

## FORESTRY AND WOOD SOURCING RULES

### 1 General principles

In accordance with the UPM Code of Conduct, the objective is to create long term profitable business in an ethical and responsible manner taking into account economic, human and social, as well as environmental matters.

The majority of UPM's production is based on a renewable resource, wood. UPM is committed to forest management and forest harvesting practices based on the internationally accepted principles of sustainable forest management. UPM observes the legislation and statutory regulations of each country where it operates.

UPM Forestry and Wood Sourcing is the function responsible for the procurement of wood raw material for the Group's mills and for the sustainable management of forests under its responsibility. The company manages and utilises the Group's own forests so that their natural productivity is used in an effective and sustainable manner.

The aim in wood procurement and forest management is to utilize best practices to minimize the harmful impact of operations on soil, water, air and biodiversity. Impacts on landscape, cultural sites and neighbours will also be considered.

UPM respects cultural and religious values and promotes harmonious cooperation with the local communities where it operates.

### 2 Responsible wood sourcing

In all its operations, the company takes into consideration the economic, ecological and social sustainability of forest utilisation. The company requires that its external suppliers implement responsible practices which are consistent with UPM policies and rules.

UPM monitors the origin of the wood it receives.

UPM does not source wood from protected areas where harvesting is prohibited by the authorities.

UPM implements its best efforts to avoid sourcing wood from the following categories:

- Wood harvested in forests having ecoregionally significant high conservation values
- Wood from plantations<sup>1</sup> converted from untouched natural forests after 1994
- Wood the production and sale of which finances armed conflict

UPM does not use genetically modified wood raw material.



### **3 Implementation of the rules**

The Forestry and Wood Sourcing management team annually reviews operations and the fulfilment of the rules. The management team also considers the continuing suitability, adequacy and effectiveness of the rules. Forestry and Wood Sourcing regions are responsible for realising the rules as part of the planning, implementation and monitoring of all operations.

### **4 Training and Development**

Forestry and Wood Sourcing regions continuously improve their operations and actively provides training for its personnel and contractors to ensure they are familiar with the UPM's operating principles and objectives related to wood procurement and forest management, and also that they are committed to following them.

### **5 Stakeholder communications and co-operation**

UPM proactively and openly communicates on forestry and environmental issues with employees, customers and other interested stakeholder groups. UPM actively co-operates with the authorities, researchers, customers and other interested groups in order to contribute to the development of common issues and take account of the latest information available.

These rules are available at all of UPM's Forestry and Wood Sourcing regional offices and the internet.

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*28th November 2007*

<sup>1</sup> *Forest stands established by planting or/and seeding in the process of afforestation or reforestation with exotic species of even age class and regular spacing.*