

# PULP 3/2014 DIRECT

**UPM** PULP • CUSTOMER NEWSLETTER

## UPM PULP CUSTOMER SURVEY 2014: ON THE RIGHT TRACK

**THE RESULTS ARE IN.** A comprehensive survey asked customers from both Europe and Asia to share their experiences and impressions of UPM Pulp. Your valuable feedback will lay the ground for our operations for years to come.

**REASONS FOR  
CONSIDERING UPM  
PULP A LEADER INCLUDE  
PRODUCT RANGE, STABLE  
SUPPLY, CONSISTENT  
QUALITY AND GOOD  
RELATIONS.**



**Bengt Blomberg**  
Director for Sales to the New Markets  
and Technical Customer Service

**Tomas Wiklund**  
Vice President  
Sales and Marketing

We had a chat with UPM Pulp's **Tomas Wiklund**, Vice President for Sales and Marketing and **Bengt Blomberg**, Director for Sales in the New Markets and Technical Customer Service, about their insights on the survey – and more importantly to share their thoughts on what is going to happen next.

This was the first customer survey for UPM's young market pulp organisation. In 2012 a study was conducted to establish what qualities customers expected from an ideal pulp supplier.

"Now we have asked our customers to rate and rank us. We wanted direct feedback on whether we are on the right track or not," Tomas says.

He continues to say that the overall and many subcategory results were surprisingly positive.

"When asked which company they consider a market leader in pulp, almost half of the respondents mentioned us. I'm extremely happy that so many acknowledged our work, built in such a short period of time."

UPM Pulp shared the top spot in the survey, but what does it require to

differentiate yourself and become a market leader? According to respondents, product range, stable supply, consistent quality and good relations are UPM Pulp's strong suits. They were also considered a leader in sustainability, innovation and communications.

Bengt says that the information from the survey is vital for future planning.

"Without this contribution and the continuous dialogue with our customers we wouldn't be able to evolve and improve our products and services. We really appreciate their opinions.

"I'm extremely happy that so many acknowledged our work, built in such a short period of time."

"And by giving us honest feedback, customers are in a way successfully enhancing their own business too," Tomas adds.

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### **FINE-TUNING THE SERVICE**

It may sound surprising for a company that is more than 100 years old to be the new kid on the block, but UPM is still taking its first major steps in market pulp on this scale. The survey results suggested that after the rapid growth rate of recent years, UPM Pulp needs to get certain routines in place to ensure better service.

"Sometimes it feels that we have tried to run a bit faster than we were able to when supplying customers with pulp. We will improve the setup and flexibility of different moving parts along the value chain, such as logistics and warehousing," Tomas says.

"In Asia, UPM Pulp has set up an efficient service organisation that is able to quickly respond to customer inquiries."

Bengt also emphasises the fact that most people are new to UPM Pulp.

"Long term relationships and close commercial contacts create an environment of trust. They are now in the making. We are working hard with our customers and partners across the board building history together."

### **HIGH-SCORING TECHNICAL CUSTOMER SUPPORT**

The impact of localised technical service on customer satisfaction was one of the key findings in the survey. In Asia, UPM Pulp has set up an efficient service organisation that is able to quickly respond to customer inquiries.

Bengt says that the Shanghai team got remarkably high scores in the survey.

"I have all faith in our people and I'm very pleased to see that their work is also valued by our customers."

The model where a pulp supplier's technical customer service managers are in constant contact with customers and visit their mills is common in Europe. However, in China UPM is one of the few companies who have managed to build an effective service organisation of both commercial and technical pulp experts.

"It seemed natural to set up a strong local presence in China, since the Asian market is on a different continent from all our pulp mills. A millbased technical customer service team would have been far too slow to react to urgent customer cases," Bengt says.

But why did UPM Pulp's European technical team get lower scores than their Asian colleagues?

"It's simply because our Shanghai office has a year's head start assembling their team. In Europe, our young organisation hasn't been able to establish enough direct contacts."

Bengt explains that since this has been more of a quantity issue than a quality issue, it's easy to fix.

"We have just reinforced our European technical customer service team and we are implementing all the best practices from Shanghai."

### **SUSTAINABILITY LEADERSHIP**

Sustainability and environmental issues were well covered in the survey and UPM Pulp's responsibility approach was ranked highly: 42% of respondents rated UPM as the leader in the field of sustainability.

"The feedback we got is very encouraging, but the survey once again

underlines the complexity of the matter," Tomas says.

When dealing with multidimensional things, people tend to pick simpler topics within the overall theme. This is why the importance of sustainability topics differs greatly depending on who you ask. Geographical location, industry, business environment, the person's position within their organisation and personal preferences all affect the results.

"Our customer produces a fibre product – for example, tissue. Then it's converted, shipped to retailers and sold to consumers. All of these parties can have completely different views on what is important in sustainability," Tomas explains.

Bengt agrees that due to the vastness of the topic, it's essential to get your message through the right way.

"Customers' focus on sustainability might vary, but ultimately it's a global issue. We have a great story to tell – and third party proven facts, certificates and world class performance to back it up. It's an integral part of UPM Pulp's communications to put the good work we do across."



Our technical customer service team from left to right: Niklas, Roberto, Wenxia, Päivi, Kirsi and Ines.

### SPONTANEOUS REACTIONS



Almost 90% of respondents had a positive or very positive attitude towards UPM Pulp.

## SURVEY HIGHLIGHTS

### THE MOST PLEASANT SURPRISE



**3 out of 4** ranked our Shanghai team as market leading technical support.



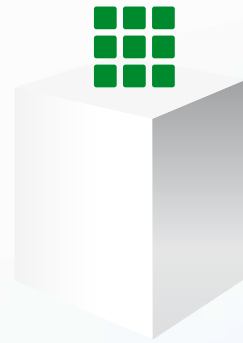
### THE BIGGEST DIFFERENCE



UPM Pulp was considered **four times more often** than our nearest competitor as market leader in the area of sustainability.

# WHAT MATTERS TO YOU THE MOST?

THESE ARE THE FACTORS YOU CONSIDER MOST WHEN CHOOSING A PULP SUPPLIER.



**1** Consistent product quality



**2** Price setting and payment terms

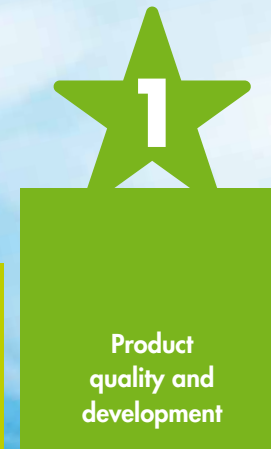


**3** High level of product quality



**4** Security of supply

WHAT ARE THE MOST IMPORTANT FUTURE TOPICS WE CAN HELP YOU WITH AS YOUR PULP SUPPLIER?



# BRINGING TECHNICAL SERVICE NEAR YOU

Ines has just joined the Mannheim office as the new Technical Customer Service Manager in Europe. Her arrival is an integral part of UPM Pulp's plan to strengthen its European presence and an immediate response to customer feedback.

"Customers expressed their need for faster response times and more hands-on service," she says.

Ines explains that traditional troubleshooting is only one of many services she will be proactively providing.

"I think our customers don't yet fully realise the breadth and depth of our technical service offering – and how it could benefit them. This is a great opportunity for me to introduce the many possibilities of our pulp portfolio, fibre optimisation and sustainability performance."

She also encourages customers to take full advantage of UPM's global research organisation.

"For example, our technical service team in Asia has completed several successful development projects and R&D cases in cooperation with customers," Ines explains.

## EUCALYPTUS EXPERT

Ines' background is deep in pulp made from plantation grown eucalyptus. The chemical engineer took part in the construction and start-up of the Fray Bentos mill in 2007. Since then, she has worked in the pulp-making process, product development and in technical support. Ines knows UPM Euca like the back of her hand.

"I will bring my expertise on UPM Euca to the table, and really help our customers to find exactly the right furnish," the Uruguayan says.

Ines describes UPM Euca as a well-balanced and versatile pulp suitable for tissue, speciality papers and also for printing and writing papers, the end-use it was originally designed for.

"Customers will get the best out of our fibres, so that they will produce desired and predictable results."

As the eucalyptus pulp expert and Product Manager for UPM Euca, Ines will cooperate closely with her colleague **Niklas Keskinen**, Product Manager for UPM Betula and UPM Conifer, when it comes to technical support concerning the pulps

The next months will be incredibly busy for **Ines Eluen**. She started in her new job in Europe in October.

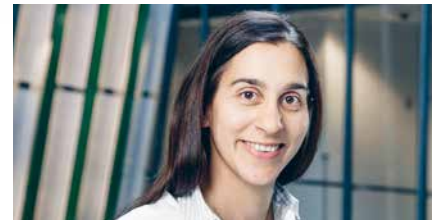
manufactured by UPM's Finnish mills. Together Ines and Niklas will act as a link between customers and all UPM Pulp's mills.

"We are building long term relationships and mutual trust with our customers. Now we are able to pass their requirements straight to our mills and take action accordingly," Ines says.

She is ready to tackle these interesting times head on.

"The paper industry in Europe is facing probably the biggest test in its history. My message is this: If you have a challenge, challenge us too. Give us a chance and you won't be disappointed," she wraps up.

## WANT TO TALK TECH IN EUROPE? GET IN TOUCH WITH US



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# RESPONSIBILITY RECOGNISED

UPM was acknowledged once again for its continuous work on corporate responsibility when the company was listed in the Dow Jones Sustainability Indices for 2014–2015.

The Dow Jones Sustainability Index (DJSI) tracks the stock performance of leading sustainability-driven companies. The global index is one of the most recognised measuring and benchmarking tools for investors worldwide.

This year only 319 companies were able to secure their spot in the World Index and 154 in the European Index out of over 3000 publicly traded companies invited to report on their sustainability practices.

The DJSI consists of industry groups that are further divided into industry sectors fronted by leaders which are selected annually. UPM was listed as industry leader in the Paper and Forest industry sector, which belongs to the Materials Industry Group, led by the world's largest manufacturer of paints and coatings, Akzo Nobel.

What does it take to get nominated then? A multifaceted corporate appraisal is performed in three main focus areas: economic, environmental and social sustainability. These areas are rated in a total of 24 subcategories ranging from codes of conduct, corporate governance and customer relationships to sustainable raw materials, environmental reporting and stakeholder engagement. UPM got the best



Timo Lehesvirta

score within its industry sector in 10 of the subcategories. The evaluation was based on investment specialist RobecoSAM's systematic sustainability assessment.

## THE FORMULA FOR SUCCESS

It's no coincidence that UPM has been listed in the Dow Jones Sustainability Indices for the third year in a row. The corporate Biofore strategy effectively promotes sustainability throughout all operations. More importantly, the strategy truly works at an everyday level, thanks to strong policies and standards, transparency and an appetite for development. One great example of this is the company's forest management and wood sourcing.

Well-maintained forests are the lifeblood of UPM pulp mills. **Timo Lehesvirta**, Director, Forests Global, says that UPM's ability to secure sustainable

wood is a result of long term development of best practices in their own forests in Finland and Uruguay.

"Today, private forest and land owners reap the benefits. We provide them with a comprehensive assortment of services and forest certification, and in turn they provide us with legal, traceable, high quality wood."

UPM's sustainable forest management is based on the Group's global biodiversity programme, careful preservation of water systems, actions combating climate change and active cooperation with different stakeholders.

According to Timo, with this combination of strategic cornerstones UPM was able to obtain excellent scores in the Dow Jones Sustainability Indices, but also position itself as a trustworthy company for business customers and forest owners alike.

"The forest owners rely on us to treat and harvest their wood responsibly," he says.

"We are committed to further development. We will continue to emphasise responsible sourcing of wood fibres, involve various interest groups and provide openness in our operations."

[www.upmpulp.com/responsibility](http://www.upmpulp.com/responsibility)

FROM  
THE  
EDITOR



Dear Reader,

In addition to the topics covered within this newsletter, we also asked our customers in the survey about their preferences in getting information about the latest UPM Pulp and general industry news and trends.

We learnt that trade fairs, industry associations and trade magazines continue to be important sources of information. We in pulp and paper business are obviously pro-paper but we recognise that digital channels are changing the ways we consume news and information. According to respondents, e-mail and websites are important information vehicles, whereas social media has not yet achieved a similar position. We discovered that in Asia digital channels are preferred compared with Europe, where personal contact is still liked the best. When online, the personal computer is still the main device for viewing digital communication, however mobile devices are gaining ground.

We are grateful for all the feedback received. We use it to develop our marketing and communications further to provide you with useful and relevant content across the channels that will reach you best.

## SARI HÖRKKÖ

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UPM was rated as the leader in these categories within the Paper and Forest industry sector.

**ECONOMIC**

**Leader in**

- Corporate Governance
- Customer Relationship Management
- Ecosystem services
- Supply Chain Management

**ENVIRONMENTAL**

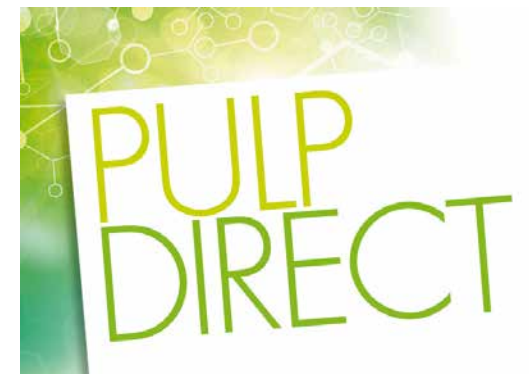
**Leader in**

- Environmental Reporting
- Sustainable Fibre and Pulp Sourcing
- Sustainable Management of Forests

**SOCIAL**

**Leader in**

- Human Capital Development



## AT THE TOP OF THE A LIST

UPM was also rated high in CDP's Climate Performance Leadership Index 2014. Although we are newcomers in this global index, UPM was already able to achieve the highest possible score: 100 out of 100 points. We were the only forest industry company in the world to reach the A100 level.

The A list includes 187 companies that exemplify in doing the most to mitigate climate change. According to CDP, the leading companies invest more to decrease emissions and provide a high level of transparency in their disclosure of climate-related information. Leaders are also enjoying good financial results from their efforts.



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## HIGH LEVEL OF CERTIFICATION

While only about 10% of the world's forests are certified, over 80% of all wood used by UPM is certified. Every UPM-owned forest falls under a major certification scheme, such as PEFC™ and FSC®.

TONNES  
 OF TRUST  
**UPM PULP**