

30 March 2015

## **UPM PULP BUSINESS ENVIRONMENTAL RULES**

The UPM Code of Conduct sets forth baseline standards for all company operations and the behaviour expected of every individual at UPM. It also recognises environmental practices as an important focus area for long-term sustainable business. The Code is supplemented as needed by more detailed rules and guidelines. These UPM Pulp Environmental Rules must be observed by all UPM Pulp Business units and their employees. They shall also apply to all new investments and production units acquired in the future.

All UPM Pulp Business units shall carry out their business in compliance with all applicable legal requirements and other guidelines as a minimum standard, consistently implementing best environmental practices. UPM's environmental responsibility agenda is based on key areas of responsibility set forth in **UPM's Environmental Principles**.

### **Sustainable Sourcing**

UPM requires its suppliers to comply with local legislation and statutory regulations. All suppliers are expected to implement a policy of continuous improvement in environmental performance. All environmentally significant suppliers shall be systematically audited for environmental responsibility by UPM. Environmental risks shall be evaluated and corrective actions taken as deemed necessary. In all purchasing, the **UPM Wood Sourcing and Forestry Rules and UPM Supplier Code** shall apply.

UPM is strict in its policy of accepting only legally and sustainably sourced wood fibre. UPM promotes good forest practices through forest certification. The company recognises and applies all authenticated forest certification schemes, as described in **UPM Forest Certification Guidelines**.

### **Energy efficiency**

UPM aims to reduce its impact on climate change in energy production and consumption. This shall be ensured by promoting and investing in energy efficiency. Internal energy audits shall be conducted regularly at all UPM mills to identify opportunities for improving energy efficiency, to benchmark performance, and to provide information for mill-specific and company-wide target-setting. Individual mills shall take corrective action and revise their targets based on the audit results.

### **Minimising environmental loads and impacts of production**

As defined by UPM's Environmental Principles and **related targets**, all mills shall focus on improving their production efficiency and minimising the impacts of production. This shall be achieved by reducing emissions and effluents, reducing process water consumption and the total volume of process waste generated, as well as reducing the amount of landfill. A life-cycle approach is used to analyse the environmental impacts of UPM pulp products. The pulp produced at UPM mills consists exclusively of elemental-chlorine-free and totally-chlorine free bleached chemical pulps.

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All pulp mills shall report their key environmental parameters on a regular basis. Any deviations from environmental permit limit values are to be reported on a monthly basis. The environmental performance of each mill is benchmarked annually and compared to levels defined in the **European BAT Reference Document**. The results of this benchmarking as well as regulatory frameworks and UPM Pulp Business environmental targets shall together form the basis for each mill's annual target setting. All mills shall have an ISO 14001 and EMAS-certified environmental management system in place.

### **Environmental quality of products**

All UPM pulp grades are recyclable and non-toxic to the environment and human health. The chemical composition of the products shall be monitored on a regular basis in order to ensure that there are no hazardous substances exceeding the established limit values. This evaluation can also be performed based on reliable certificates from suppliers, where available.

### **Controlling the impacts of logistics**

The environmental impacts of logistics shall be controlled by encouraging the use of eco-efficient modes of transport, by careful planning of routes, and by optimising capacity utilisation. Only reliable logistics partners are to be chosen. The **UPM Supplier Code** shall apply.

### **Organisation of environmental affairs**

Environmental affairs shall be an integral part of everyday operations. Environmental performance and continuous improvement are recognised as competitive factors and key elements in the strategy, target-setting and action plans of UPM Pulp Business.

The managers of UPM Pulp Business shall take an active stand on environmental performance and support the mills in advancing their environmental management. The mills shall implement the **UPM Environmental Strategy** by maintaining an efficient environmental management system. Environmental targets shall be defined both for the entire Pulp Business and for individual mills.

The **UPM Environment & Responsibility** organisation provides input in target-setting and decision-making at the Pulp Business and mill level, and gives operational network support to individual mills.

Managers at UPM shall ensure that all relevant employees are trained to develop a sense of responsibility in environmental affairs and be able to assess the environmental load of various work tasks.



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