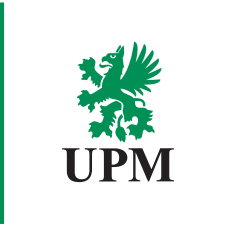




WE LEAD.
WE LEARN.



Finland – a long history and culture of sustainable forestry

Almost 23 million hectares, 72 percent, of Finland's land area, is covered by forest, the average per capita figure being 4.4 hectares.

Finnish forests are described as semi-natural managed forests and contain only indigenous species: Scots pine, spruce, birch and other broadleaves. Almost one in five Finnish families owns some forest and there are more than 440,000 private forest owners. The average private ownership is just 30 hectares in size. Finland is a leader in forest technology and the mechanisation level of forest management is the highest in the world – 95 per cent of the operations are carried out by using machines.

Forests and forestry have traditionally been the backbone of the Finnish economy and feature in the daily life of most Finns: forestry represents 10 per cent of Finnish GDP, 30 per cent of industrial production, 40 per cent of export income and 3.3 per cent of employment.

Finland's legal concept of Everyman's Right gives everyone the chance to enjoy outdoor pursuits such as skiing, walking or cycling in the forests, with few restrictions. In addition to wood production, other important forest functions are hunting, recreational activities, the gathering of fungi and berries, and nowadays tourism.



Wood from sustainable and legal sources

The Ministry of Agriculture and Forestry is responsible for forest policy and legislation in Finland. The Forest Act focuses on promoting sustainable forestry and sets minimum quality requirements for silviculture. It defines habitats of special importance and guidelines for their protection and management.

Forest management is based on sustainable practices which maximise forest yield and wood quality. As part of commercial forest management, Finnish forest owners aim to enhance biodiversity by mimicing natural disturbances and processes like storms and fire e.g retention of tree groups, increasing deadwood and controlled burn. All valuable habitats in UPM's forests have been identified and over 21,000 individual sites are protected during harvesting and silviculture operations.

All Company owned forests and 95 per cent of Finnish forests are FFCS (PEFC) certified. UPM's wood supply is covered by a PEFC certified chain of custody and origin of wood tracing system which can identify country, region and forest of origin. The system covers all deliveries including wood imports.

UPM Forestry and Wood Sourcing in Finland

UPM Forest in Finland is responsible for supplying the company's 30 Finnish mills with the timber they require and for managing UPM's forests in Finland. The Unit's main office is situated in Valkeakoski and operations are lead by three main processes: purchasing, wood procurement and logistics and forestry. The field organisation consists of 13 districts and includes a tree nursery. UPM Forest employs around 3,000 people including subcontractors.

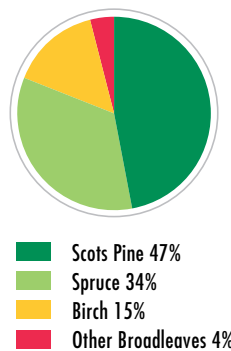
Some 21 million m³ of roundwood, chips and sawdust are supplied to the mills each year. The majority of wood comes from Finnish forests, but a significant volume, is imported – predominantly from Russia, but also from the Baltic States, the UK and Uruguay. Harvesting is carried out through independent contractors and the systems used include clearcut, seed tree felling, shelterwood and thinning. Wood is transported to the mills by road, rail and water.

UPM is the largest private forest owner and manager in Finland. It owns 930 000 hectares of forest land and is also responsible for the sustainable management of over 200,000 hectares on behalf of other private owners.

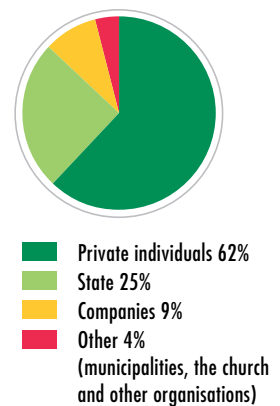
For more information please visit:
www.puukauppa.com
www.upm-kymmene.com/tracingimports



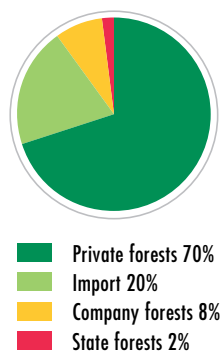
Tree Species



Forest Ownership



Origin of wood



Annual increment vs annual cut

