

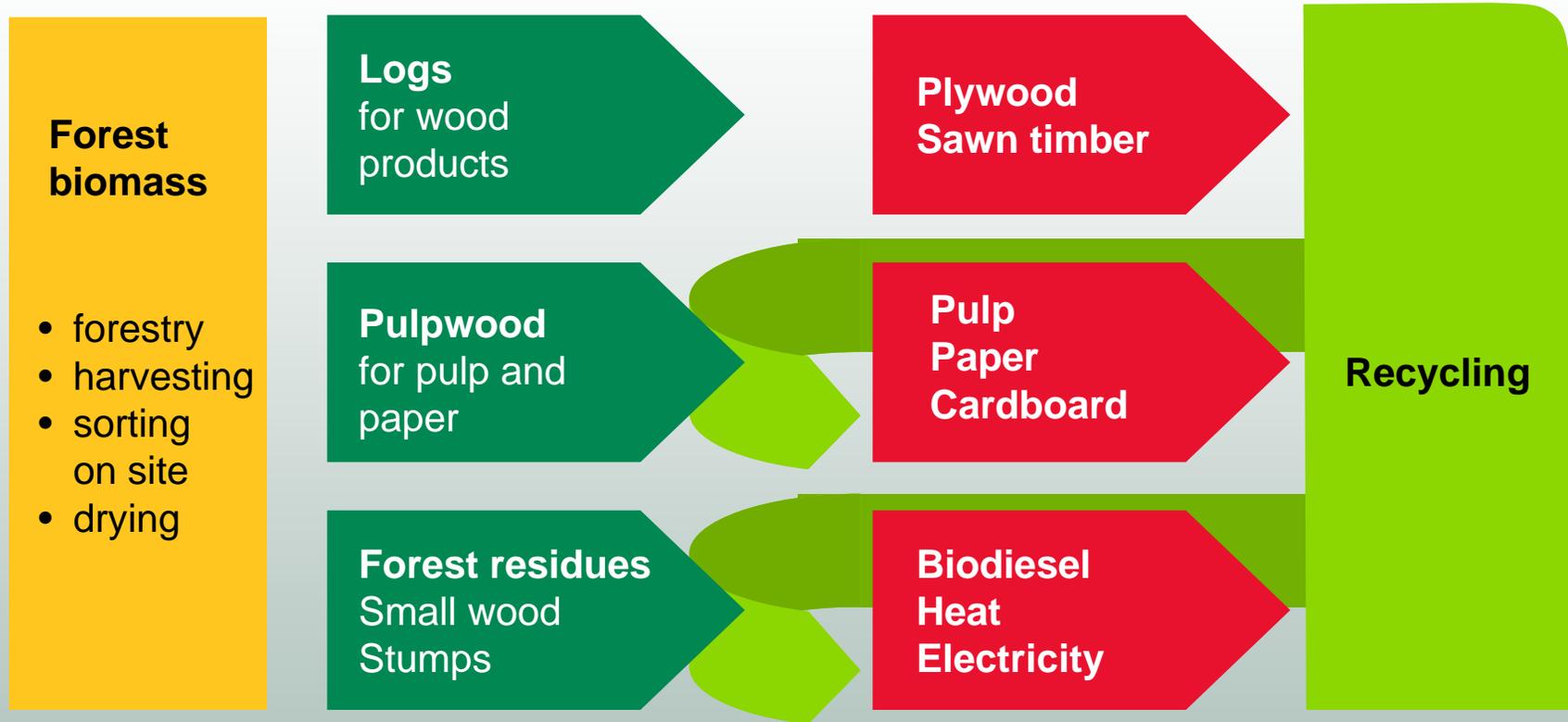
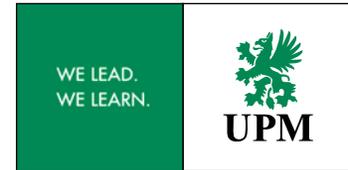
ENVIRONMENTAL AND
CORPORATE SOCIAL RESPONSIBILITY
PERFORMANCE IN 2008

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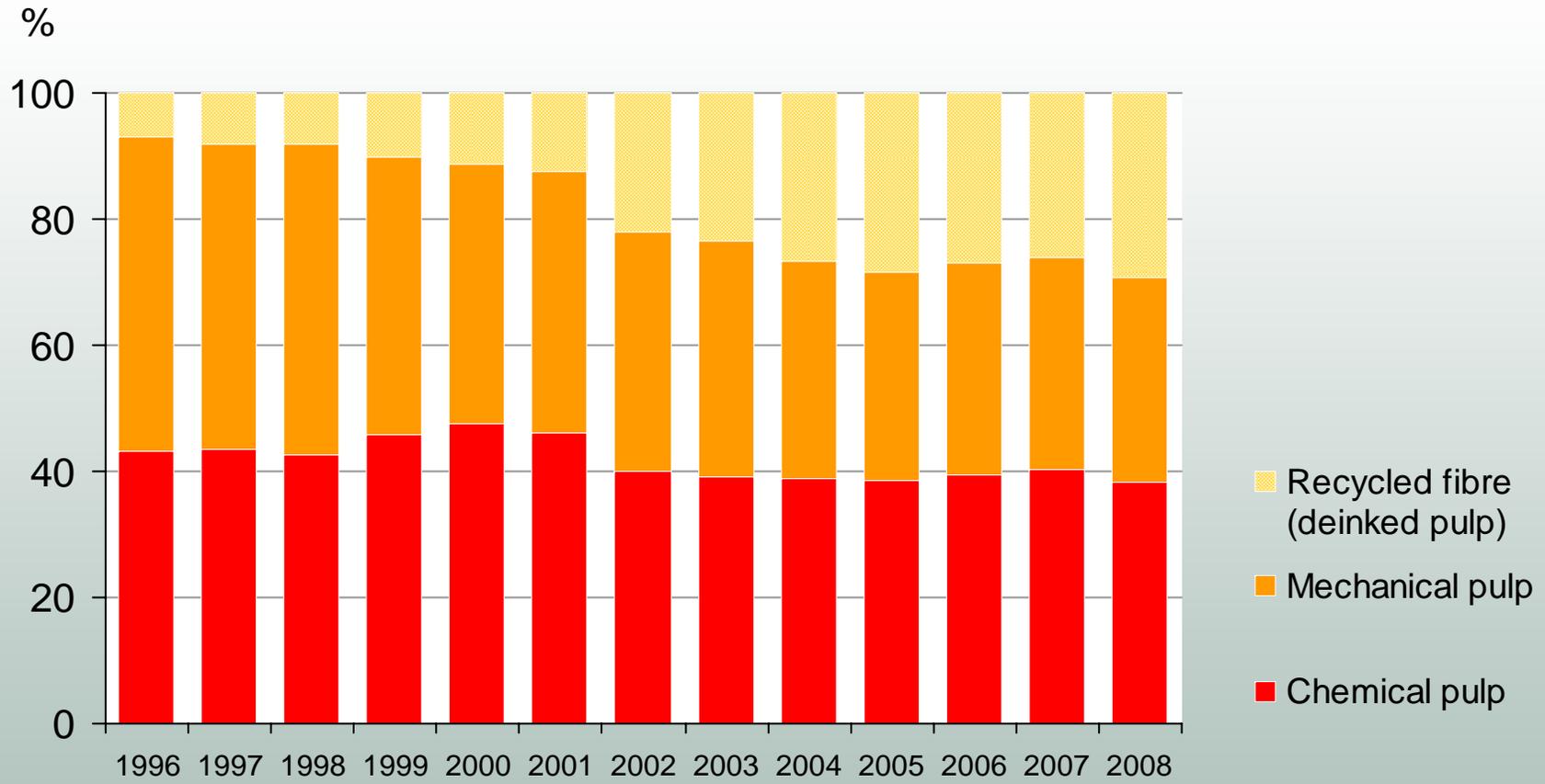


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Sustainable sourcing and efficient use of wood raw material is the basis for UPM's operations



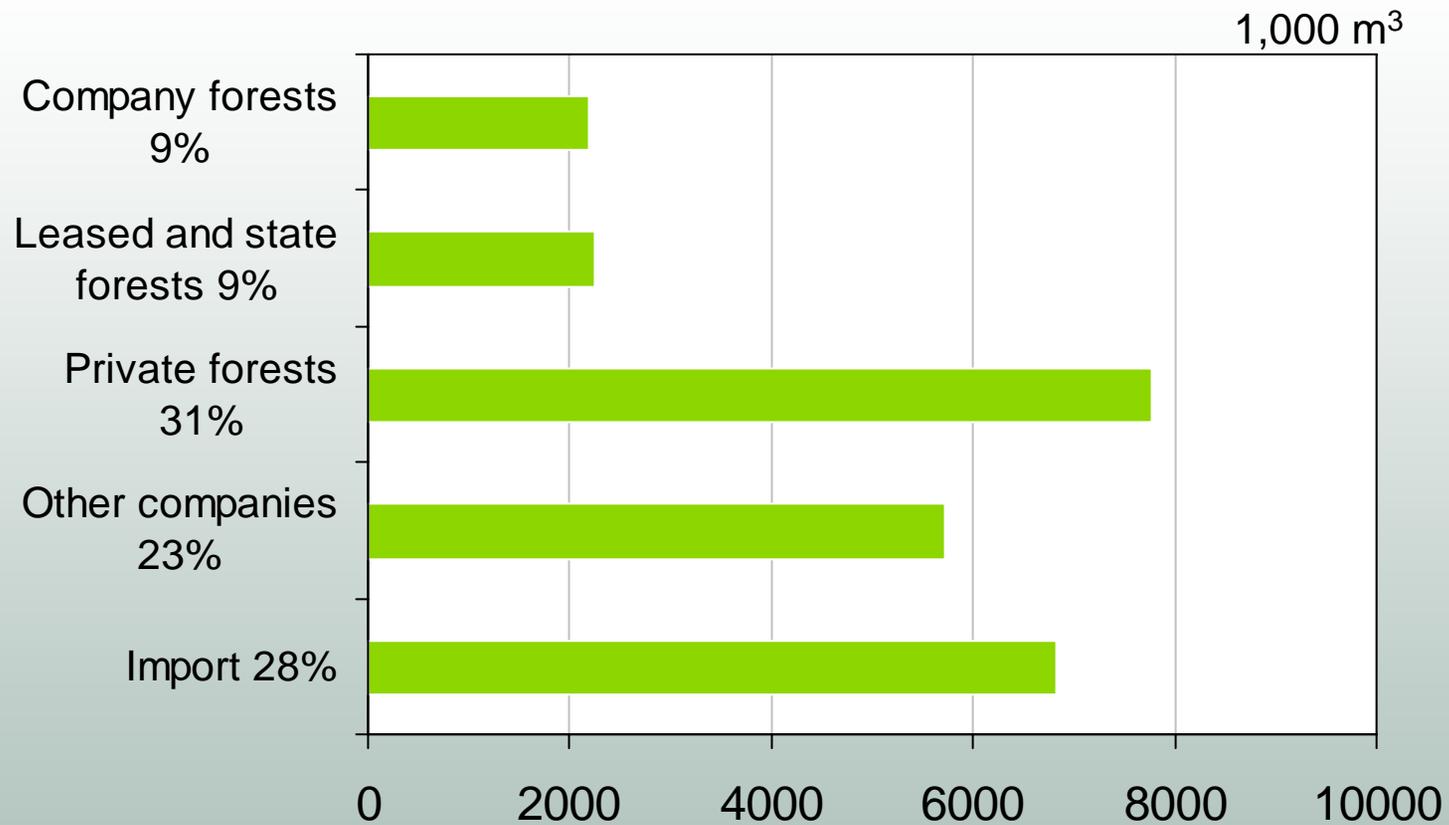
Balanced use of fibre raw materials in papers manufactured by UPM



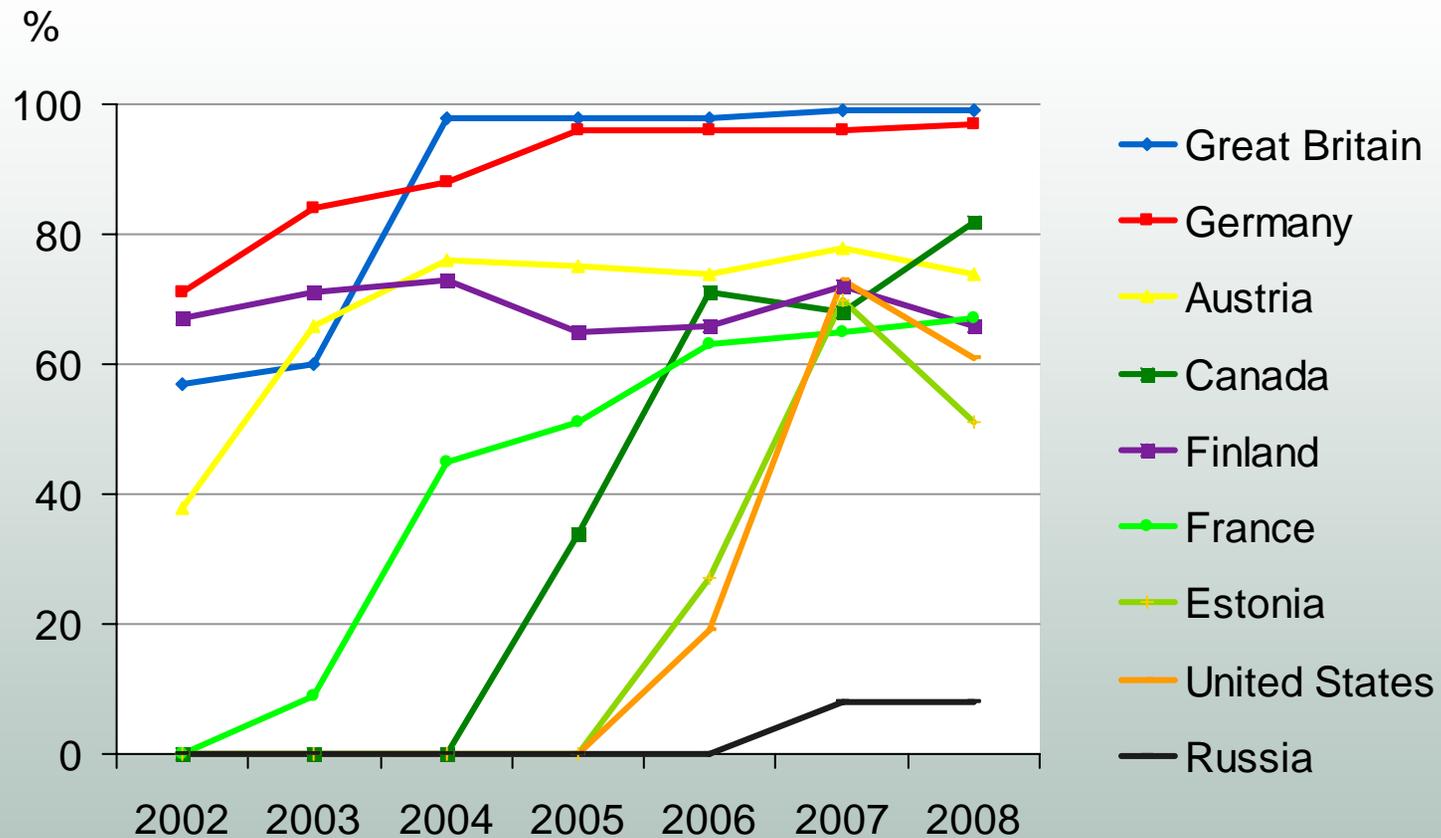
Forestry and Wood Sourcing, 2008

- UPM signs biodiversity leadership agreement at UN conference in May 2008
- Global guidelines for sustainable biomass harvesting implemented at local level
 - Successful stump harvesting stakeholder cooperation in UK
- Supply of certified wood decreased to 66% in 2008 (71% in 2007)
- FSC controlled wood certificate granted to Russia, Finland and the Baltics
- Integrated multisite ISO 14001 certificate granted for Russia, Finland and Baltics

Sources of wood globally 2008

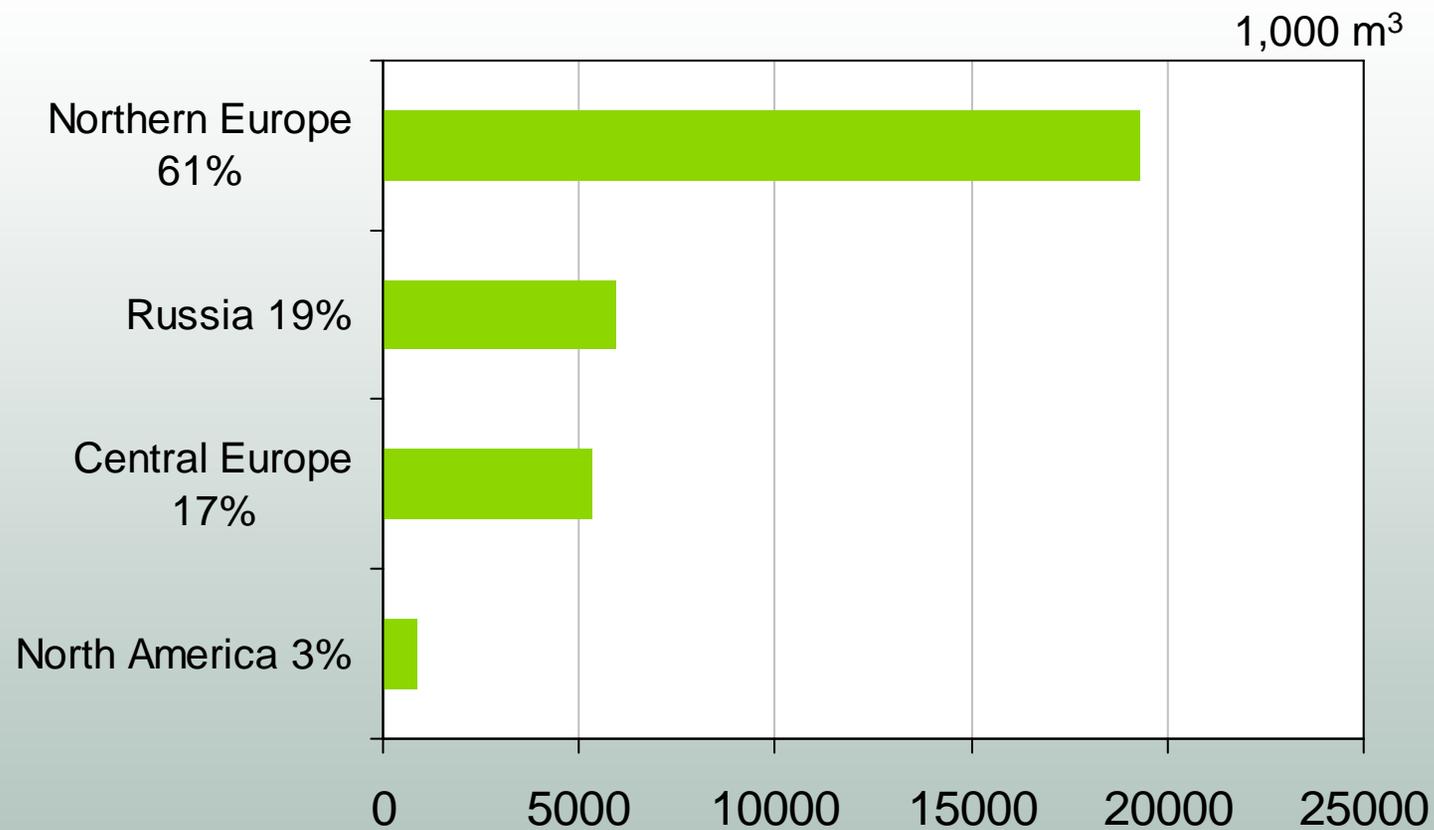


Certified wood supplied to mills

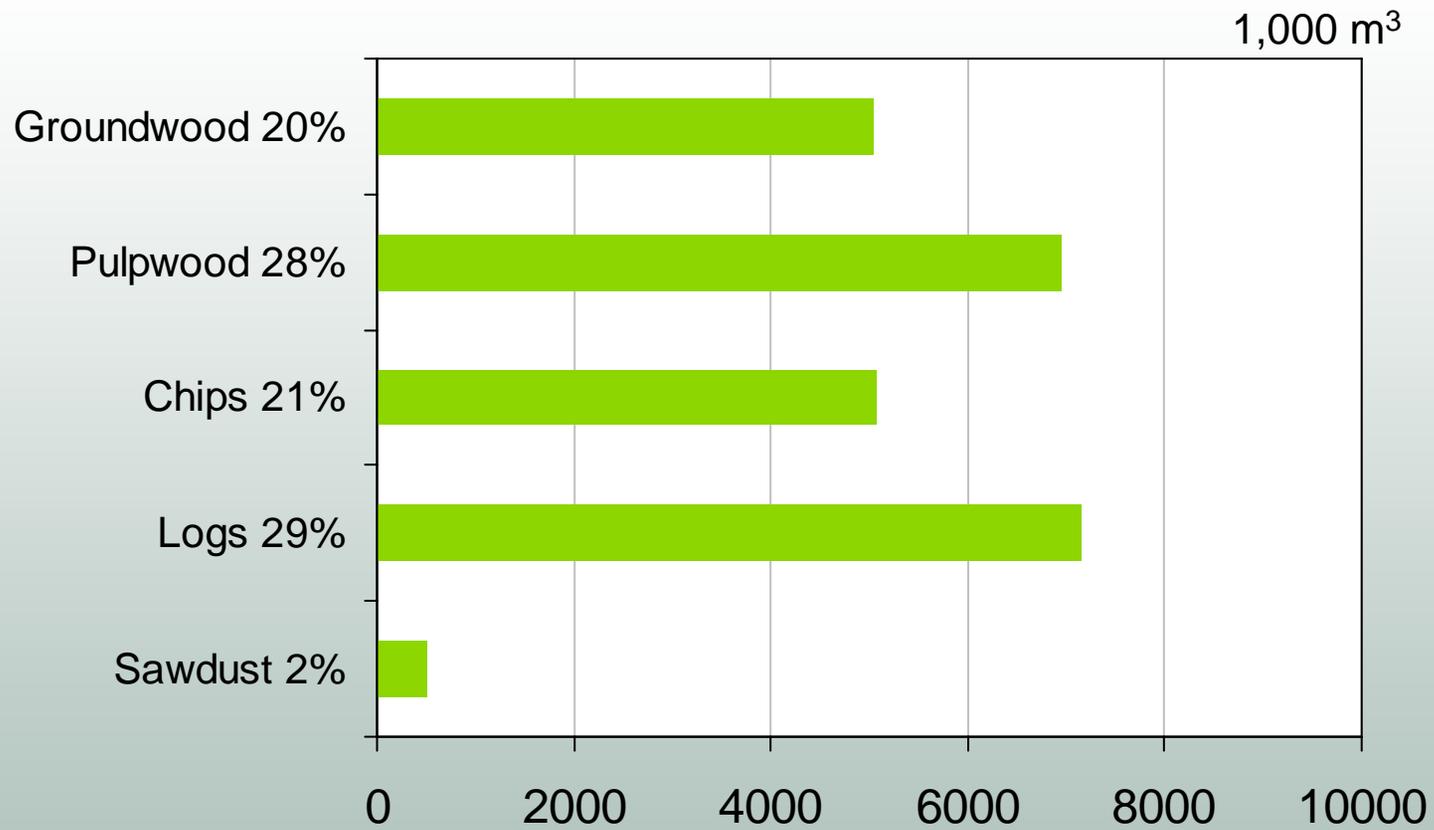


66% of all wood in 2008 was certified

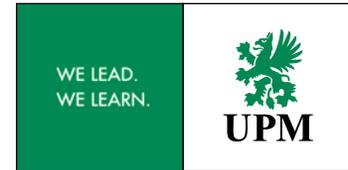
Wood procurement by region 2008



Wood consumption by timber assortment 2008

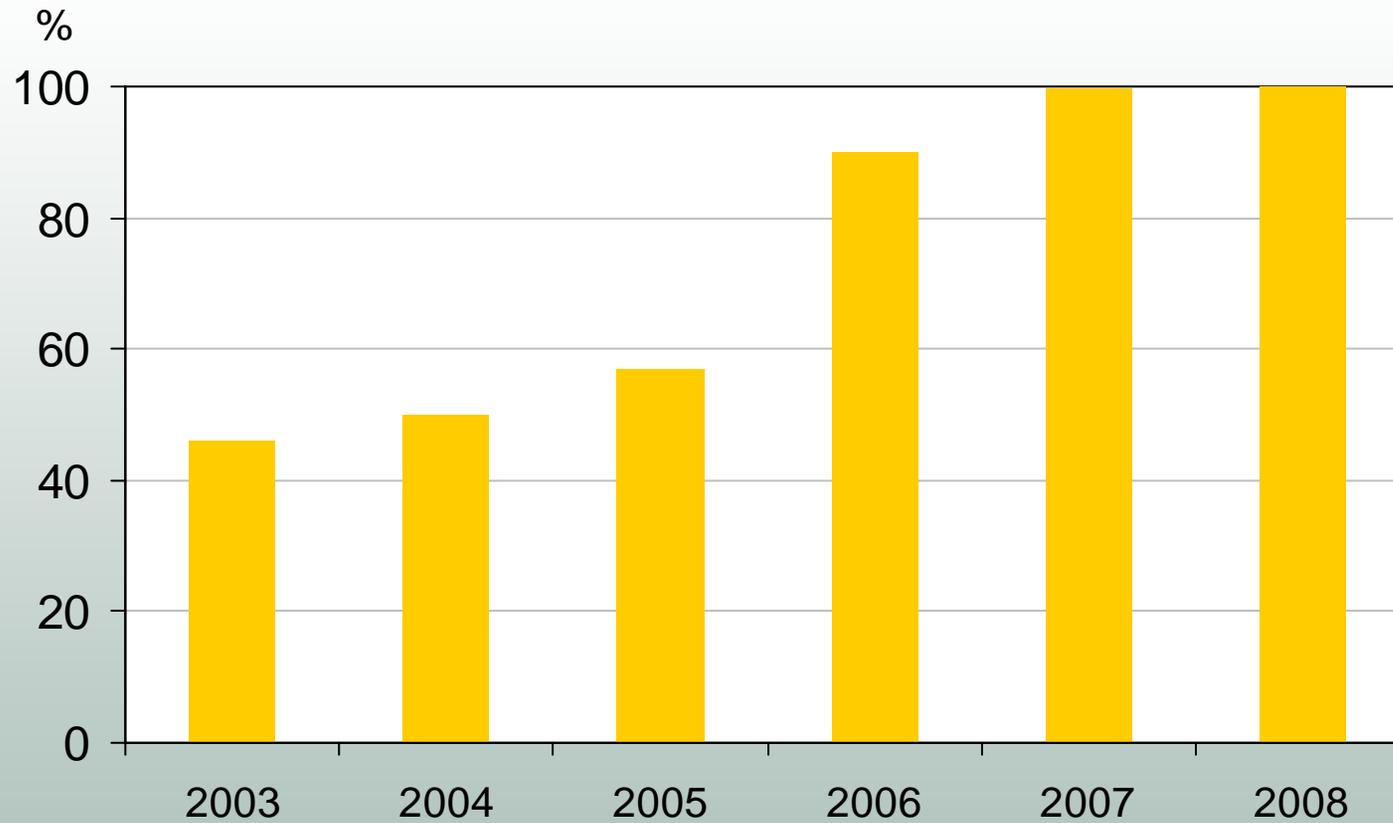
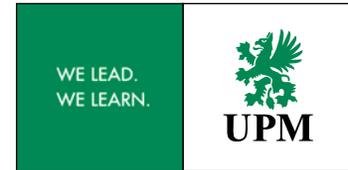


Pulp Sourcing, 2008



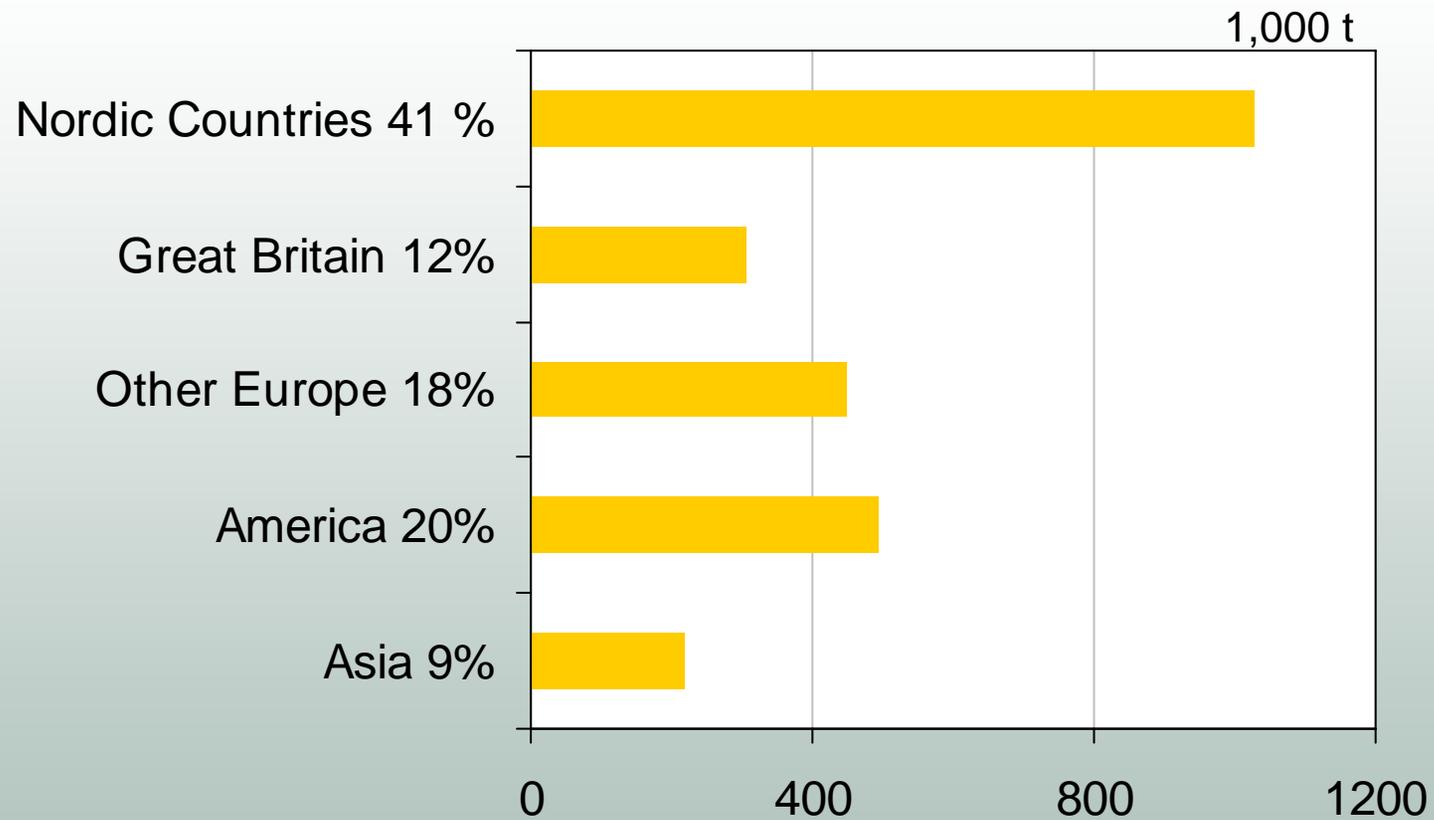
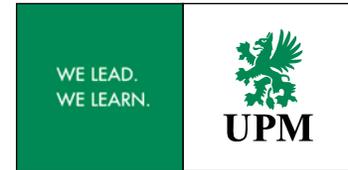
- 100% of external pulp suppliers had a certified Chain of Custody in place
- 98% of pulp suppliers meet BAT emission requirements (96% in 2007).

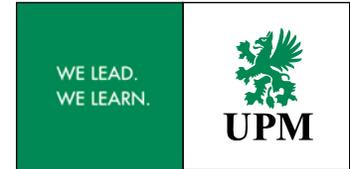
Proportion of Chain of Custody certified external pulp suppliers



Mineral sources 2008

Total: 2,500,000 dry tonnes

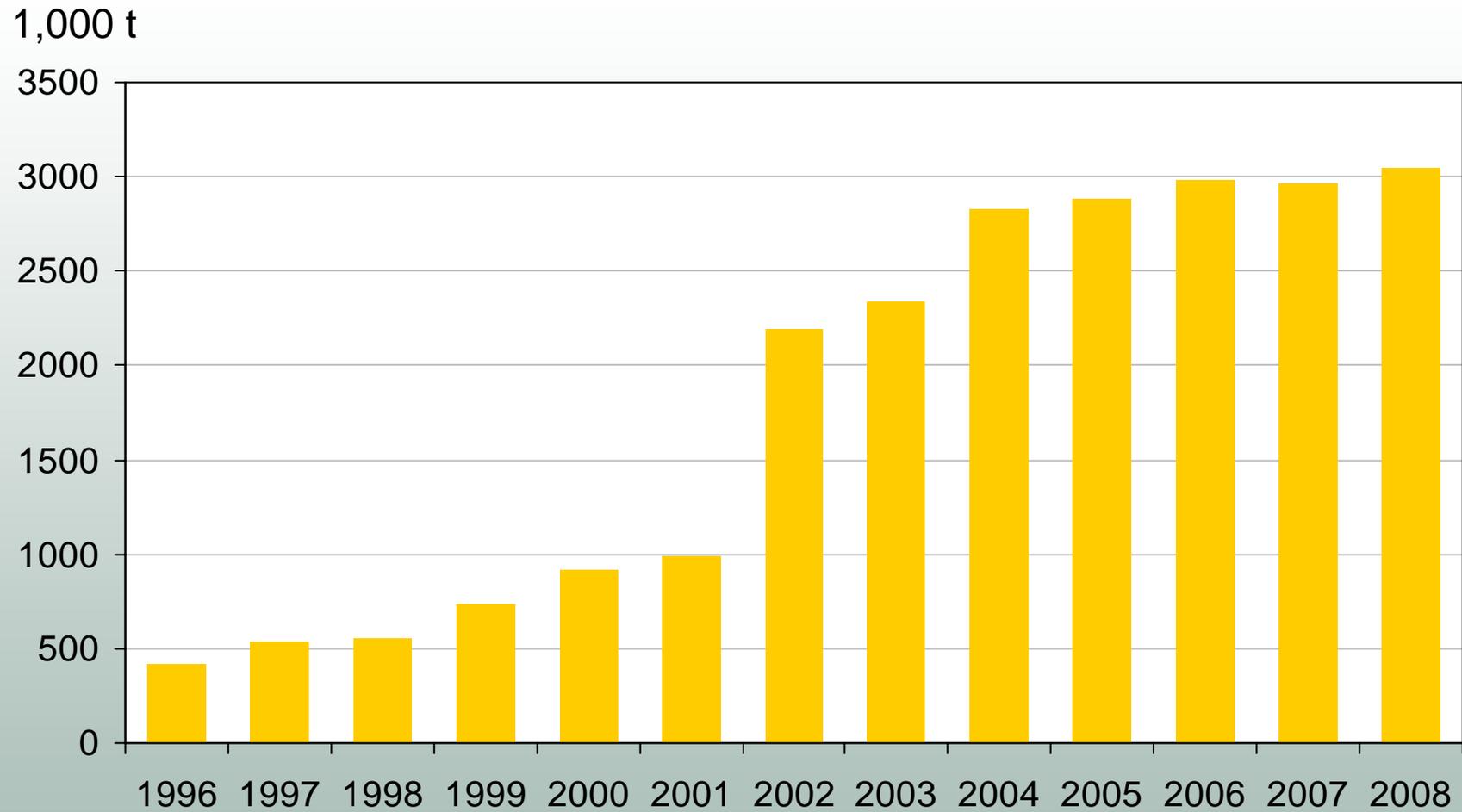




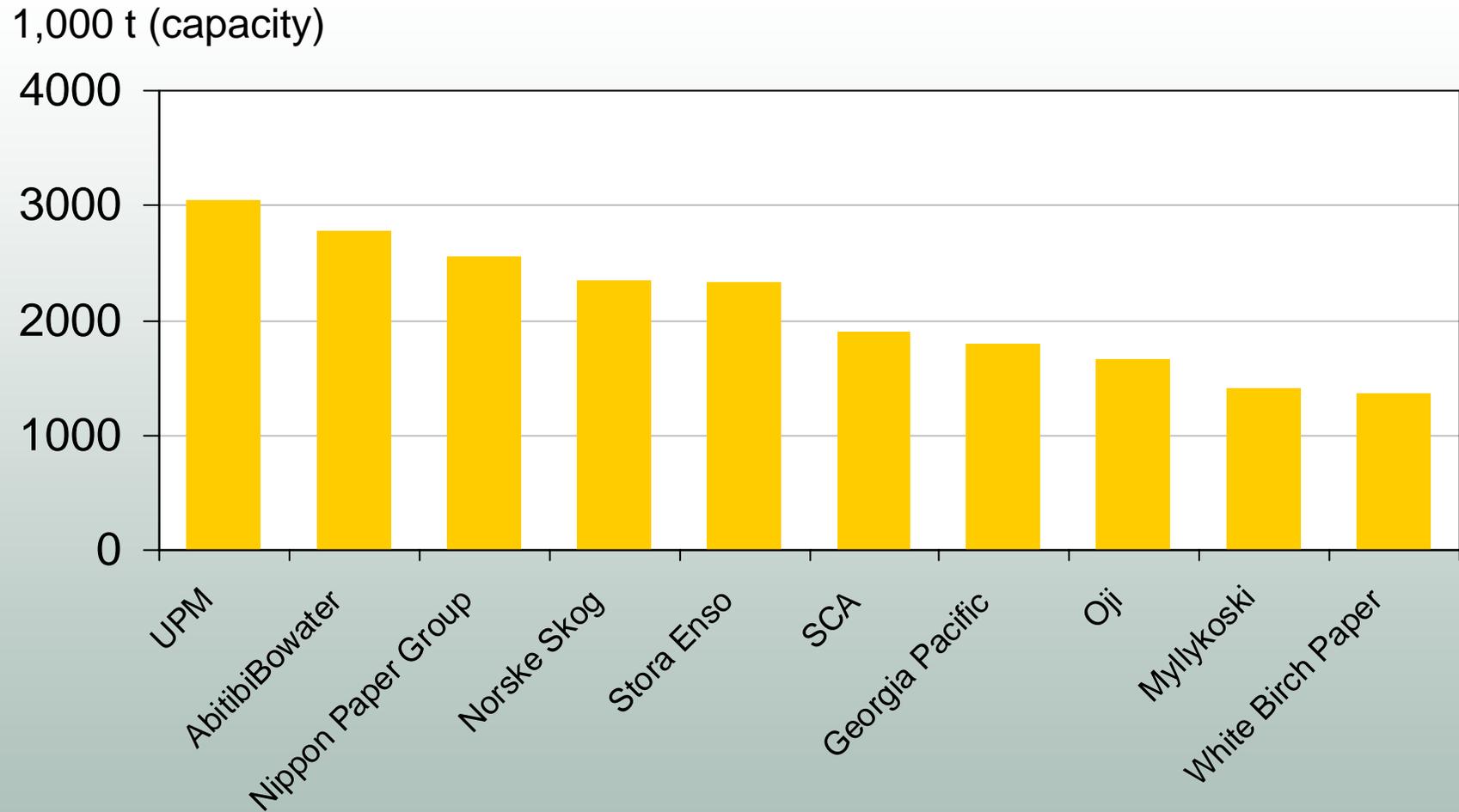
Recovered paper consumption, 2008

- Recovered paper sourcing remained at the same high level (three million tons) as in 2007
- UPM is the biggest user of deinked pulp in printing papers.

UPM's recovered paper consumption



World's biggest producers of deinked pulp

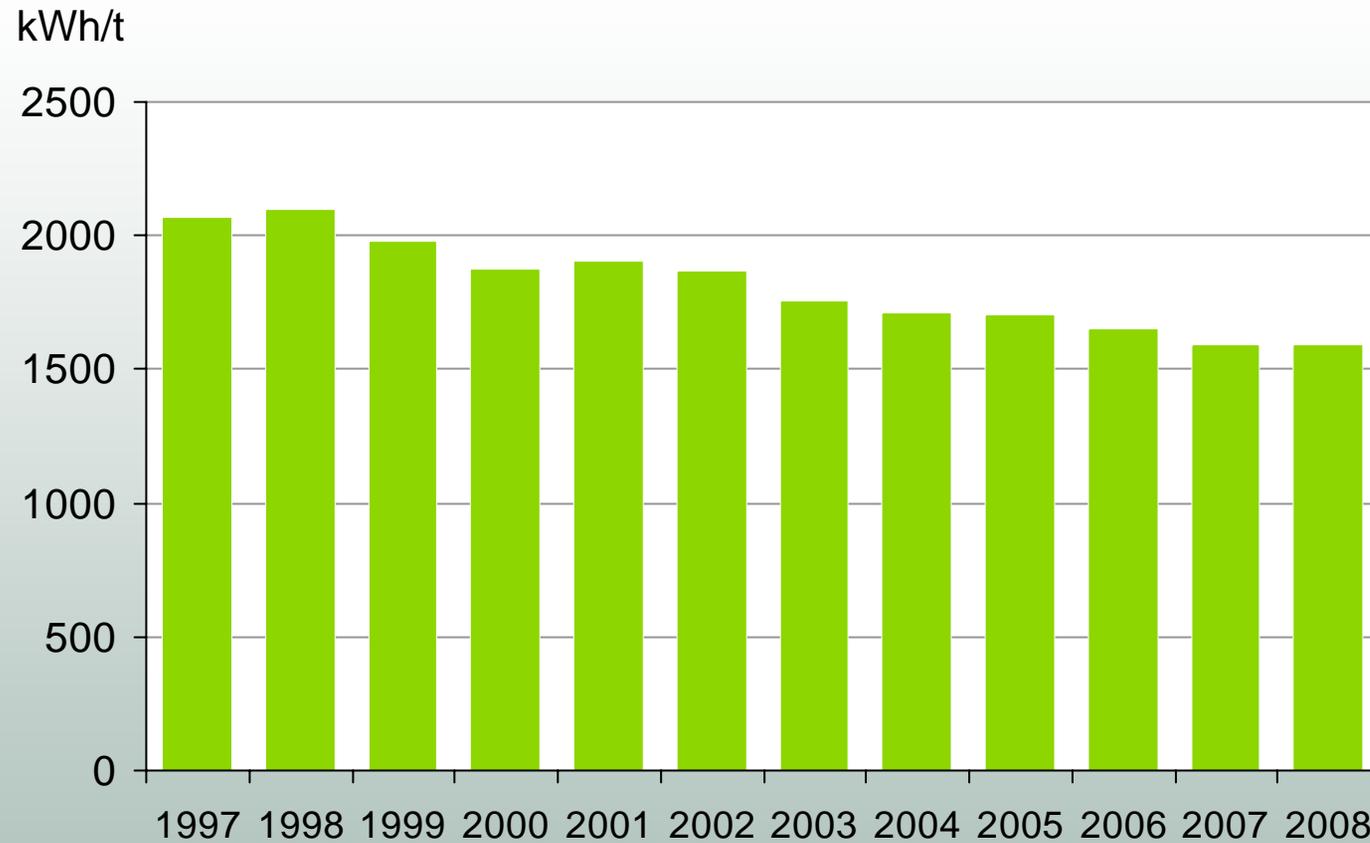


Source: Jaakko Pöyry

Energy, 2008

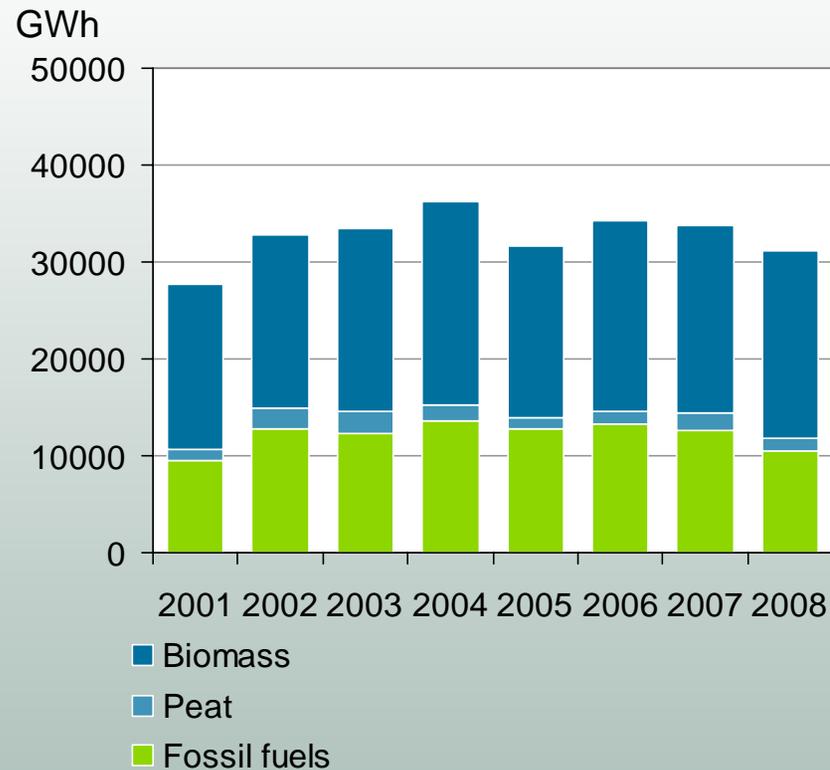
- Fossil CO₂-neutral energy sources dominate the portfolio
 - hydro power
 - nuclear power
 - biomass-fired heat and power generation on mill sites
- 62% of fuels used in mills' energy generation are biomass-based
- 40% decrease in fossil carbon dioxide emissions since 1990 thanks to continuous investments
- continuous efforts to increase energy efficiency

Electricity consumption per tonne of paper

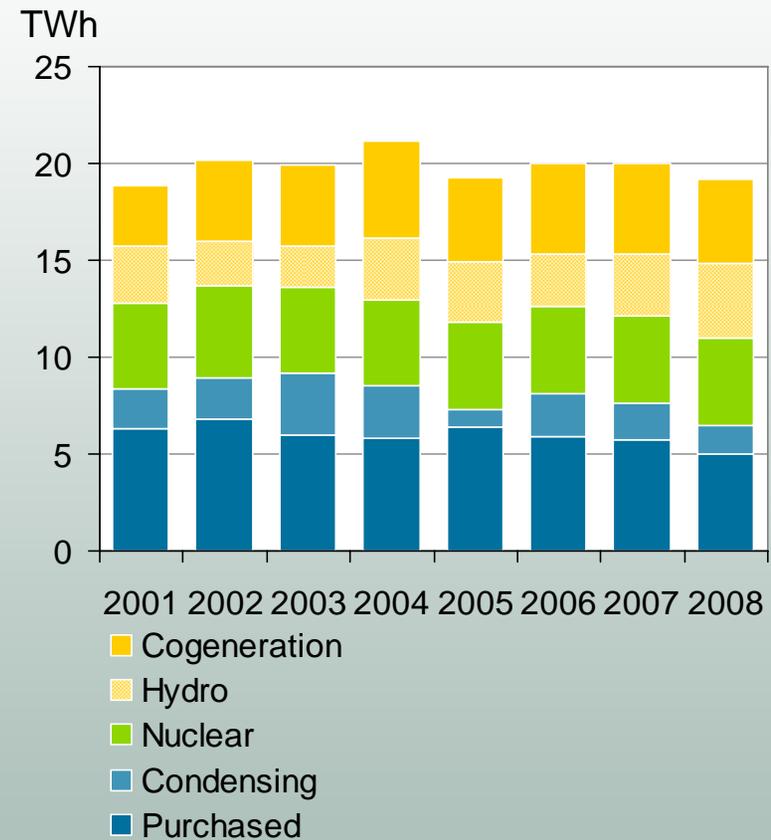


Fuel and electricity sources

Distribution of fuels



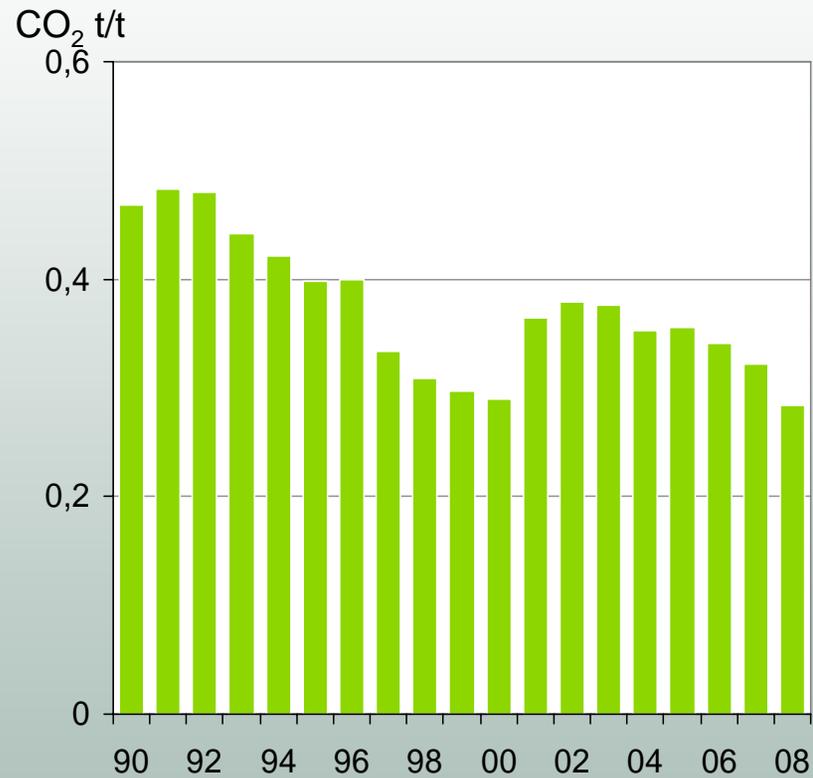
Group electricity supply



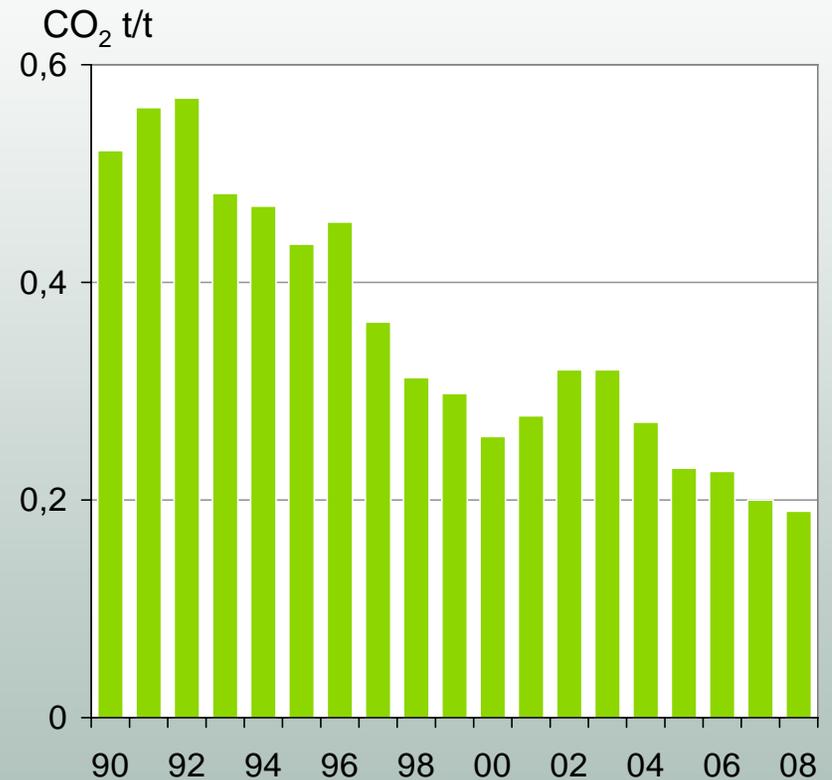
Fossil carbon dioxide emissions per tonne of paper



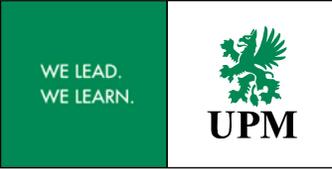
Group



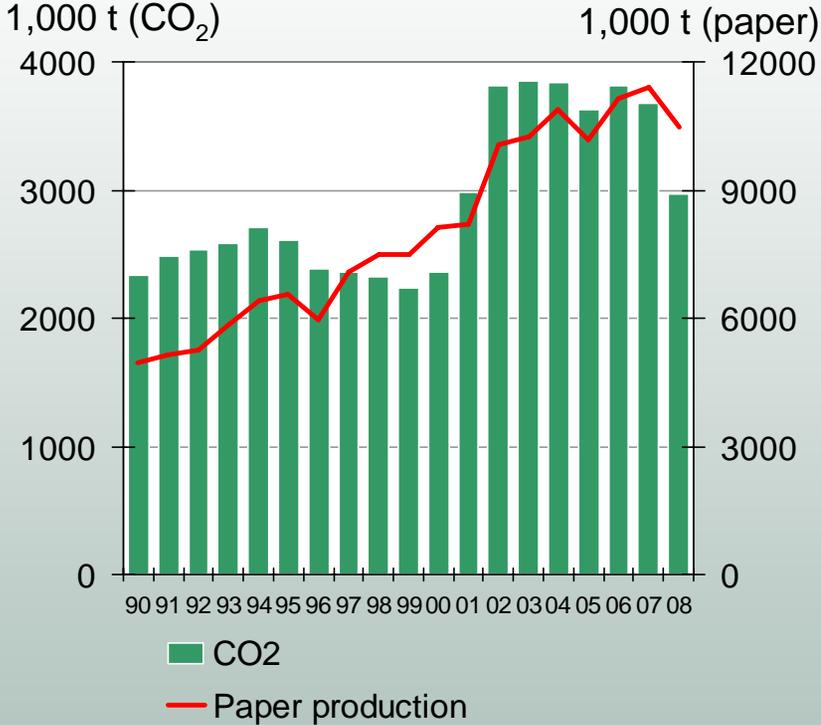
Finland



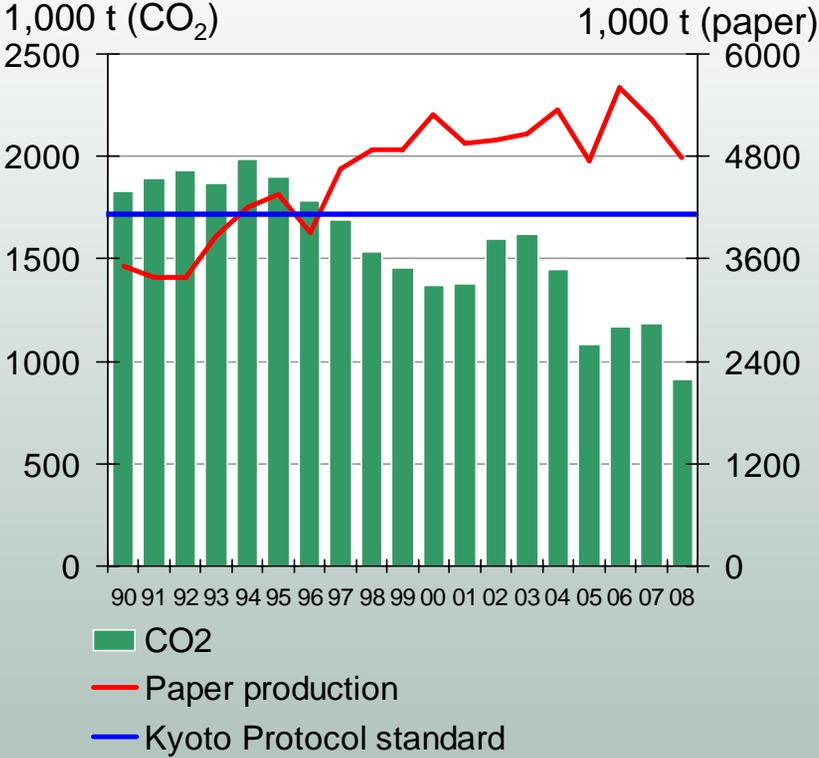
Paper and pulp mills' fossil carbon dioxide emissions



Group



Finland



Production, 2008

Main findings

- **Emissions to air on the right track**
- **Good development in waste management**
- **Effluent amount and load mainly stable**
 - Major decrease of CO₂ and SO₂ emissions compared to last year, both absolute and per tonne of product.
 - Minor decrease of landfill waste and AOX load in effluent compared to last year, both absolutely and per tonne of product.
 - Rather stable level of specific effluent amount, COD load, NO_x emissions and electricity consumption. Their decrease in absolute figures is due to decreased production in 2008.

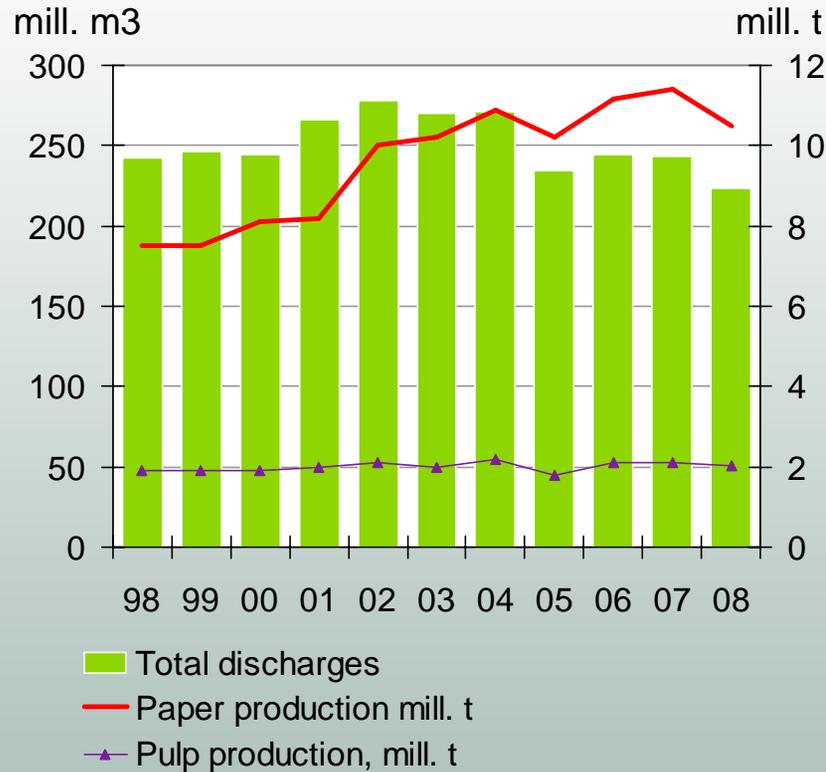
Overview about development of key performance parameters (2007 -> 2008)



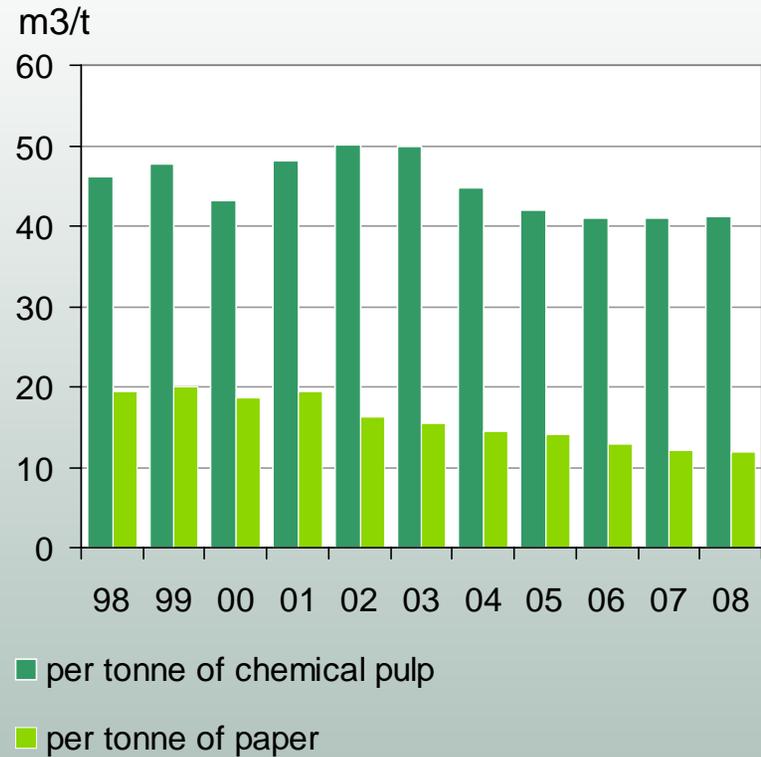
	Absolute	Specific
Effluent amount	- 7,9%	paper: - 0,9 %; pulp: + 0,4 %
COD	-5,5 %	paper: +6,4 %; pulp: - 5,9%
AOX (pulp mills only)	-7,8 %	pulp: - 6,4 %
CO2 fossil	- 19,2 %	- 12,1 % *
SO2	-36,1%	-30,7 % *
NOx	- 8,1 %	+0,2% *
Solid waste to landfills	-11,8 %	- 4,0 %*
Electricity consumption	-7,4%	- 0,1 % *
Reference value: production development	Paper: -8 % Chemical pulp: -7 %	* whole amount of pulp and paper mills divided by paper production

Process wastewater

Volume of process wastewater from paper and pulp mills



Process wastewater volumes per tonne of paper or pulp produced



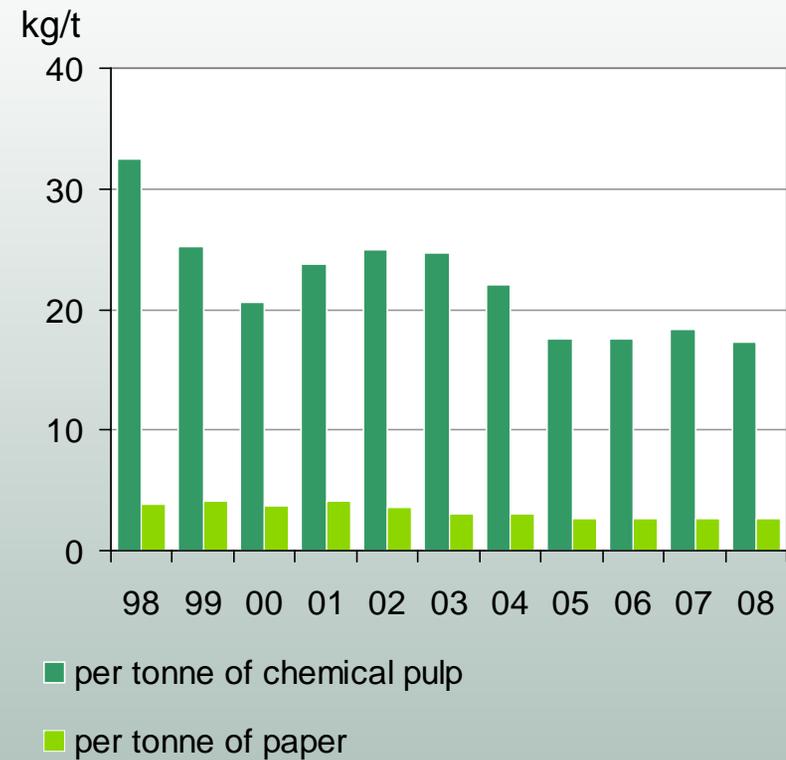
The wastewater volume generated in producing 1 kg of paper (12 litres) roughly equals the volume of water used in daily dishwashing in an average household.

COD load

COD load from paper and pulp mills

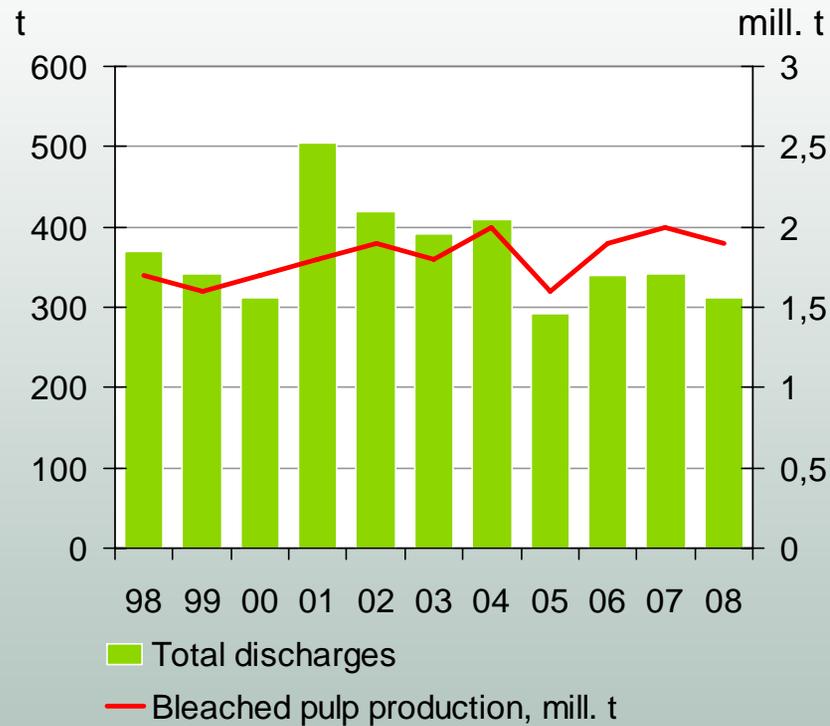


COD load per tonne of paper or pulp produced

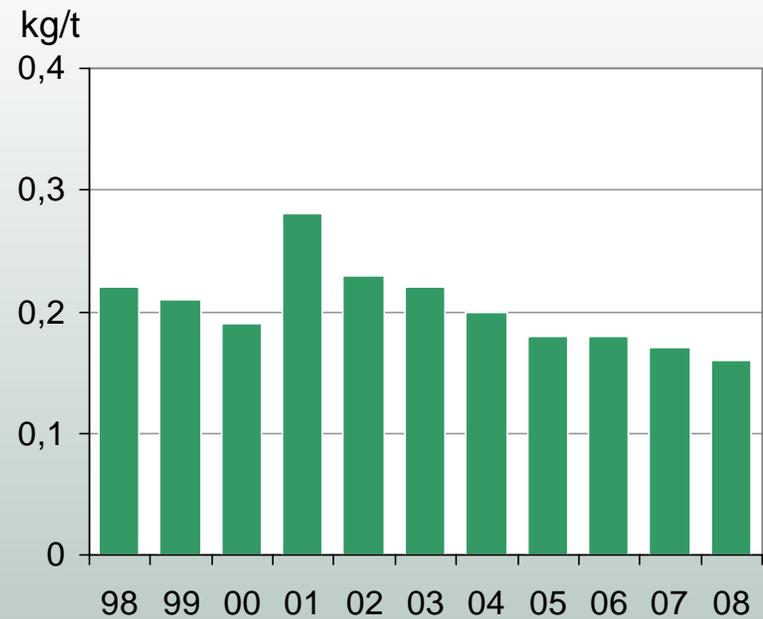


AOX load

AOX load from pulp mills

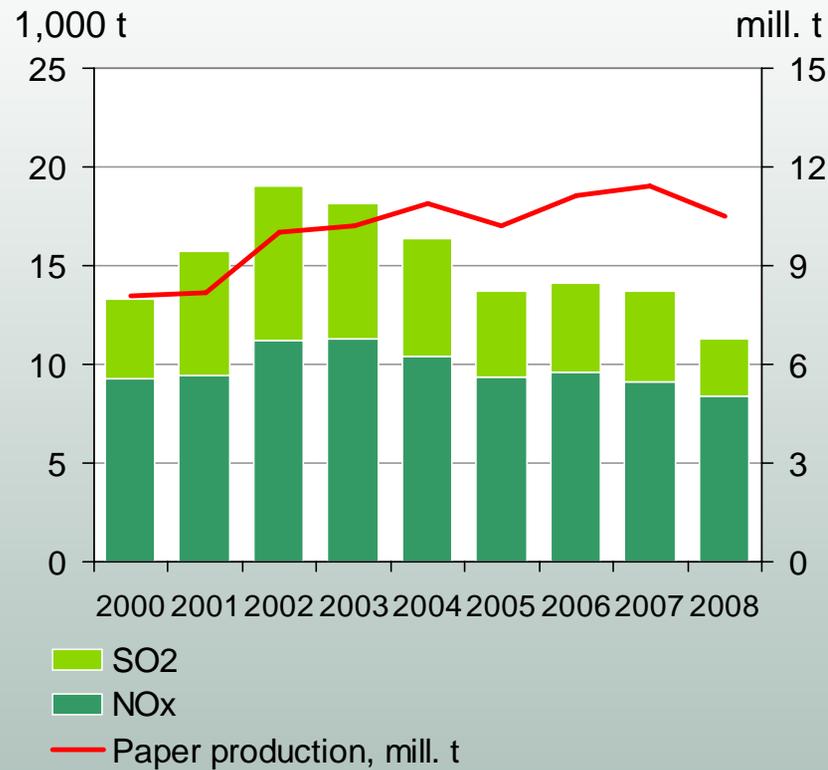


AOX load per tonne of bleached chemical pulp

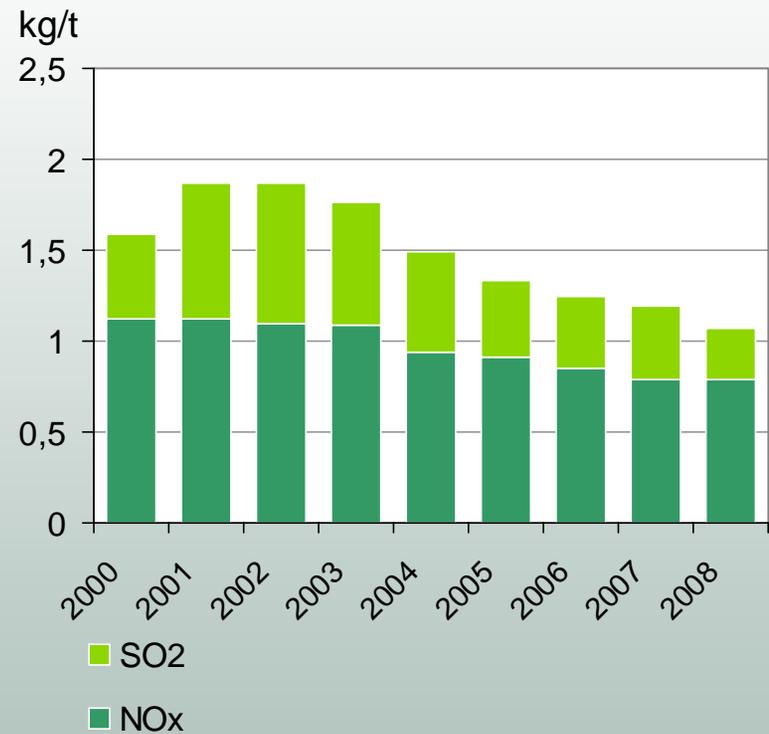


Acidifying flue gases

Acidifying flue gases

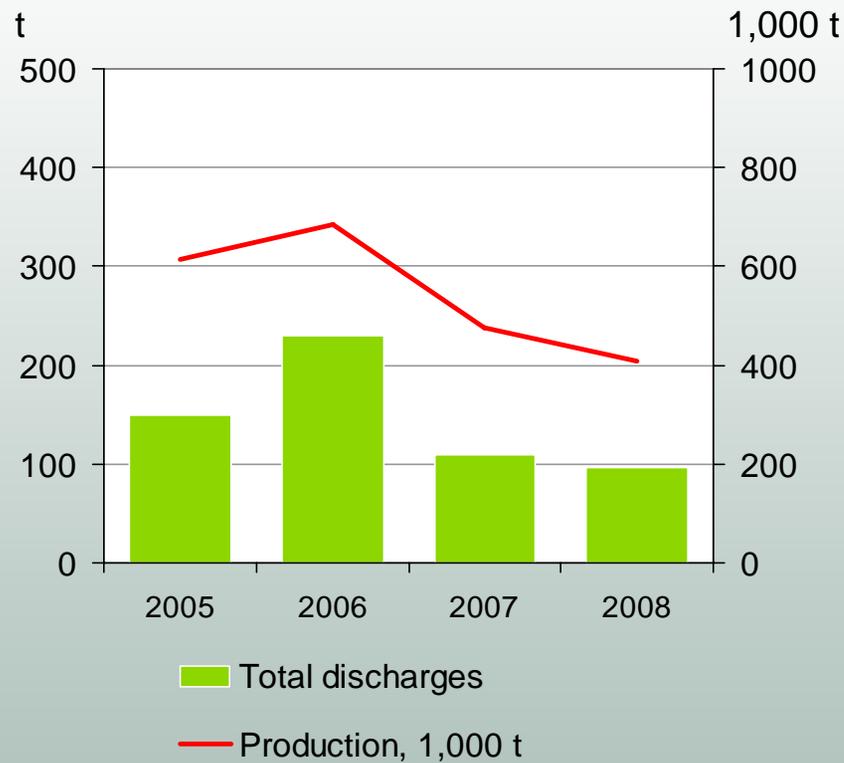


Acidifying flue gases per tonne of paper

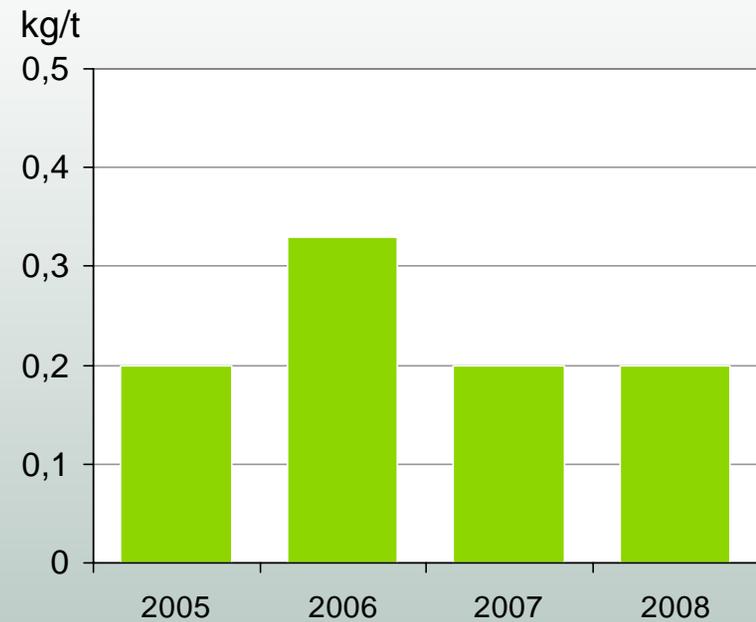


VOC emissions*)

VOC emissions from converting



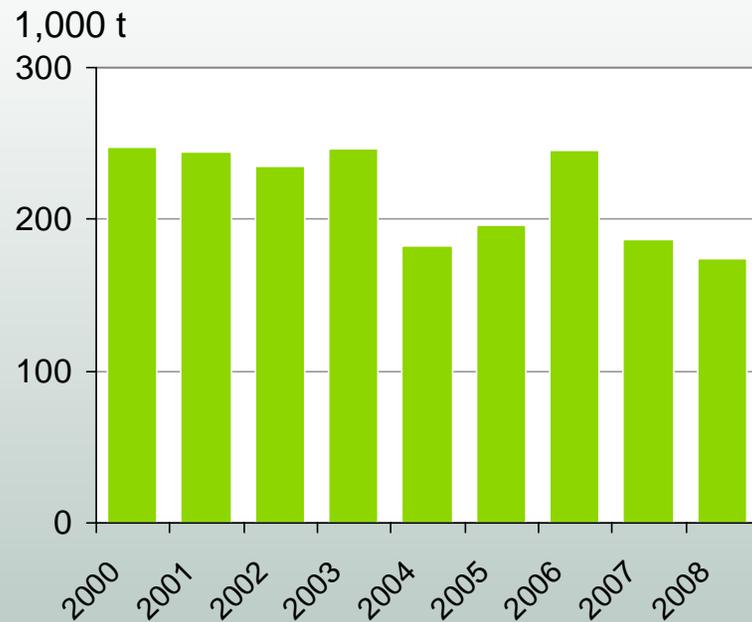
VOC emissions per tonne of converted goods



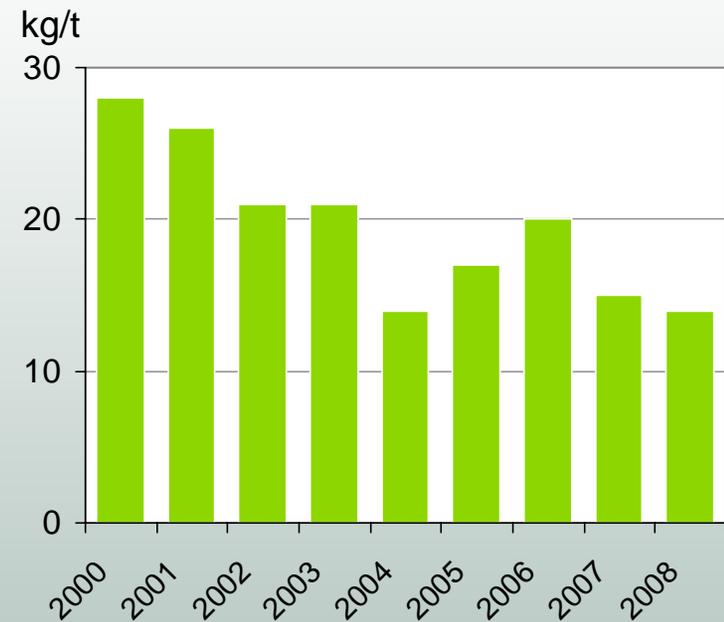
*) Since 2007 without WalkiWisa. From 2006 adhesive residual monomer VOC emissions included.

Landfill waste

Total waste to landfills



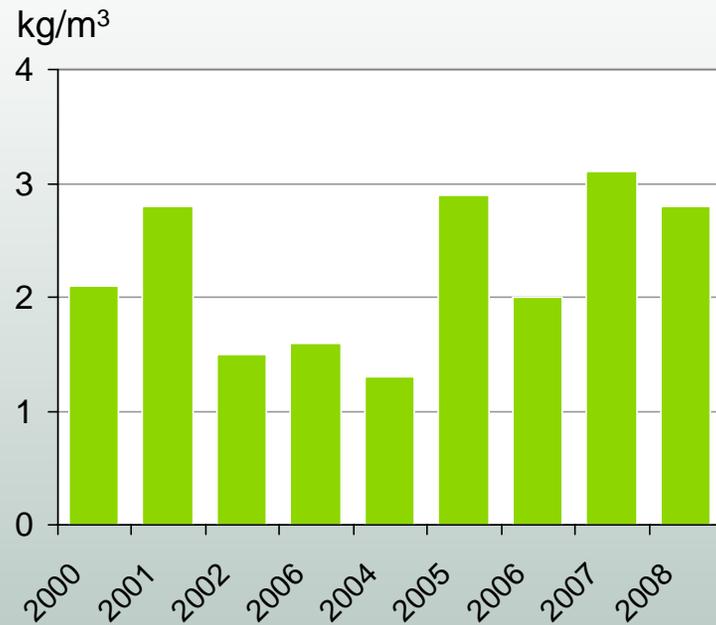
Landfill waste per tonne of paper



1 kg of paper produced generates an average of 14 grams of landfill waste

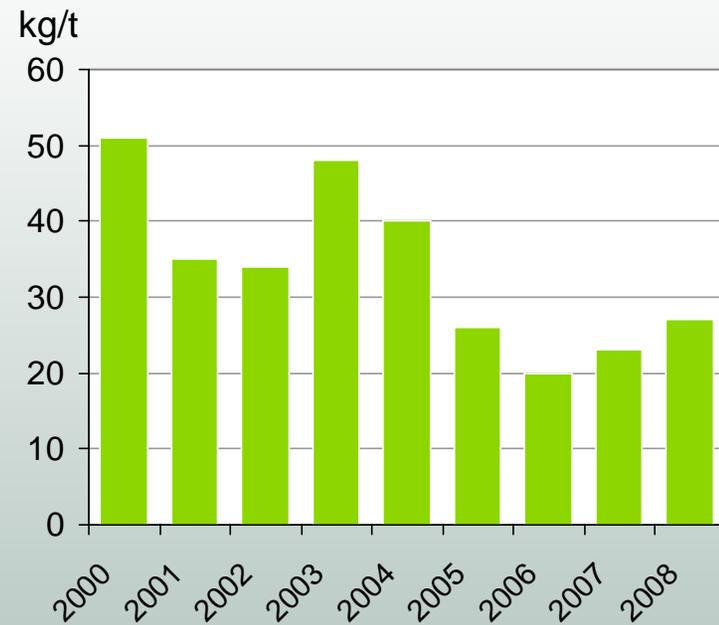
Landfill waste

Landfill waste per m³ of wood products*)



*) Only Finnish Wood Products mills included until 2004

Landfill waste per tonne of converted goods *)

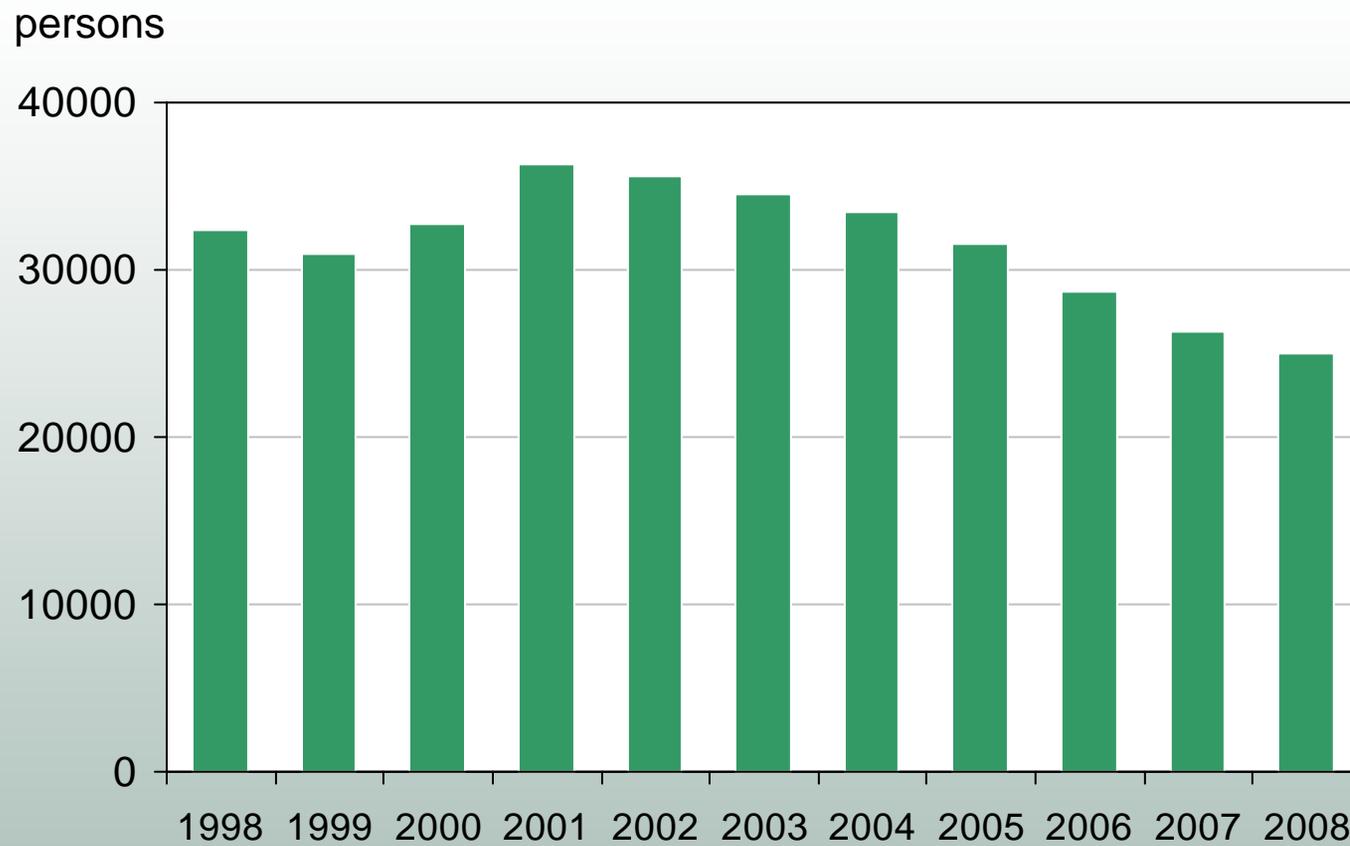


*) Since 2004 without Loparex, since 2007 without WalkiWisa

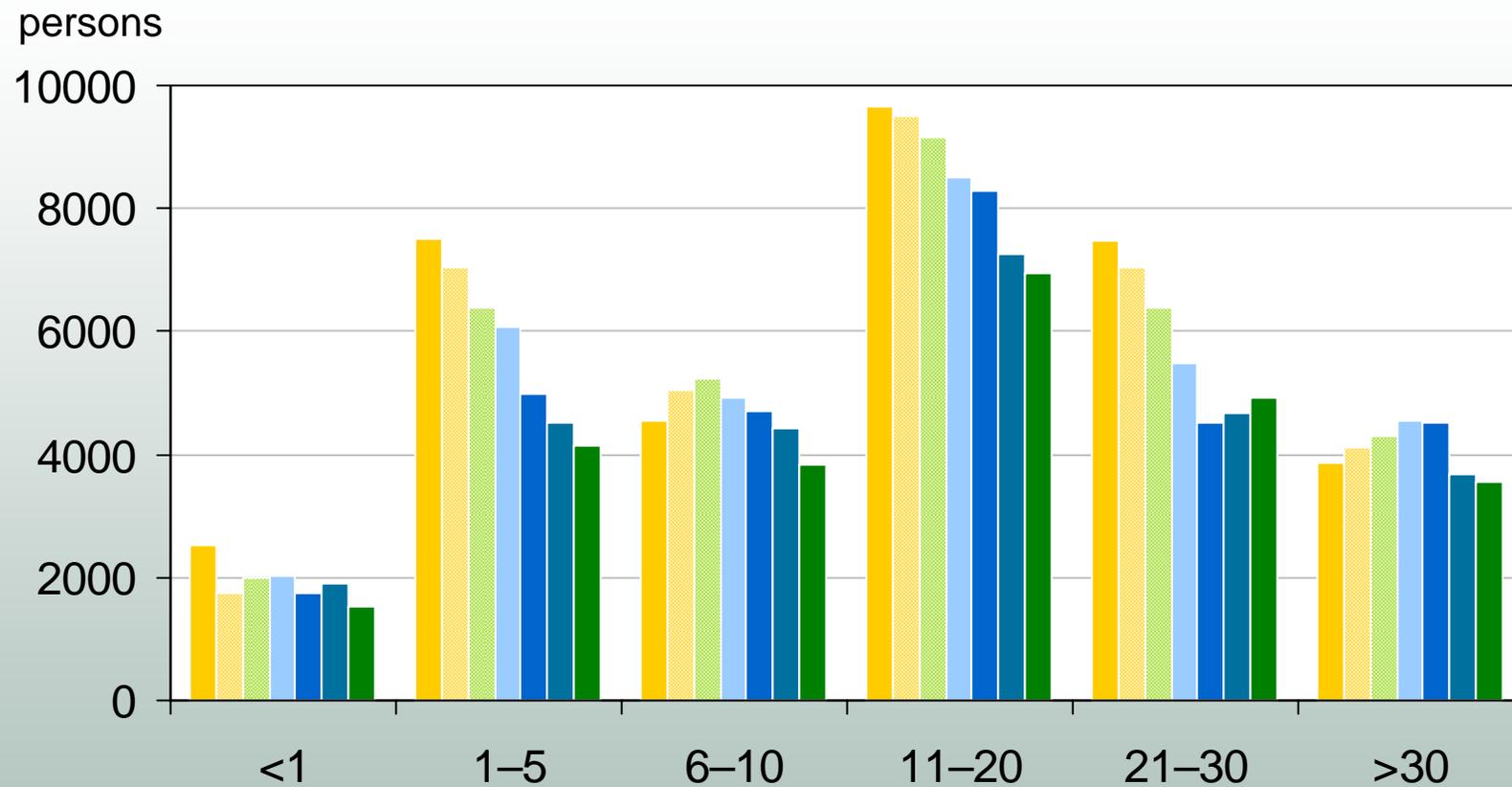
Human Resources, 2008

- The number of employees declined by 1,369
 - completion of the profitability programme started in 2006
 - measures taken to improve profitability
- HR services were centralised into six regional service centres
- Take Care campaign to support wellbeing at work was launched

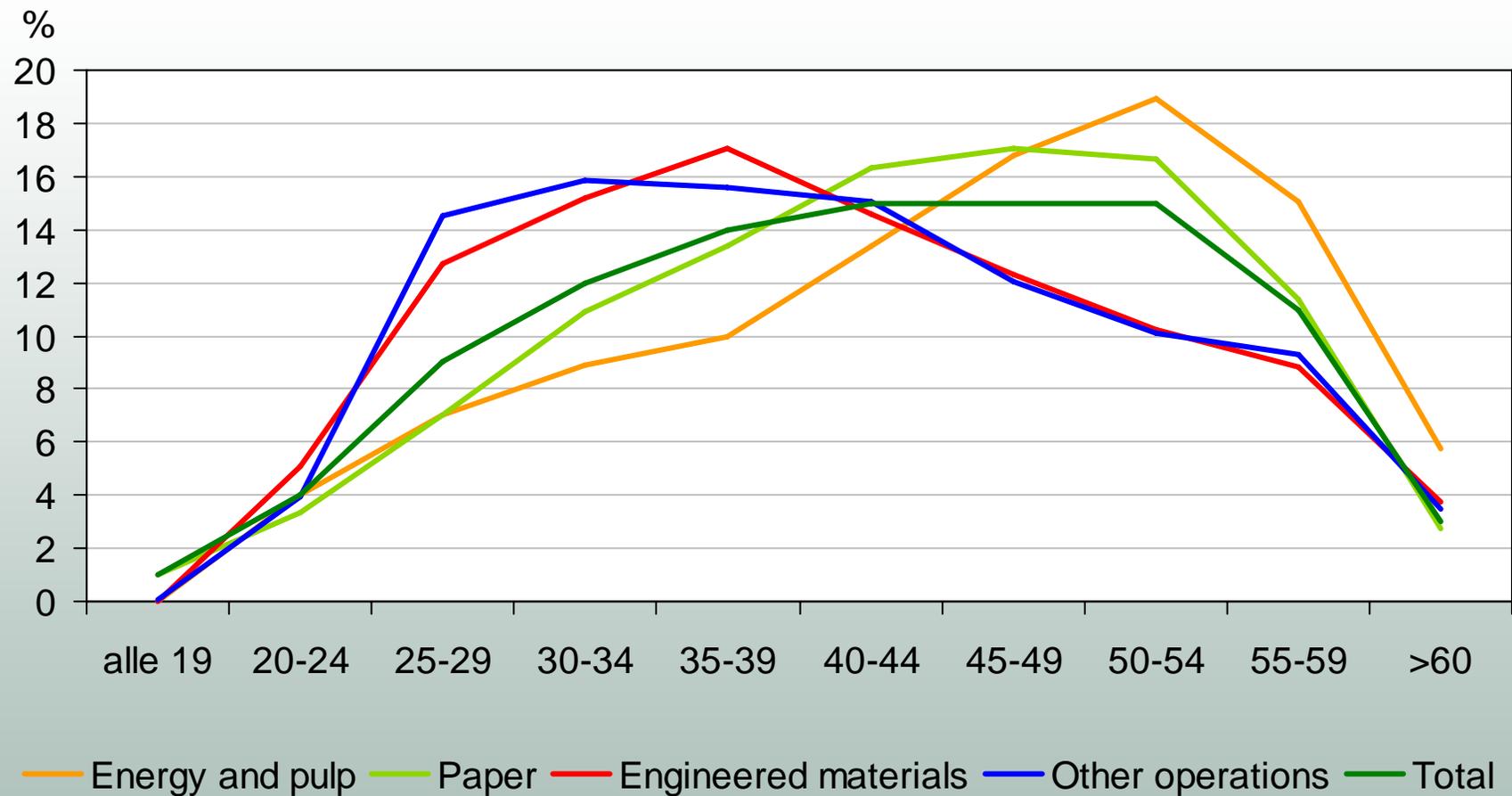
Personnel end of the year



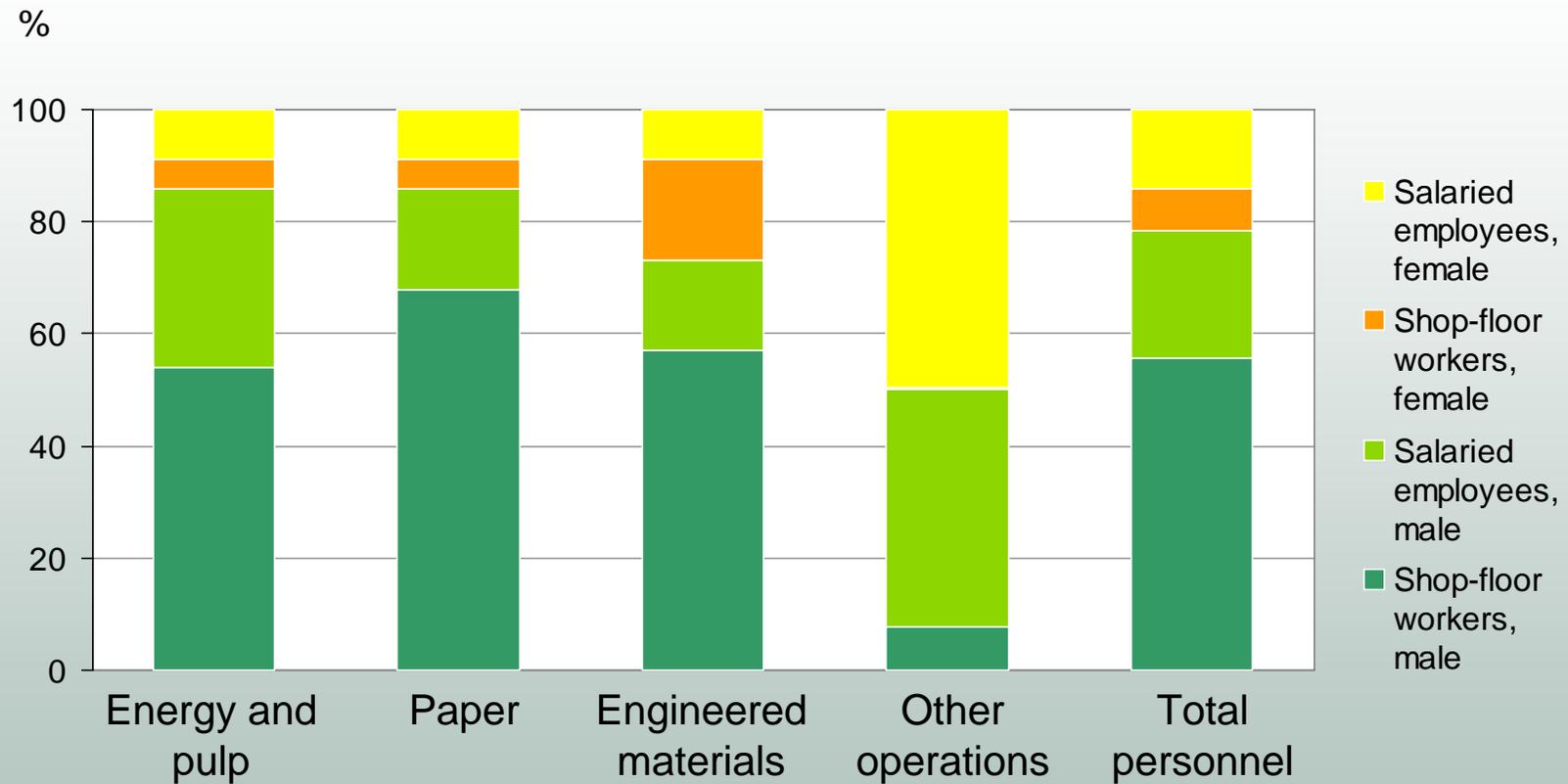
Employees' years of service with UPM 2002-2008



Age structure of Group personnel 2008

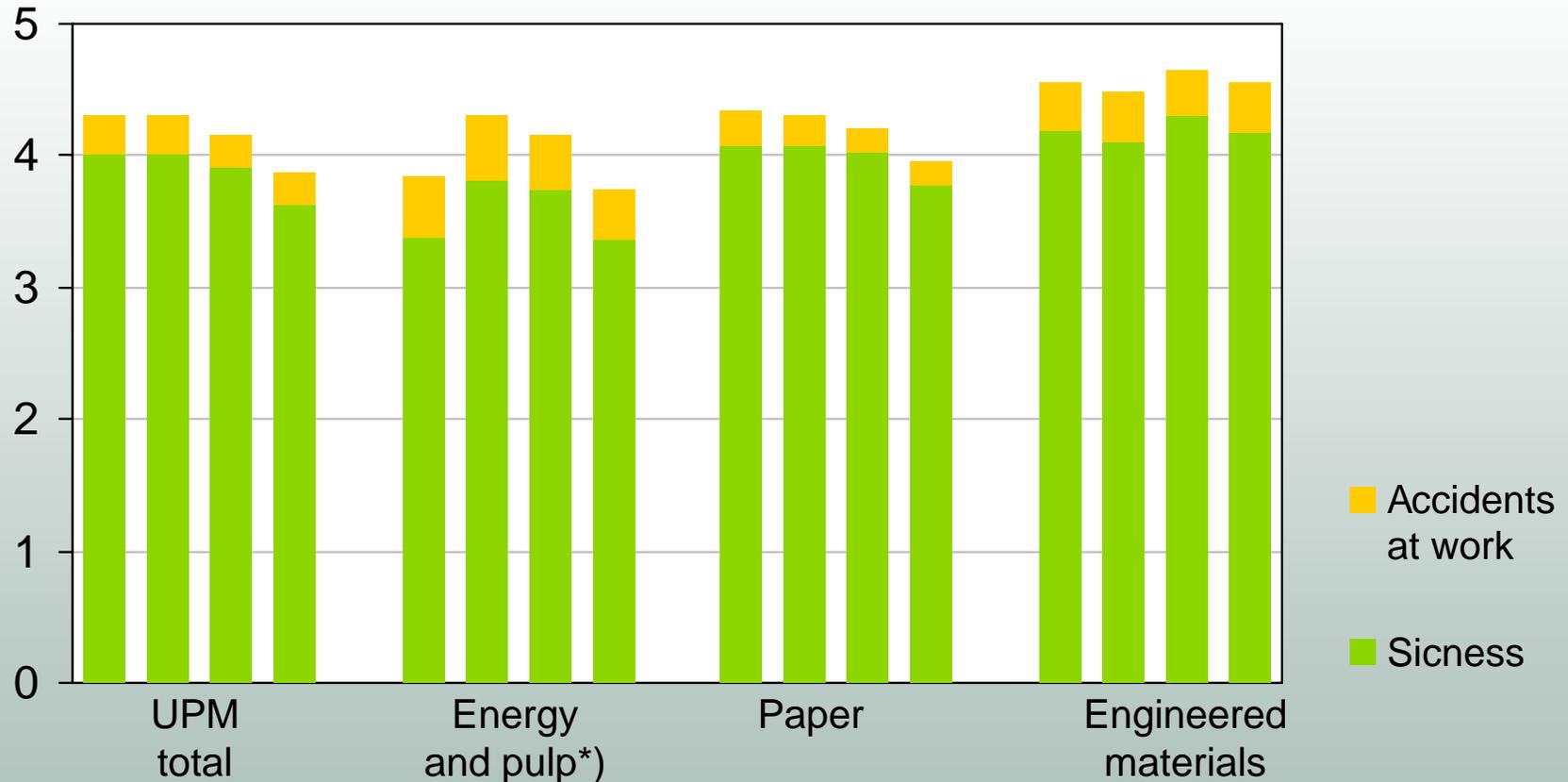


Personal gender distribution in 2008



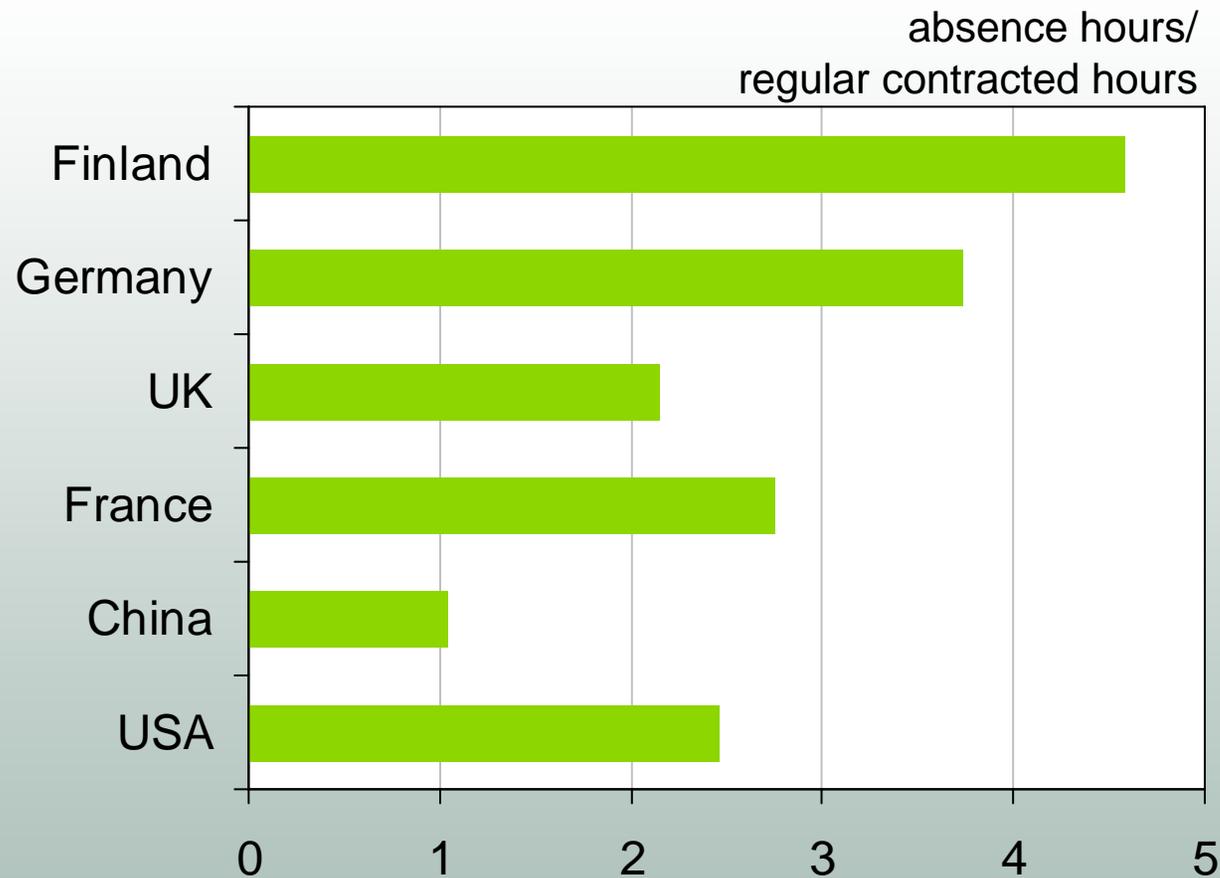
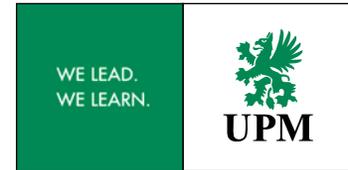
Absenteeism, all personnel 2005-2008

absence hours/regular contracted hours



*) Pulp mills' information is included in Paper Business Group

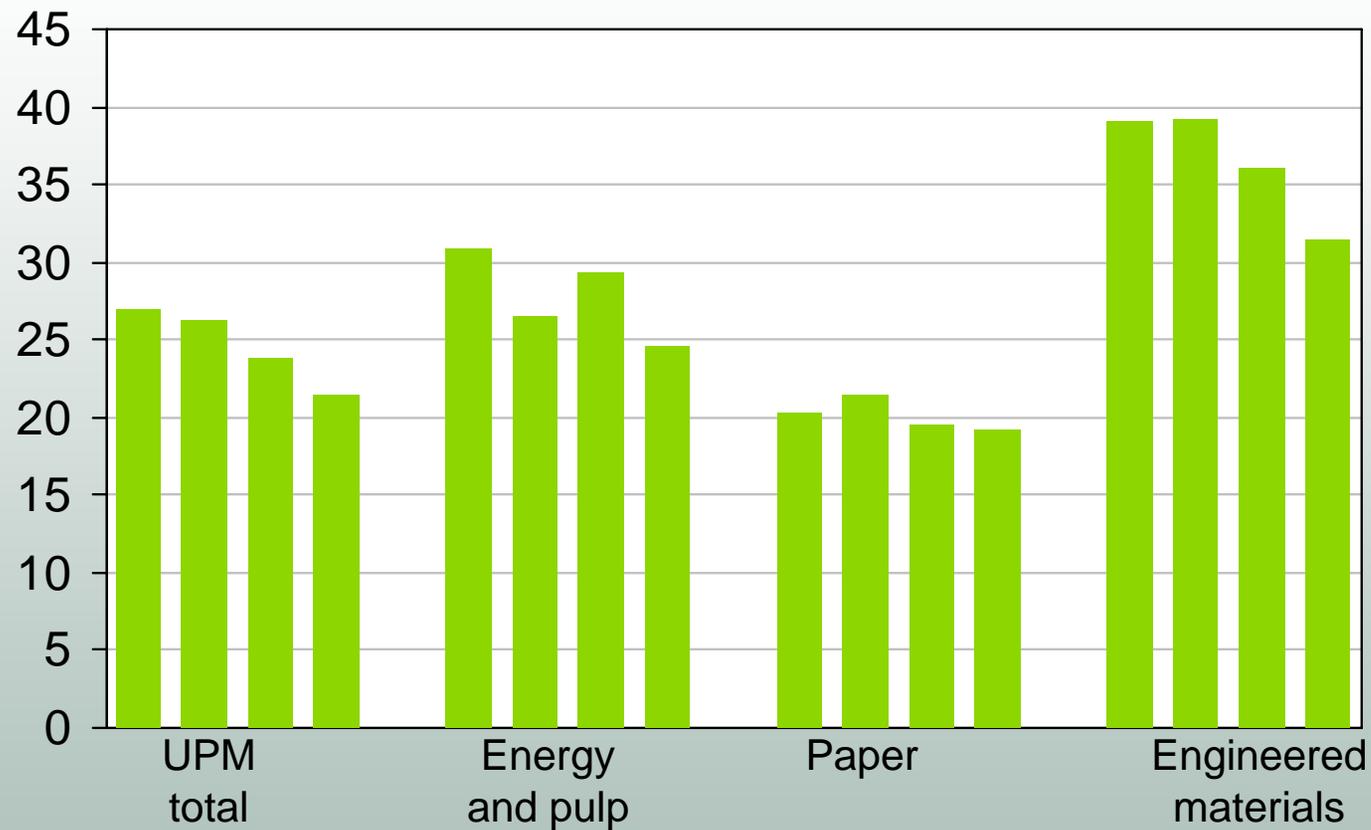
Absenteeism due to sickness and accidents at work, all personnel



Accident frequency, all personnel 2005-2008



accidents at work / mill. hours of work



*) Pulp mills' information is included in Paper Business Group

WE LEAD.
WE LEARN.

