million [3)] | 113.9 | 104.5 | 95.1 | 88.8 | 88.7 |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **SHARE PRICE AND TRADING** | | | | | |
| Share price, high, EUR | 24.58 | 18.22 | 14.94 | 14.66 | 14.24 |
| Share price, low, EUR | 15.96 | 13.51 | 10.36 | 12.64 | 8.02 |
| Share price, average, EUR | 19.84 | 15.36 | 12.57 | 13.67 | 11.55 |
| Share price on Dec 31, EUR | 19.52 | 16.79 | 14.33 | 13.33 | 12.94 |
| Number of shares traded (1,000) [4)] | 46,801 | 43,852 | 37,017 | 57,478 | 75,885 |
| % on number of shares | 30 | 29 | 24 | 38 | 50 |
| Market capitalization on Dec 31, EUR million [2)] | 3,006 | 2,579 | 2,198 | 2,041 | 1,979 |
| | | | | | |
| **NUMBER OF SHARES AND SHARE CAPITAL** | | | | | |
| Average number of shares, basic (1,000) [2)] | 153,921 | 153,573 | 153,320 | 153,092 | 152,879 |
| Average number of shares, diluted (1,000) [2)] | 155,234 | 155,051 | 154,261 | 153,785 | 153,373 |
| Number of shares on Dec 31, basic (1,000) [2)] | 153,983 | 153,620 | 153,352 | 153,127 | 152,924 |
| Number of shares on Dec 31, diluted (1,000) [2)] | 155,409 | 155,303 | 154,894 | 154,068 | 153,744 |
| Increase (+) / decrease (-) in number of shares outstanding (1,000) | 363 | 267 | 225 | 203 | 275 |
| Share capital, EUR million | 221.8 | 221.8 | 221.8 | 221.8 | 221.8 |

1) 12-month rolling average.
2) Number of shares outstanding, excluding the number of treasury shares.
3) The dividend for 2024 is the Board of Directors' proposal to the Annual General Meeting.
4) Shares traded on Nasdaq Helsinki only.
5) The figures for the comparison year 2023 have been adjusted because Kemira divested its Oil & Gas (O&G)-related portfolio on February 2, 2024. The figures adjusted by Oil & Gas divestment reflect the underlying business performance of Kemira's Pulp & Paper and Industry & Water segments after the divestment.

# Definition of key figures

## Financial figures

| KEY FIGURES | | DEFINITION OF KEY FIGURES | PURPOSE OF KEY FIGURES |
|---|---|---|---|
| **EBITDA** | = | Operating profit (EBIT)<br>+ depreciation and amortization<br>+ impairments | EBITDA describes the profitability of a business when depreciation, amortization and impairments are added to EBIT. The key figure is used to monitor the development of business results. |
| **OPERATIVE EBITDA** | = | Operating profit (EBIT)<br>+ depreciation and amortization<br>+ impairments<br>+/- items affecting comparability | Operative EBITDA describes the profitability of a business when depreciation, amortization and impairments are added to EBIT. The key figure is used to monitor the development of business results. The key figure is calculated by adjusting the items affecting from EBITDA, which improves the comparability of operating profitability between different periods. |
| **ITEMS AFFECTING COMPARABILITY [1)]** | = | Restructuring and streamlining programs<br>+ transaction and integration expenses in acquisitions<br>+ divestment of businesses and other disposals<br>+ other items | Used as a component in the calculation of operative EBITDA and operative EBIT. |
| **EBIT** | = | Revenue<br>+ other operating income<br>- operating expenses<br>- depreciation and amortization<br>- impairments<br>+ share of the results of associates | EBIT is used to monitor the development of business results. The key figure describes the profitability of the business before financial items and taxes. |
| **OPERATIVE EBIT** | = | Operating profit (EBIT)<br>+/- items affecting comparability | Operative EBIT is used to monitor the development of business results. The key figure describes the profitability of the business before financial items and taxes. The key figure is calculated by adjusting the items affecting operating comparability from operating profit, which improves the comparability of operating profitability between different periods. |
| **INTEREST-BEARING NET LIABILITIES** | = | Interest-bearing liabilities<br>- cash and cash equivalents | Interest-bearing liabilities is used to monitor the Group's gearing. |
| **EQUITY RATIO (%)** | = 100 x | Total equity<br>―――――<br>Total assets - prepayments received | Equity ratio (%) indicates what proportion of the assets is covered by equity. |
| **GEARING (%)** | = 100 x | Interest-bearing net liabilities<br>―――――<br>Total equity | Gearing (%) measures the ratio of interest-bearing net liabilities to equity. |
| **RETURN ON INVESTMENTS (ROI) (%)** | = 100 x | Profit before tax + interest expenses<br>+ other financial expenses<br>―――――<br>Total assets - non-interest-bearing liabilities [2)] | Return on investment (%) measures how efficiently invested capital is used. |

| KEY FIGURES | | DEFINITION OF KEY FIGURES | PURPOSE OF KEY FIGURES |
|---|---|---|---|
| **RETURN ON EQUITY (ROE) (%)** | = 100 x | Net profit attributable to equity owners of the parent company / Equity attributable to equity owners of the parent company [2)] | Return on equity (%) is used to measure how effectively the equity owned by the owners of the parent company is used. |
| **RETURN ON CAPITAL EMPLOYED (ROCE) (%)** | = 100 x | Operating profit (EBIT) [3)] / Capital employed [4)] | Return on capital employed (%) is used to measure how efficiently capital is employed. |
| **OPERATIVE RETURN ON CAPITAL EMPLOYED (OPERATIVE ROCE) (%)** | = 100 x | Operating profit (EBIT) [3)] / Capital employed [4)] | Operative return on capital employed (%) is used to measure how efficiently capital is employed. |
| **CASH FLOW AFTER INVESTING ACTIVITIES** | = | Net cash generated from operating activities<br>+ net cash used in investing activities | Cash flow after investments is a key figure that describes the cash flow from operating activities after investments. This is free cash flow that remains, for example, in the payment of dividends and liabilities. |
| **INTEREST-BEARING NET LIABILITIES / EBITDA** | = | Interest-bearing net liabilities / Operating profit (EBIT) + depreciation and amortization + impairments | Interest-bearing net liabilities / EBITDA ratio measures the Group's capital structure. The key figure describes how long it would take to pay interest-bearing net liabilities at the current level of profitability if the EBITDA in its entirety were used to repay the debt. |
| **NET FINANCIAL COST (%)** | = 100 x | Finance costs, net - dividend income +/- exchange rate differences / Interest-bearing net liabilities [2)] | Net financial cost (%) describes the financial expense structure and the key figure can be compared to the existing average interest rate level. |
| **NET WORKING CAPITAL** | = | Inventories<br>+ trade receivables<br>+ other receivables, excluding derivatives, accrued interest income and other financing items<br>- trade payables<br>- other liabilities, excluding derivatives, accrued interest expenses and other financing items | Net working capital is the amount of capital tied up in business operations. It describes the amount of cash needed to run the Group's day-to-day operations. |
| **CAPITAL EMPLOYED** | = | Property, plant and equipment<br>+ right-of-use assets<br>+ intangible assets<br>+ net working capital<br>+ investments in associates | Capital employed describes the capital committed to the Group's operations (e.g. production facilities), which is a premise for the manufacture of the Group's products for sale. Restricted capital is used as a component in calculating the return on capital employed. |
| **CAPITAL EXPENDITURE** | = | Property, plant and equipment<br>+ intangible assets<br>+ other shares<br>+ investments in associates | Investments excluding acquisitions are cash used on the acquisition of non-current assets. The key figure is part of the cash flow statement. |
| **CAPITAL EXPENDITURE EXCL. ACQUISITIONS** | = | Property, plant and equipment<br>+ intangible assets<br>+ other shares<br>+ investments in associates<br>- acquisitions | Investments excluding acquisitions are cash used on the acquisition of non-current assets, excluding acquisitions. The key figure is part of the cash flow statement. |

| KEY FIGURES | | DEFINITION OF KEY FIGURES | PURPOSE OF KEY FIGURES |
|---|---|---|---|
| **ORGANIC GROWTH (%)** | = | Revenue growth in local currencies, excluding acquisitions and divestments | Organic growth describes revenue growth in local currencies excluding acquisitions and divestments. |
| **INTRINSIC VALUE** | = | Operative EBITDA x 8 - interest-bearing net liabilities | Intrinsic value is used as a remuneration criteria in the Group's share-based payments incentive plans. |

1) Financial performance measures which are not defined by IFRS may include items of income and expenses that affect the comparability of the financial reporting of Kemira Group. Restructuring and streamlining programs, transaction and integration expenses in acquisitions, divestments of businesses and other disposals are considered the most common items affecting comparability.
2) Average.
3) Operating profit (EBIT) taken into account for 12-month rolling figure at the end of the review period.
4) 12-month rolling average.

# Per share figures

| KEY FIGURES | | | DEFINITION OF KEY FIGURES |
|---|---|---|---|
| **EARNINGS PER SHARE (EPS)** | = | | Net profit attributable to equity owners of the parent company / Average number of shares |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES PER SHARE** | = | | Net cash generated from operating activities / Average number of shares |
| **DIVIDEND PER SHARE** | = | | Dividend paid / Number of shares on Dec 31 |
| **DIVIDEND PAYOUT RATIO (%)** | = | 100 x | Dividend per share / Earnings per share (EPS), basic |
| **DIVIDEND YIELD (%)** | = | 100 x | Dividend per share / Share price on Dec 31 |
| **EQUITY PER SHARE** | = | | Equity attributable to equity owners of the parent company on Dec 31 / Number of shares on Dec 31 |

| KEY FIGURES | | | DEFINITION OF KEY FIGURES |
|---|---|---|---|
| **SHARE PRICE, YEAR AVERAGE** | = | | Shares traded (EUR) / Shares traded (volume) |
| **PRICE PER EARNINGS PER SHARE (P/E)** | = | | Share price on Dec 31 / Earnings per share (EPS), basic |
| **PRICE PER EQUITY PER SHARE** | = | | Share price on Dec 31 / Equity per share attributable to equity owners of the parent company |
| **PRICE PER NET CASH GENERATED FROM OPERATING ACTIVITIES PER SHARE** | = | | Share price on Dec 31 / Net cash generated from operating activities per share |
| **SHARE TURNOVER (%)** | = | 100 x | Number of shares traded in main stock exchange / Average number of shares |

# Reconciliation to IFRS figures

| | | | | | 2024 | | | | | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| EUR million | 1-3 | 4-6 | 7-9 | 10-12 | Total | 1-3 | 4-6 | 7-9 | 10-12 | Total |
| **Revenue, O&G divestment adjusted** | | | | | | | | | | |
| Pulp & Paper | 422.9 | 412.4 | 399.0 | 412.4 | 1,646.7 | 504.6 | 421.2 | 403.6 | 418.8 | 1,748.2 |
| Industry & Water, O&G divestment adjusted | 295.9 | 321.0 | 328.6 | 311.3 | 1,256.9 | 291.0 | 287.9 | 290.7 | 271.4 | 1,140.9 |
| **Total, O&G divestment adjusted** | 718.8 | 733.4 | 727.6 | 723.7 | 2,903.5 | 795.6 | 709.1 | 694.3 | 690.2 | 2,889.0 |
| **Items affecting comparability in Revenue** | | | | | | | | | | |
| Pulp & Paper | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Industry & Water, O&G divestment adjustment | 44.5 | 0.0 | 0.0 | 0.0 | 44.5 | 110.5 | 131.0 | 134.4 | 118.7 | 494.6 |
| **Total** | 44.5 | 0.0 | 0.0 | 0.0 | 44.5 | 110.5 | 131.0 | 134.4 | 118.7 | 494.6 |
| **Revenue** | | | | | | | | | | |
| Pulp & Paper | 422.9 | 412.4 | 399.0 | 412.4 | 1,646.7 | 504.6 | 421.2 | 403.6 | 418.8 | 1,748.2 |
| Industry & Water | 340.5 | 321.0 | 328.6 | 311.3 | 1,301.4 | 401.5 | 418.9 | 425.1 | 390.0 | 1,635.5 |
| **Total** | 763.3 | 733.4 | 727.6 | 723.7 | 2,948.1 | 906.0 | 840.1 | 828.7 | 808.8 | 3,383.7 |
| **Operative EBITDA, O&G divestment adjusted** | | | | | | | | | | |
| Pulp & Paper | 88.2 | 67.9 | 70.7 | 76.2 | 303.1 | 109.4 | 65.2 | 68.9 | 87.5 | 330.9 |
| Industry & Water, O&G divestment adjusted | 71.0 | 72.6 | 76.7 | 58.8 | 279.1 | 60.1 | 68.1 | 75.0 | 61.8 | 265.0 |
| **Total, O&G divestment adjusted** | 159.2 | 140.5 | 147.4 | 135.0 | 582.1 | 169.4 | 133.3 | 143.8 | 149.3 | 595.9 |
| **Items affecting comparability in Operative EBITDA** | | | | | | | | | | |
| Pulp & Paper | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Industry & Water, O&G divestment adjusted | 3.3 | 0.0 | 0.0 | 0.0 | 3.3 | 23.2 | 17.7 | 16.5 | 13.4 | 70.8 |
| **Total** | 3.3 | 0.0 | 0.0 | 0.0 | 3.3 | 23.2 | 17.7 | 16.5 | 13.4 | 70.8 |

| EUR million | 1-3 | 4-6 | 7-9 | 10-12 | 2024 Total | 1-3 | 4-6 | 7-9 | 10-12 | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operative EBITDA** | | | | | | | | | | |
| Pulp & Paper | 88.2 | 67.9 | 70.7 | 76.2 | 303.1 | 109.4 | 65.2 | 68.9 | 87.5 | 330.9 |
| Industry & Water | 74.3 | 72.6 | 76.7 | 58.8 | 282.3 | 83.3 | 85.8 | 91.5 | 75.2 | 335.8 |
| **Total** | 162.5 | 140.5 | 147.4 | 135.0 | 585.4 | 192.6 | 151.0 | 160.3 | 162.7 | 666.7 |
| | | | | | | | | | | |
| **Items affecting comparability in EBITDA** | | | | | | | | | | |
| Pulp & Paper | -0.1 | -0.9 | -4.1 | -15.4 | -20.6 | -8.5 | -1.3 | -0.1 | -13.0 | -22.9 |
| Industry & Water | -8.3 | -2.4 | -0.3 | -3.1 | -14.1 | 0.0 | -2.4 | -3.0 | -98.4 | -103.7 |
| **Total** | -8.4 | -3.3 | -4.5 | -18.5 | -34.8 | -8.5 | -3.7 | -3.1 | -111.4 | -126.7 |
| | | | | | | | | | | |
| **EBITDA** | | | | | | | | | | |
| Pulp & Paper | 88.0 | 67.0 | 66.6 | 60.8 | 282.4 | 100.9 | 63.9 | 68.7 | 74.5 | 308.0 |
| Industry & Water | 66.0 | 70.1 | 76.3 | 55.7 | 268.2 | 83.3 | 83.5 | 88.5 | -23.2 | 232.0 |
| **Total** | 154.1 | 137.1 | 142.9 | 116.5 | 550.7 | 184.1 | 147.4 | 157.2 | 51.3 | 540.0 |
| | | | | | | | | | | |
| **Operative EBIT, O&G divestment adjusted** | | | | | | | | | | |
| Pulp & Paper | 59.8 | 38.0 | 41.1 | 45.0 | 183.8 | 80.4 | 37.6 | 39.8 | 58.6 | 216.3 |
| Industry & Water, O&G divestment adjusted | 54.6 | 56.0 | 59.7 | 41.3 | 211.7 | 44.1 | 52.0 | 58.0 | 45.1 | 199.2 |
| **Total, O&G divestment adjusted** | 114.4 | 94.0 | 100.8 | 86.2 | 395.5 | 124.4 | 89.6 | 97.8 | 103.7 | 415.5 |
| | | | | | | | | | | |
| **Items affecting comparability in Operative EBIT** | | | | | | | | | | |
| Pulp & Paper | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Industry & Water, O&G divestment adjusted | 3.2 | 0.0 | 0.0 | 0.0 | 3.2 | 17.4 | 11.3 | 9.9 | 8.9 | 47.6 |
| **Total** | 3.2 | 0.0 | 0.0 | 0.0 | 3.2 | 17.4 | 11.3 | 9.9 | 8.9 | 47.6 |
| | | | | | | | | | | |
| **Operative EBIT** | | | | | | | | | | |
| Pulp & Paper | 59.8 | 38.0 | 41.1 | 45.0 | 183.8 | 80.4 | 37.6 | 39.8 | 58.6 | 216.3 |
| Industry & Water | 57.8 | 56.0 | 59.7 | 41.3 | 214.9 | 61.5 | 63.3 | 67.8 | 54.1 | 246.7 |
| **Total** | 117.6 | 94.0 | 100.8 | 86.2 | 398.7 | 141.9 | 100.9 | 107.6 | 112.6 | 463.0 |

| EUR million | 1-3 | 4-6 | 7-9 | 10-12 | 2024 Total | 1-3 | 4-6 | 7-9 | 10-12 | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Items affecting comparability in EBIT** | | | | | | | | | | |
| Pulp & Paper | -0.1 | -0.9 | -4.1 | -16.1 | -21.3 | -8.5 | -1.3 | -0.1 | -13.0 | -22.9 |
| Industry & Water | -8.3 | -2.4 | -0.3 | -3.1 | -14.1 | 0.0 | -2.4 | -3.0 | -98.4 | -103.7 |
| **Total** | -8.4 | -3.3 | -4.5 | -19.2 | -35.5 | -8.5 | -3.7 | -3.1 | -111.4 | -126.7 |
| | | | | | | | | | | |
| **EBIT** | | | | | | | | | | |
| Pulp & Paper | 59.6 | 37.1 | 36.9 | 28.8 | 162.4 | 71.9 | 36.3 | 39.7 | 45.5 | 193.4 |
| Industry & Water | 49.5 | 53.6 | 59.4 | 38.2 | 200.8 | 61.5 | 61.0 | 64.8 | -44.3 | 143.0 |
| **Total** | 109.2 | 90.7 | 96.3 | 67.0 | 363.2 | 133.4 | 97.2 | 104.5 | 1.3 | 336.4 |
| | | | | | | | | | | |
| **Operative EBITDA** | 162.5 | 140.5 | 147.4 | 135.0 | 585.4 | 192.6 | 151.0 | 160.3 | 162.7 | 666.7 |
| Restructuring and streamlining programs | -0.2 | -1.0 | -1.2 | -10.1 | -12.5 | 0.0 | -1.0 | 0.0 | 0.1 | -0.9 |
| Transaction and integration expenses in acquisition | -0.1 | -0.1 | 0.0 | 0.0 | -0.2 | -0.1 | 0.0 | 0.0 | -0.1 | -0.2 |
| Divestment of businesses and other disposals | -7.9 | -2.2 | -3.3 | -8.4 | -21.8 | -8.9 | -2.6 | -3.1 | -111.3 | -125.9 |
| Other items | -0.1 | -0.1 | 0.0 | 0.0 | -0.2 | 0.4 | 0.0 | 0.0 | 0.0 | 0.4 |
| **Total items affecting comparability** | -8.4 | -3.3 | -4.5 | -18.5 | -34.8 | -8.5 | -3.7 | -3.1 | -111.4 | -126.7 |
| **EBITDA** | 154.1 | 137.1 | 142.9 | 116.5 | 550.7 | 184.1 | 147.4 | 157.2 | 51.3 | 540.0 |
| | | | | | | | | | | |
| **Operative EBIT** | 117.6 | 94.0 | 100.8 | 86.2 | 398.7 | 141.9 | 100.9 | 107.6 | 112.6 | 463.0 |
| Total items affecting comparability in EBITDA | -8.4 | -3.3 | -4.5 | -18.5 | -34.8 | -8.5 | -3.7 | -3.1 | -111.4 | -126.7 |
| Items affecting comparability in depreciation, amortization and impairments | 0.0 | 0.0 | 0.0 | -0.7 | -0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Operating profit (EBIT)** | 109.2 | 90.7 | 96.3 | 67.0 | 363.2 | 133.4 | 97.2 | 104.5 | 1.3 | 336.4 |
| | | | | | | | | | | |
| **ROCE AND OPERATIVE ROCE** | | | | | | | | | | |
| Operative EBIT | 117.6 | 94.0 | 100.8 | 86.2 | 398.7 | 141.9 | 100.9 | 107.6 | 112.6 | 463.0 |
| Operating profit (EBIT) | 109.2 | 90.7 | 96.3 | 67.0 | 363.2 | 133.4 | 97.2 | 104.5 | 1.3 | 336.4 |
| Capital employed [1)] | 2,092.9 | 2,032.1 | 1,963.2 | 1,920.1 | 1,920.1 | 2,244.5 | 2,221.5 | 2,188.9 | 2,155.5 | 2,155.5 |
| | | | | | | | | | | |
| Operative ROCE, % | 21.0 | 21.3 | 21.7 | 20.8 | 20.8 | 19.4 | 21.0 | 21.6 | 21.5 | 21.5 |
| ROCE, % | 14.9 | 15.0 | 15.2 | 18.9 | 18.9 | 18.7 | 20.1 | 21.3 | 15.6 | 15.6 |

| | | | | | 2024 | | | | | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **EUR million** | **1-3** | **4-6** | **7-9** | **10-12** | **Total** | **1-3** | **4-6** | **7-9** | **10-12** | **Total** |
| **NET WORKING CAPITAL** | | | | | | | | | | |
| Inventories | 292.6 | 299.9 | 301.3 | 307.9 | 307.9 | 421.5 | 383.9 | 347.5 | 281.8 | 281.8 |
| Trade receivables and other receivables | 449.4 | 434.6 | 434.9 | 420.1 | 420.1 | 517.6 | 494.4 | 496.8 | 468.2 | 468.2 |
| Excluding financing items in other receivables | -12.1 | -6.7 | -8.1 | -7.1 | -7.1 | -23.7 | -21.9 | -10.0 | -18.6 | -18.6 |
| Trade payables and other liabilities | 586.8 | 530.9 | 516.4 | 517.8 | 517.8 | 633.2 | 552.6 | 569.4 | 489.4 | 489.4 |
| Excluding financing items in other liabilities | -143.3 | -86.9 | -88.1 | -44.5 | -44.5 | -127.7 | -78.2 | -83.1 | -37.0 | -37.0 |
| **Net working capital** | 286.4 | 283.8 | 299.8 | 247.7 | 247.7 | 409.9 | 382.0 | 347.9 | 278.9 | 278.9 |
| | | | | | | | | | | |
| **INTEREST-BEARING NET LIABILITIES** | | | | | | | | | | |
| Non-current interest-bearing liabilities | 491.7 | 494.1 | 488.5 | 547.1 | 547.1 | 832.6 | 639.6 | 641.8 | 615.7 | 615.7 |
| Current interest-bearing liabilities | 456.1 | 258.9 | 254.9 | 263.6 | 263.6 | 148.8 | 325.5 | 327.8 | 322.1 | 322.1 |
| **Interest-bearing liabilities** | 947.8 | 753.0 | 743.5 | 810.7 | 810.7 | 981.4 | 965.1 | 969.6 | 937.8 | 937.8 |
| Cash and cash equivalents | 572.2 | 384.6 | 433.6 | 519.2 | 519.2 | 273.2 | 299.5 | 403.1 | 402.5 | 402.5 |
| **Interest-bearing net liabilities** | 375.6 | 368.4 | 309.8 | 291.5 | 291.5 | 708.2 | 665.5 | 566.5 | 535.2 | 535.2 |

1) 12-month rolling average.

# Quarterly Earnings Performance

| | | | | | 2024 | | | | | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **EUR million** | **1-3** | **4-6** | **7-9** | **10-12** | **Total** | **1-3** | **4-6** | **7-9** | **10-12** | **Total** |
| **Revenue** | | | | | | | | | | |
| Pulp & Paper | 422.9 | 412.4 | 399.0 | 412.4 | 1,646.7 | 504.6 | 421.2 | 403.6 | 418.8 | 1,748.2 |
| Industry & Water | 340.5 | 321.0 | 328.6 | 311.3 | 1,301.4 | 401.5 | 418.9 | 425.1 | 390.0 | 1,635.5 |
| **Total** | 763.3 | 733.4 | 727.6 | 723.7 | 2,948.1 | 906.0 | 840.1 | 828.7 | 808.8 | 3,383.7 |
| **EBITDA** 1) | | | | | | | | | | |
| Pulp & Paper | 88.0 | 67.0 | 66.6 | 60.8 | 282.4 | 100.9 | 63.9 | 68.7 | 74.5 | 308.0 |
| Industry & Water | 66.0 | 70.1 | 76.3 | 55.7 | 268.2 | 83.3 | 83.5 | 88.5 | -23.2 | 232.0 |
| **Total** | 154.1 | 137.1 | 142.9 | 116.5 | 550.7 | 184.1 | 147.4 | 157.2 | 51.3 | 540.0 |
| **EBIT** 1) | | | | | | | | | | |
| Pulp & Paper | 59.6 | 37.1 | 36.9 | 28.8 | 162.4 | 71.9 | 36.3 | 39.7 | 45.5 | 193.4 |
| Industry & Water | 49.5 | 53.6 | 59.4 | 38.2 | 200.8 | 61.5 | 61.0 | 64.8 | -44.3 | 143.0 |
| **Total** | 109.2 | 90.7 | 96.3 | 67.0 | 363.2 | 133.4 | 97.2 | 104.5 | 1.3 | 336.4 |
| Finance costs, net | -8.3 | -6.6 | -6.9 | -5.1 | -26.9 | -10.7 | -12.1 | -9.9 | -11.6 | -44.4 |
| **Profit before tax** | 100.9 | 84.1 | 89.4 | 61.9 | 336.3 | 122.7 | 85.1 | 94.6 | -10.3 | 292.0 |
| Income taxes | -21.9 | -18.7 | -22.2 | -10.8 | -73.6 | -27.2 | -17.4 | -19.3 | -16.7 | -80.7 |
| **Net profit for the period** | 79.0 | 65.4 | 67.2 | 51.1 | 262.7 | 95.4 | 67.7 | 75.2 | -27.1 | 211.3 |
| | | | | | | | | | | |
| **Net profit attributable to** | | | | | | | | | | |
| Equity owners of the parent | 75.8 | 62.0 | 63.6 | 48.0 | 249.4 | 92.9 | 64.7 | 71.7 | -30.2 | 199.1 |
| Non-controlling interests | 3.2 | 3.4 | 3.6 | 3.0 | 13.2 | 2.5 | 3.0 | 3.5 | 3.1 | 12.2 |
| **Net profit for the period** | 79.0 | 65.4 | 67.2 | 51.1 | 262.7 | 95.4 | 67.7 | 75.2 | -27.1 | 211.3 |
| | | | | | | | | | | |
| Earning per share, basic, EUR | 0.49 | 0.40 | 0.41 | 0.31 | 1.62 | 0.61 | 0.42 | 0.47 | -0.20 | 1.30 |
| Earning per share, diluted, EUR | 0.49 | 0.40 | 0.41 | 0.31 | 1.61 | 0.60 | 0.42 | 0.46 | -0.20 | 1.28 |

1) Includes items affecting comparability.

# Shares and shareholders

## Shares and share capital

On December 31, 2024, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles the holder to one vote at the Annual General Meeting.

## Shareholders

At the end of December 2024, Kemira Oyj had 48,255 registered shareholders (49,659 on December 31, 2023). Non-Finnish shareholders held 38.3% of the shares (34.7% on December 31, 2023), including nominee-registered holdings. Households owned 18.1% of the shares (19.0% on December 31, 2023). Kemira held 1,359,348 treasury shares (1,722,725 on December 31, 2023), representing 0.9% (1.1% on December 31, 2023) of all company shares.

A list of Kemira's largest shareholders is updated monthly and can be found on the company website at **kemira.com/investors**.

## Listing and trading

Kemira Oyj's shares are listed on Nasdaq Helsinki. The trading code for the shares is KEMIRA and the ISIN code is FI0009004824.

Kemira Oyj's share price increased by 16% during the reporting period and closed at EUR 19.52 on the Nasdaq Helsinki at the end of December 2024 (16.79 on December 31, 2023). The shares registered a high of EUR 24.58 and a low of EUR 15.96 in January-December 2024and the average share price was EUR 19.84. The company's market capitalization, excluding treasury shares, was EUR 3,006 million at the end of December 2024 (2,579 on December 31, 2023).

In January-December 2024, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 892 million (EUR 688 million in January-December 2023). The average daily trading volume was 183,567 shares (174,707 in January-December 2023). The total volume of Kemira Oyj's share trading in January-December 2024 was 63 million shares (57 million shares in January-December 2023), 25% (23% in January-December 2023) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

Up-to-date information on Kemira's share price is available on the company's website at **kemira.com/investors**.

## Dividend policy and dividend distribution

On December 31, 2024, Kemira Oyj's distributable funds totaled EUR 794,029,352 of which net profit for the period was EUR 183,609,785. No material changes have taken place in the company's financial position after the balance sheet statement date.

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 20, 2025 that a dividend of EUR 0.74 per share, totaling EUR 114 million, be paid on the basis of the adopted balance sheet for the financial year that ended on December 31, 2024. The dividend will be paid in two installments. The first installment, EUR 0.37 per share, will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment: March 24, 2025. The Board of Directors proposes that the first installment of the dividend be paid out on April 3, 2025. The second installment, of EUR 0.37 per share, will be paid in November 2025. The second installment will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2025. The record date is planned for October 28, 2025 and the dividend payment date for November 4, 2025 at the earliest. Kemira's dividend policy aims for a competitive dividend that increases over time.

## Board authorizations

The 2024 AGM authorized the Board of Directors to decide upon the repurchase of a maximum of 6,500,000 of the company's own shares ("Share repurchase authorization"). This corresponds to approximately 4.2% of all shares and votes in the company. The shares shall be repurchased by using unrestricted equity, either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the company's shareholders (directed repurchase). The price paid for the shares repurchased through a tender offer under this authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the shares quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. The price paid for the shares repurchased through directed repurchase under the authorization shall be based on the share price formed in public trading on the date of the repurchase or a price otherwise formed on the market. The shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki and the rules of Euroclear Finland Ltd, as well as other applicable regulations. The shares may be repurchased to be used in implementing or financing mergers and acquisitions, or for developing the company's capital structure, improving the liquidity of the company's shares or for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. In order to realize the aforementioned objectives, the shares acquired may be retained, transferred further or cancelled by the company. The Board of Directors shall decide upon how the shares are to be repurchased and on the other terms related to any share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting. The authorization was not used by December 31, 2024.

The Annual General Meeting authorized the Board of Directors to decide to issue, through one or through several share issues, a maximum of 15,600,000 of new shares and to transfer a maximum of 7,800,000 of the company's own shares currently held by the company ("Share issue authorization"). The new shares may be issued and the company's own shares held by the company may be transferred, either for consideration or without consideration. The new shares may be issued and the company's own shares held by the company may be transferred to the company's shareholders in proportion to their current shareholdings in the company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or, if it is justified, for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the company's share-based incentive plans. The subscription price of new shares shall be recorded in the invested unrestricted equity reserves. The consideration payable for the company's own shares shall be recorded in the invested unrestricted equity reserves. The Board of Directors shall also decide upon any other terms related to the share issues. The Share issue authorization is valid until May 31, 2025. The share issue authorization has been used and shares owned by the Group were conveyed to members of the Board of Directors and key employees in connection with their remuneration.

## Management shareholding

The members of the Board of Directors as well as the Interim President and CEO and his Deputy held 280,562 (214,529) Kemira Oyj shares on December 31, 2024 or 0.18% (0.14%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Antti Salminen, President and CEO, held 99,166 shares on December 31, 2024. Members of the Management Board, excluding the President and CEO and his Deputy, held a total of 286,517 shares on December 31, 2024 (245,128), representing 0.18% (0.16%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Up-to-date information regarding the shareholdings of the Board of Directors and Management is available on Kemira's website at **kemira.com/investors**.

## LARGEST SHAREHOLDERS DEC 31, 2024

| | Shareholder | Number of shares | % of shares and votes |
|---|---|---|---|
| 1 | Oras Invest Ltd | 35,103,000 | 22.6 |
| 2 | Varma Mutual Pension Insurance Company | 5,732,678 | 3.7 |
| 3 | Nordea Funds | 4,540,904 | 2.9 |
| 4 | Ilmarinen Mutual Pension Insurance Company | 3,959,870 | 2.6 |
| 5 | Elo Mutual Pension Insurance Company | 2,330,000 | 1.5 |
| 6 | Etola Group Oy | 1,000,000 | 0.6 |
| 7 | Veritas Pension Insurance Company Ltd. | 870,000 | 0.6 |
| 8 | Laakkonen Mikko Kalervo | 770,000 | 0.5 |
| 9 | The State Pension Fund | 760,000 | 0.5 |
| 10 | Säästöpankki Funds | 651,936 | 0.4 |
| 11 | Nordea Life Assurance Finland Ltd. | 640,721 | 0.4 |
| 12 | Pohjola Fund Management | 500,641 | 0.3 |
| 13 | Seligson Funds | 494,153 | 0.3 |
| 14 | Paasikivi Pekka Johannes | 462,200 | 0.3 |
| 15 | Valio Pension Fund | 379,450 | 0.2 |
| | Kemira Oyj | 1,359,348 | 0.9 |
| | Nominee registered and foreign shareholders | 59,106,429 | 38.1 |
| | Others, Total | 36,681,227 | 23.6 |
| | **Total** | **155,342,557** | **100.0** |

## SHAREHOLDINGS BY NUMBER OF SHARES HELD ON DEC 31, 2024

| Number of shares | Number of shareholders | % of shareholders | Shares total | % of shares and votes |
|---|---|---|---|---|
| 1 - 100 | 18,959 | 39.3 | 884,776 | 0.6 |
| 101 - 500 | 17,674 | 36.6 | 4,649,936 | 3.0 |
| 501 - 1,000 | 5,561 | 11.5 | 4,250,058 | 2.7 |
| 1,001 - 5,000 | 5,105 | 10.6 | 10,614,751 | 6.8 |
| 5,001 - 10,000 | 535 | 1.1 | 3,823,615 | 2.5 |
| 10,001 - 50,000 | 337 | 0.7 | 6,471,254 | 4.2 |
| 50,001 - 100,000 | 32 | 0.1 | 2,260,115 | 1.5 |
| 100,001 - 500,000 | 37 | 0.1 | 7,631,223 | 4.9 |
| 500,001 - 1,000,000 | 7 | 0.0 | 5,342,805 | 3.4 |
| 1,000,001 - | 8 | 0.0 | 109,414,024 | 70.4 |
| **Total** | **48,255** | **100.0** | **155,342,557** | **100.0** |

# Information for investors

## Financial reporting in 2025

Kemira will publish three financial reports in 2025:

| | |
|---|---|
| Interim report January-March 2025 | April 25, 2025 |
| Half-year financial report January-June 2025 | July 18, 2025 |
| Interim report January-September 2025 | October 24, 2025 |

The financial reports and related presentation material are available on Kemira's website at **kemira.com/investors**. Furthermore, Kemira's stock exchange and press releases, Annual Reports (incl. Corporate Responsibility Report and Financial Statements) and other investor information are also available on the website. On the site, visitors can register to receive releases by e-mail and order the company's Financial Statements.

## Investor communications

The purpose of Kemira's investor communications is to provide capital markets with open and reliable information on the company and its operating environment in order to give market participants a factual overview of Kemira as an investment.

Kemira's investor communications aims to ensure that everyone operating in the markets has equal access to sufficient and correct information concerning the company, and to ensure that information is disclosed consistently and without delay.

Kemira Oyj is domiciled in Helsinki, Finland, and the company's shares are listed on Nasdaq Helsinki. Kemira Oyj complies with the laws of Finland and the regulations of Nasdaq Helsinki and Finland's Financial Supervisory Authority.

## Silent period

Kemira observes a silent period before issuing financial statements or interim reports. During the period, Kemira's representatives do not comment on Kemira's financial statements or interim reports for the ongoing reporting period the specific silent period relates to. The schedule for the silent period and publication of financial information and closed periods is displayed on Kemira's website under Investors > Investor Calendar. Kemira's Investor Relations function is responsible for keeping the calendar up-to-date.

## Annual General Meeting

Kemira's Annual General Meeting will be held on Thursday, March 20, 2025 at 1.00 p.m. EET at Finlandia Hall, Mannerheimintie 13e Helsinki, Finland. Shareholders who on the record date of the Annual General Meeting, March 10, 2025, are registered in the company's shareholders' register maintained by Euroclear Finland Ltd, are entitled to attend in the Annual General Meeting and exercise their rights as shareholders by voting in advance. Registered shareholders who are not attending the meeting in person, have the possibility to follow the Annual General Meeting via a live webcast, which is not deemed as official participation.

Registration for the Annual General Meeting will begin on February 25, 2025 and invitation and registration instructions have been published on February 11, 2025 as a stock exchange release and at Kemira's web site at **kemira.com/agm2025**.

Kemira will release a stock exchange release on the Annual General Meeting's decisions immediately after the meeting.

## Dividend distribution

For dividend proposal, please see page 185.

## Change of address

Kemira's shareholders are kindly requested to report any change of address to the bank or brokerage firm in which they have their book-entry account. This will also update information in registers, maintained by Euroclear Finland Ltd, which Kemira uses to send mail to its shareholders.

## Investor relations

Mikko Pohjala, Vice President, Investor Relations
+358 40 838 0709
mikko.pohjala@kemira.com

Heidi Lehmuskumpu, Investor Relations Manager
+358 40 593 4611
heidi.lehmuskumpu@kemira.com

## Basic share information

Listed on: Nasdaq Helsinki Ltd
Trading code: KEMIRA
ISIN code: FI0009004824
Industry group: Materials
Industry: Chemicals
Number of shares on December 31, 2022: 155,342,557
Listing date: November 10, 1994