



Talent and corporate culture in change

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EVP, Human Resources, Kemira

Water is the connection

kemira

Over 75% of Kemira's business is water-related

Mission Efficient use and reuse of water

Vision A leading water chemistry company

Strategy Improve water-related processes through chemistry applications



Global water chemistry company ~2.2B€ revenue

Sites: ~80

Countries: 40

Personnel: ~5000

North America

660 MEUR (31%)

Personnel: ~1400

Europe, Middle East and Africa

1207 MEUR (56%)

Personnel: ~3000

Asia Pacific


137 MEUR (6%)

Personnel: ~300

South America

157 MEUR (7%)

Personnel: ~400

 Countries with Kemira sites

The Kemira journey



Until 2008

Diversified
chemical
company

2008-2010

Transformation into a
water chemistry
company

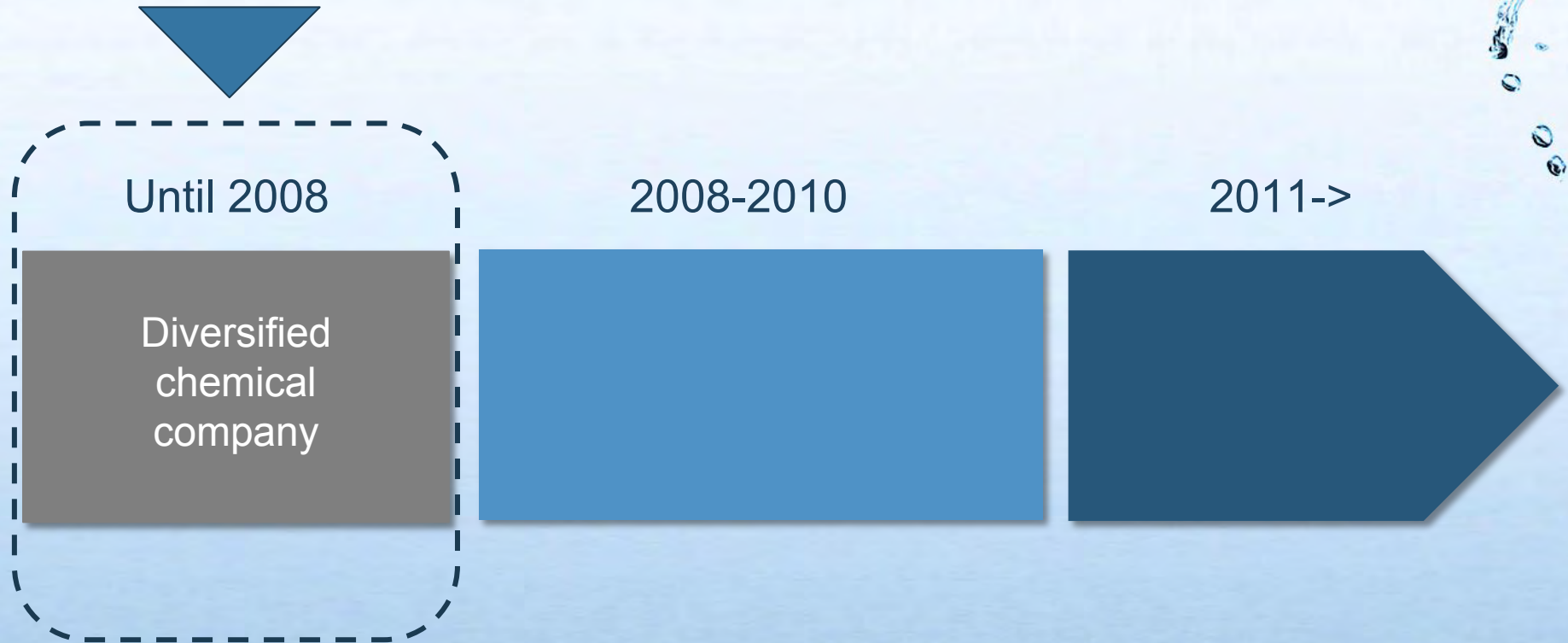
2011->

Becoming a global
water chemistry
leader

Divestments, minority JVs, exits

Phase 1: diversified and fragmented

Global precense from talent point of view



Growth in market share thru acquisitions

2004

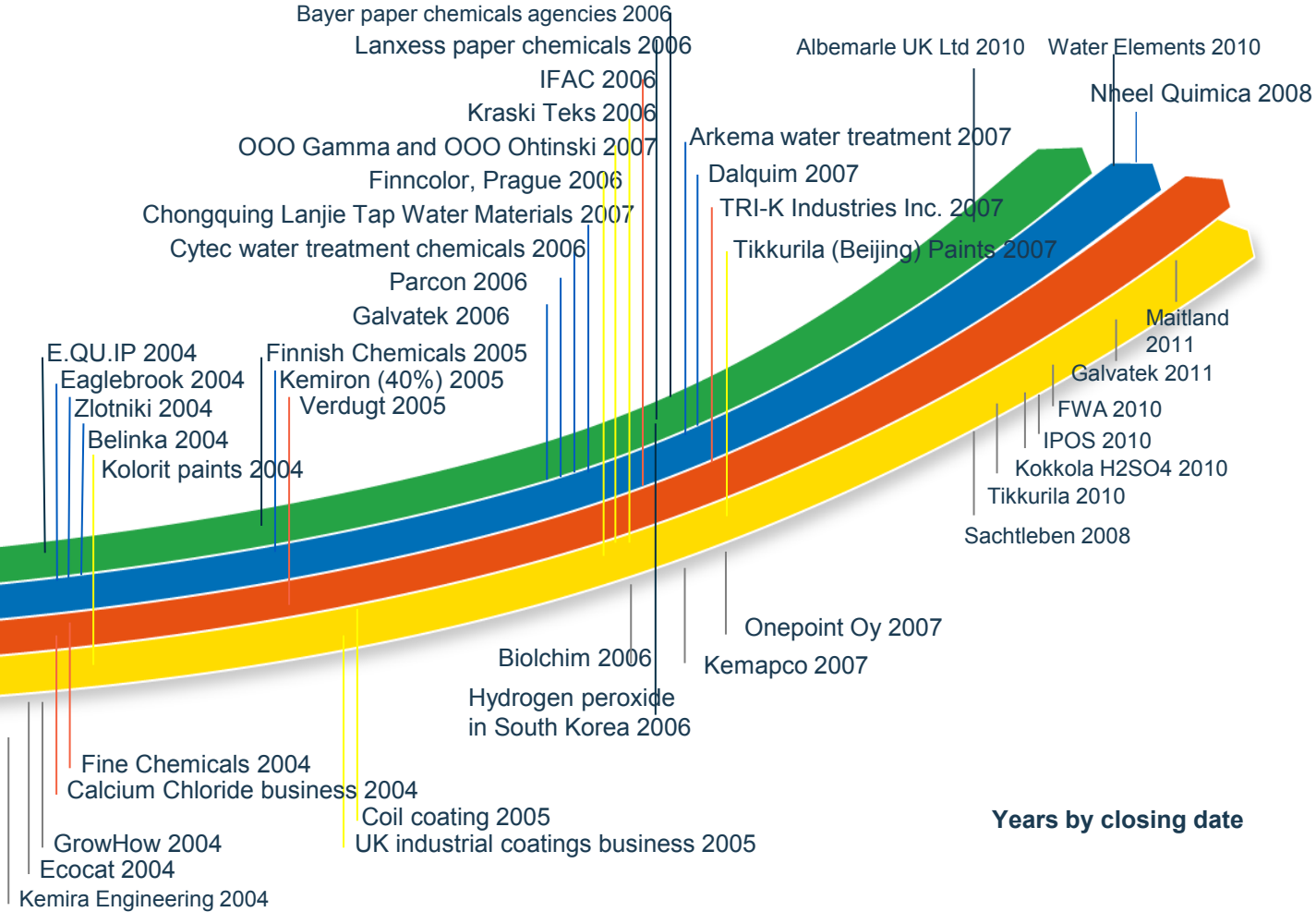
2006

2007

Acquisitions

- Paper
- Municipal & Industrial
- ChemSolutions
- Tikkurila

Divestments



Culture and talent aspects – diversified



Cultural direction

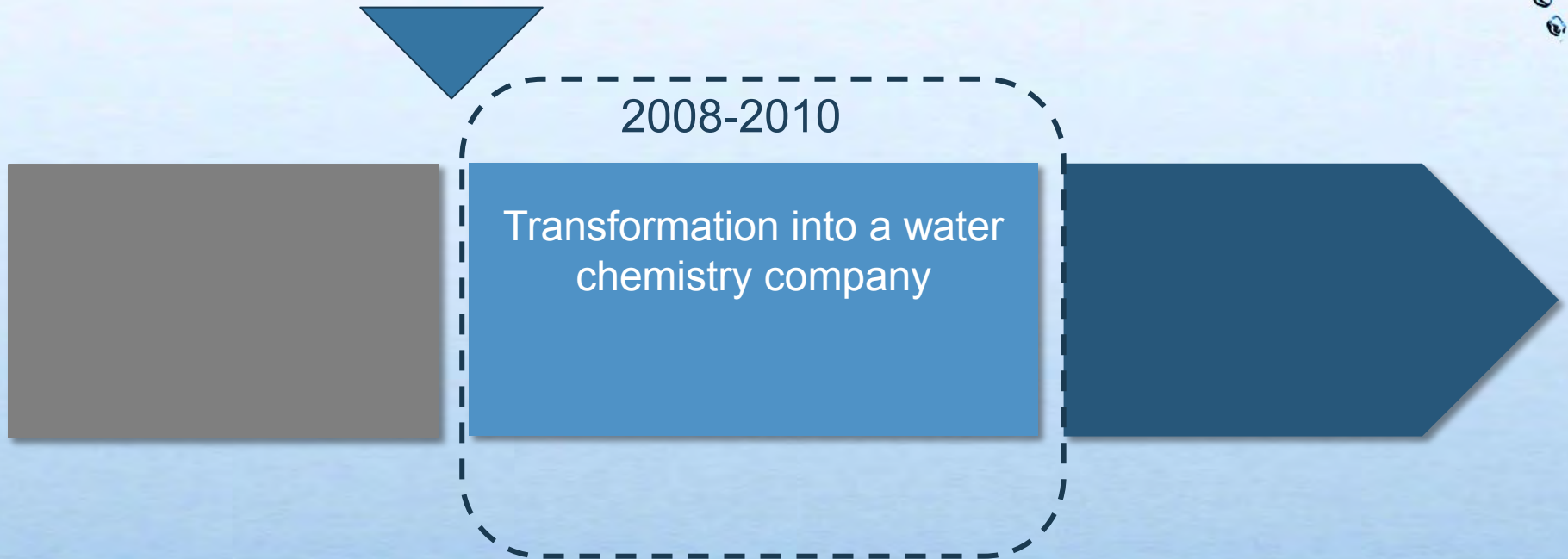
- Many local and business specific sub-cultures
- Competition rather than synergy between segments
- Externally weak employer brand

Talent approach

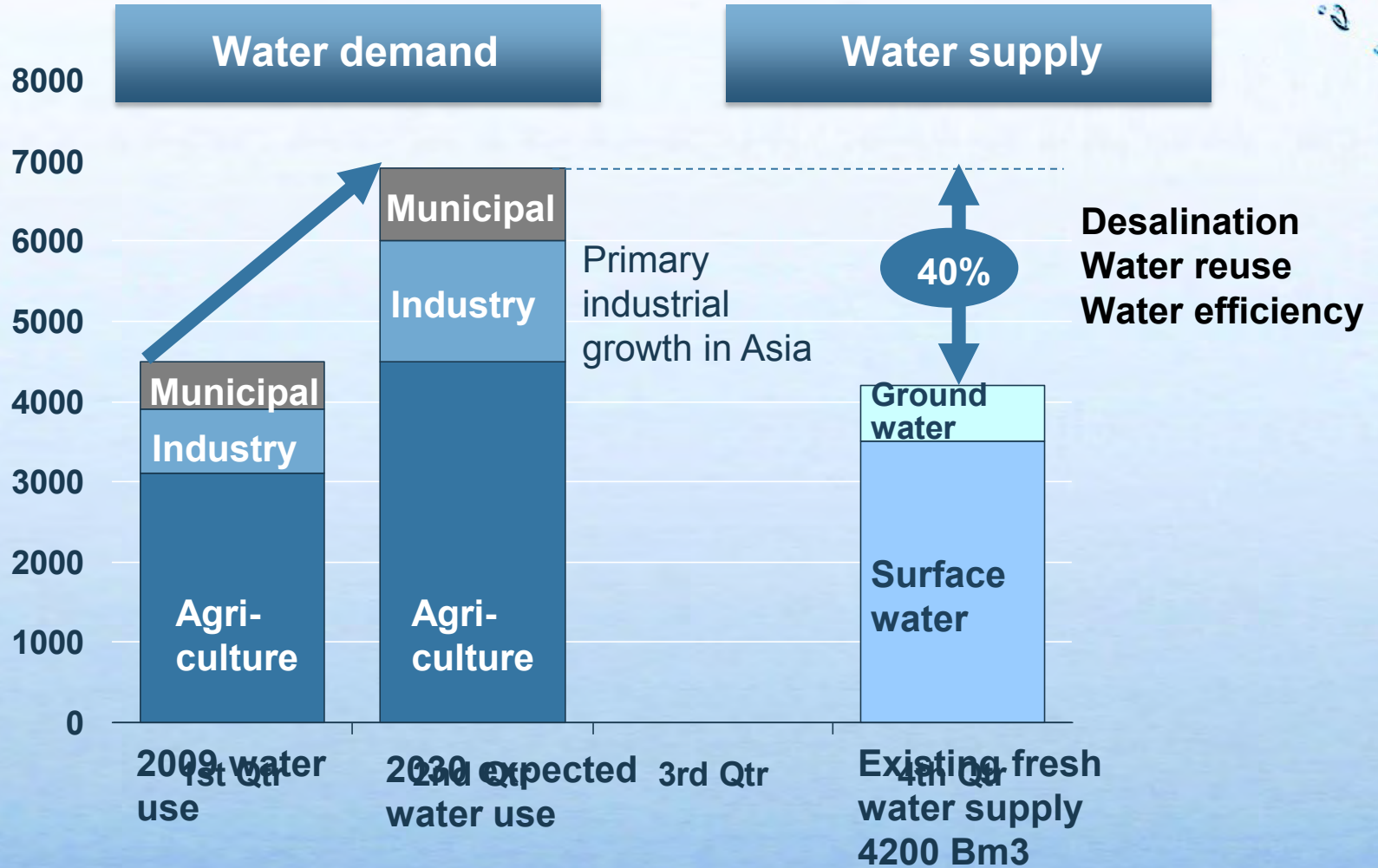
- Talent into Kemira from many chemical fields through acquisitions
- No systematic company level approach for talent / people management or leadership

Phase 2: Transformation

- A lot of water related chemistries inside Kemira!
- Broad talent and knowledge base



Growing gap between global water demand and supply



Culture and talent aspects – transformation



Cultural direction

- In-house approach – strong engagement
- Collaboration a must to run the business
- Common values shaping behaviour to support the new strategy

Talent approach

- Identify internal pockets of talent to create business, processes and platforms
- Complement with external talent with special skills
- Create key people/ talent management processes to attract, retain, lead and develop

Leveraging human capital for culture creation

Key initiatives

Implementation of new strategy

Renewal of Kemira Brand
"The leading water company"

Organisational restructuring

Developing fundamental processes and KPIs

What kind of values and way of working principles are needed to create an Unified Kemira?

Internal/external drivers to be considered

Fragmented company cultures

Integration of acquired companies still in progress

Rapid changes in business environment

Values – developed with over 1000 people

Engaging process – invited employees to develop future company culture

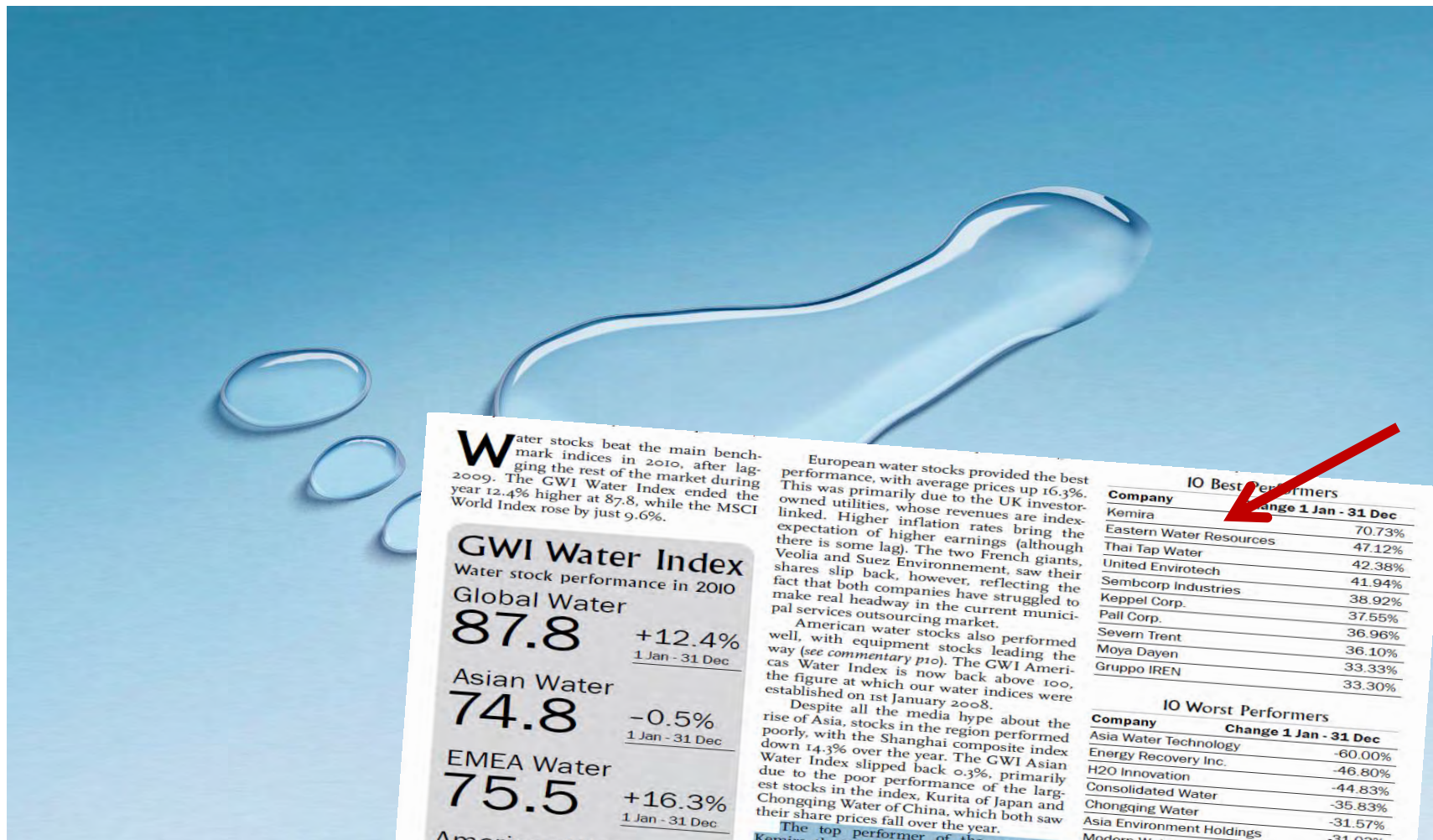
Inclusive process – engaged employees from all levels of the organization

Appreciative process – respected strengths from our heritage, but acknowledged future opportunities, revealing best practices and success stories

Owned by us – minimal use of external support, mobilised internal experts and leaders to facilitate the process



Kemira became a Water Brand



Water stocks beat the main benchmark indices in 2010, after lagging the rest of the market during 2009. The GWI Water Index ended the year 12.4% higher at 87.8, while the MSCI World Index rose by just 9.6%.

GWI Water Index	
Water stock performance in 2010	
Global Water	87.8 +12.4%
	1 Jan - 31 Dec
Asian Water	74.8 -0.5%
	1 Jan - 31 Dec
EMEA Water	75.5 +16.3%
	1 Jan - 31 Dec
Americas Water	105.0 +15.0%

European water stocks provided the best performance, with average prices up 16.3%. This was primarily due to the UK investor-owned utilities, whose revenues are index-linked. Higher inflation rates bring the expectation of higher earnings (although there is some lag). The two French giants, Veolia and Suez Environnement, saw their shares slip back, however, reflecting the fact that both companies have struggled to make real headway in the current municipal services outsourcing market.

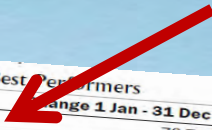
American water stocks also performed well, with equipment stocks leading the way (see commentary p10). The GWI Americas Water Index is now back above 100, the figure at which our water indices were established on 1st January 2008.

Despite all the media hype about the rise of Asia, stocks in the region performed poorly, with the Shanghai composite index down 14.3% over the year. The GWI Asian Water Index slipped back 0.3%, primarily due to the poor performance of the largest stocks in the index, Kurita of Japan and Chongqing Water of China, which both saw their share prices fall over the year.

The top performer of the year was Kemira, the Finnish water treatment chemicals company. Besides enjoying a strong recovery in terms of revenues, the stock benefited from becoming a water pure-play in March 2010, when the Tikkurila paint

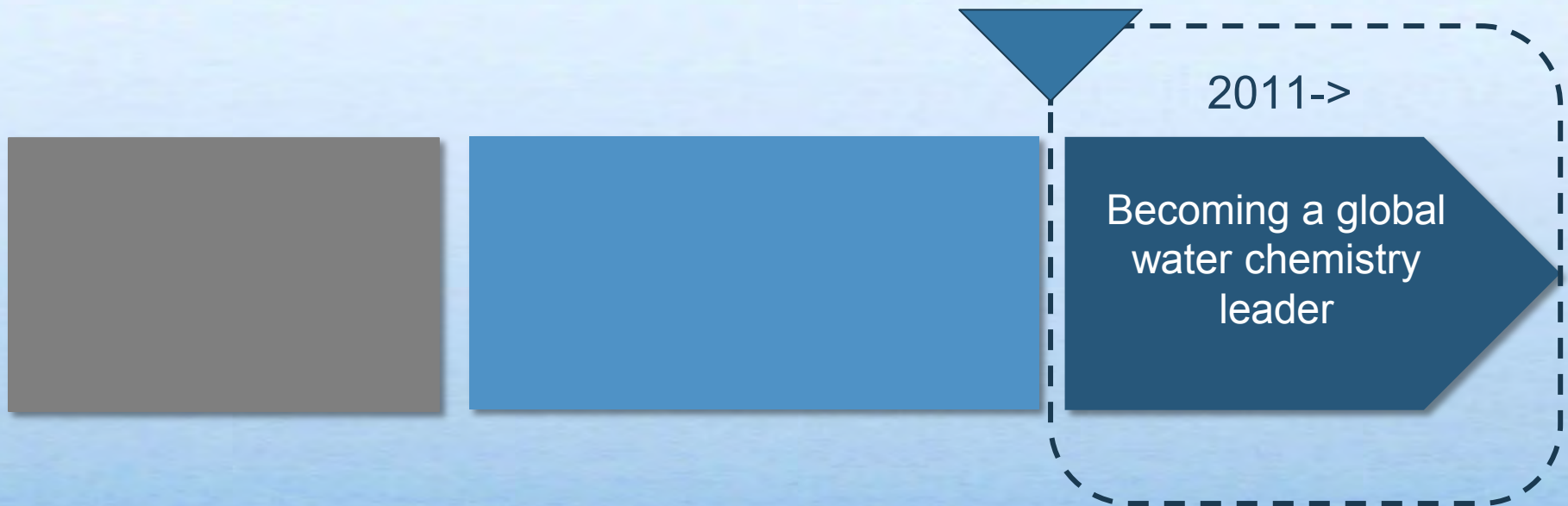
IO Best Performers	
Company	Change 1 Jan - 31 Dec
Kemira	70.73%
Eastern Water Resources	47.12%
Thai Tap Water	42.38%
United Envirotech	41.94%
Sembcorp Industries	38.92%
Keppel Corp.	37.55%
Pail Corp.	36.96%
Seyern Trent	36.10%
Moya Dayen	33.33%
Gruppo IREN	33.30%

IO Worst Performers	
Company	Change 1 Jan - 31 Dec
Asia Water Technology	-60.00%
Energy Recovery Inc.	-46.80%
H2O Innovation	-44.83%
Consolidated Water	-35.83%
Chongqing Water	-31.57%
Asia Environment Holdings	-31.03%
Modern Water	-25.05%
Puncak Niaga	-24.09%
Mueller Water	-19.81%
Bio-Treat Technology	-16.67%

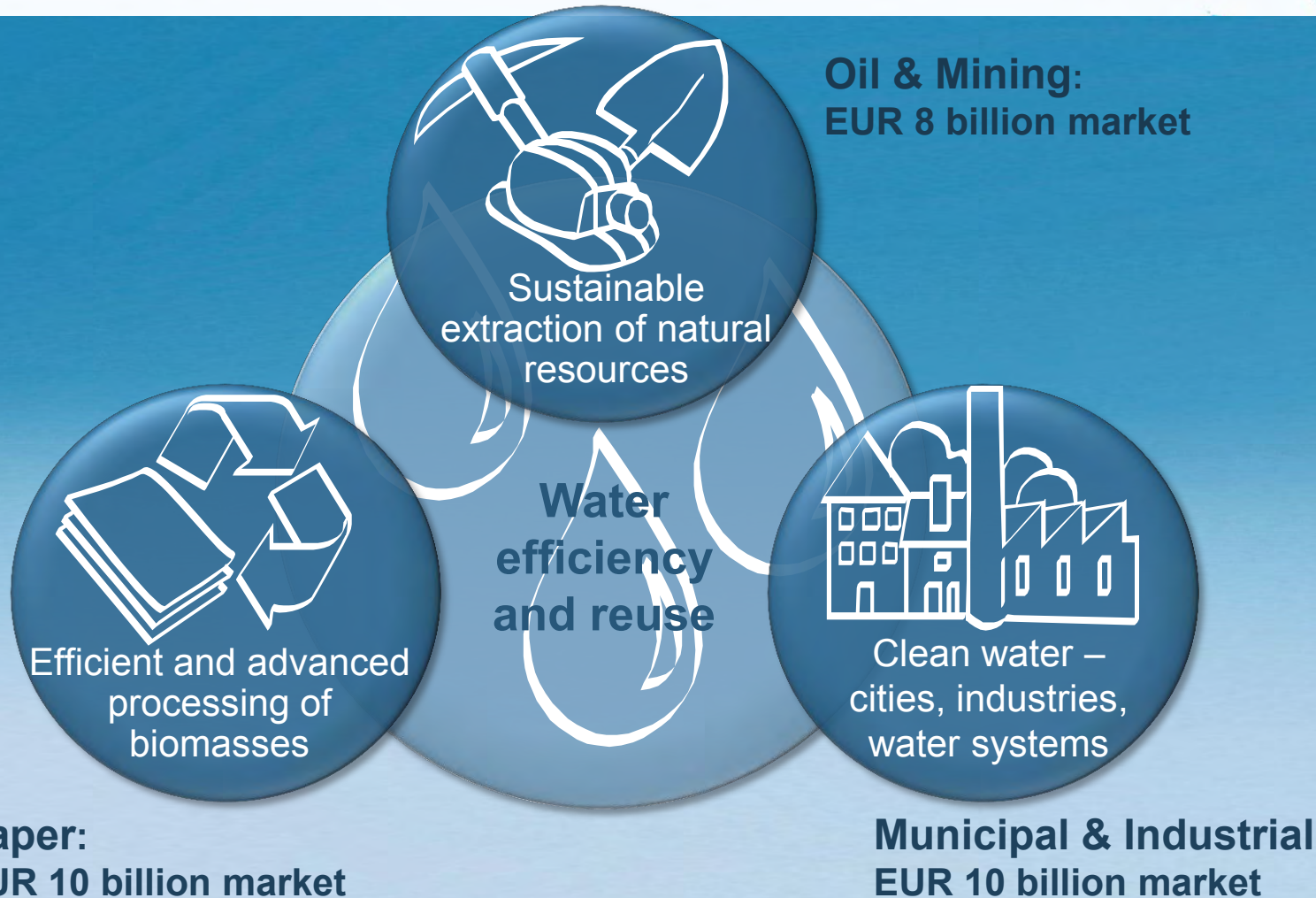


Phase 3: Leading water chemistry company

- Synergistic water strategy works!
- We need to go deeper in selected customer segments, technology areas and regions



Addressing water related megatrends

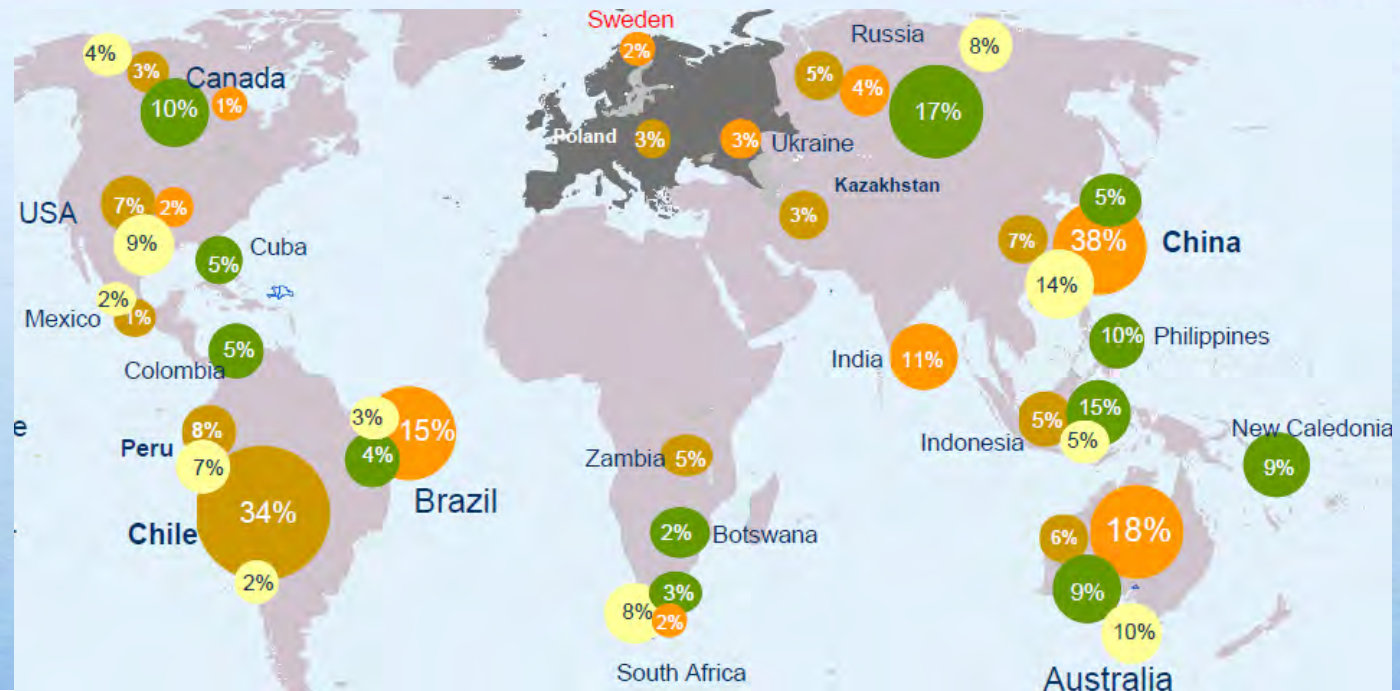


How to find the right talent for the right place

- Specific understanding of customer processes
- Chemical technology knowledge
- Right location to ensure customer support
- Personality and mindset for open, consultative customer engagement

● Iron Ore ● Nickel ● Copper ● Gold

Metal production



Culture and talent aspects – leader 2011 ->

Cultural direction

- Strong collaboration and co-creation both externally and internally for customer success and innovation
- Commitment to corporate sustainability

Talent approach

- Find and charm niche talent for growth – key customer industries and emerging markets
- Towards agile offerings for employees
- Attract, retain, lead and develop by innovative culture