

Company Profile

Headquarters: Helsinki, Finland
Major products: Integrated bio and forest (biofore) industry (energy and pulp, paper, engineered materials)
Further information: www.upm.com/en

As the frontrunner of the new forest industry, UPM is leading the integration of bio and forest industries into a new, sustainable and innovation-driven future. UPM creates value from renewable and recyclable materials. Cost leadership, change readiness, engagement and safety of its people form the foundation of UPM's success.

UPM comprises of three business groups: energy and pulp, paper, and engineered materials. In 2011, UPM's sales exceeded €10 billion. UPM has production plants in 16 countries and it employs approximately 24,000 people worldwide. Its shares are listed on the NASDAQ OMX Helsinki stock exchange.

The current line of products includes paper, pulp, labels, energy, timber, plywood and forest services. UPM sees future opportunities in biofuels, composites and biochemicals.

Challenges and How UPM Takes Responsibility

UPM products are based on renewable and recyclable raw materials and are produced with due care for resources, eco-systems and local communities. UPM has established a series of 11 principles covering the three pillars of economic, social and environmental responsibility.

The basis of UPM's business is the raw material of wood. Safeguarding biodiversity is a key part of sustainable forest management; therefore UPM has developed a global biodiversity programme that aims to maintain biodiversity in forests.

Sustainable commercial forestry is one of the solutions to the big questions on earth. Global forest loss is a driving factor behind species extinctions and global warming. Sustainable forestry significantly alleviates both of these problems.

Best Practice: UPM's Global Biodiversity Programme

Fields of Action

- Sites and facilities
- Supply chains, commodities and materials
- Product
- Production and manufacturing processes
- Transport and logistics
- Personnel

The Issue

The Convention on Biological Diversity was one of the key agreements adopted at the Rio World Summit in 1992. This pact sets out commitments for the conservation of biological diversity, which are implemented by governments, land-owners and companies like UPM through national biodiversity strategies and action plans.

Safeguarding biodiversity is a key part of sustainable forest management. Forests are one of the earth's most valuable resources. Forests provide a source of shelter, food and energy for both wildlife and human beings, playing a key role in biological diversity and climate.

The challenge was to create a biodiversity programme that would be comprehensive and meaningful on all continents and forest management approaches.

The Response

UPM has a global biodiversity programme that aims to maintain biodiversity in forests as well as promote best practices in sustainable forestry and wood sourcing. UPM has integrated the program in its everyday forest management through its Forestry and Wood Sourcing Rules.

A multinational team of experts drew up UPM's biodiversity programme. To translate the programme into everyday action has been a huge challenge in a big organization like UPM. In addition to reviewing the rules and instructions, it has been a big training exercise. The other challenge has been to create a monitoring system for implementation.

The programme is a crosscutting approach that covers all UPM's forest management on all continents, under all conditions. The key elements and the global targets of the programme are translated into operational instructions. Implementing it has resulted in the continuous training of personnel and a number of new development activities.

UPM's biodiversity programme has six key elements with global targets that are important for forest biodiversity:

Key element	Global target
Native tree species	Maintain and promote native tree species and their natural composition.
Deadwood	Manage deadwood quality and quantity to enhance biodiversity.
Valuable habitats	Protect valuable habitats and manage them for their biodiversity value.
Forest structure	Manage variation in forest structure at landscape and stand level.
Water resources	Maintain open water bodies and wetlands, secure high water quality.
Natural forests	Implement plan for remnants of natural forests.

UPM has set global targets for each key element. Forestry in each country is different, not just in terms of forest type but also in terms of the history of utilization and local forest legislation. This is why the implementation of UPM's biodiversity programme is based on country level targets and local action plans.

The great majority of original forest biodiversity is safeguarded by UPM's operational practices. Native tree species are the keystone species of forest ecosystems, providing food and habitats for the majority of other forest species, i.e. ground vegetation, herbivores, predators and parasites. Maintaining healthy trees further strengthens the positive impact on biodiversity by creating structural variation in the forests. By leaving retention trees and dead trees in the forests, favourable conditions are created for thousands of saproxylic species.

Still, a number of specialised species need a stable habitat with a minimum level of disturbance. In total, some 102,000 hectares of valuable habitats have been defined as areas set aside in UPM's forests for such species. The protected habitats range from habitats of a fraction of a hectare to

large protected areas covering a wide range of different habitats and totaling nearly 30,000 altogether. The area in hectares by countries is: Finland 77,000, USA 18,000, UK 2,000 and Uruguay 5,000.

The flagship of UPM-owned protected areas is the 'Griffin Forest' with an area of 1,400 ha. It is located next to the state owned Repovesi National Park. Together they make an exceptionally large, 2,900 ha protected area in southern Finland.

Most of the areas dedicated to preserving biodiversity do not require any human activity. These areas develop slowly over time into natural forests. Some areas, however, benefit from human interaction.

The Results

As the implementation of the programme is mostly channeled via everyday forestry actions the benefits to biodiversity accrue slowly. For this reason, it is difficult to definitively prove that the better state of biodiversity is caused by UPM's programme.

Therefore UPM has made a cooperation agreement with the International Union for Conservation of Nature (IUCN) according to which the IUCN carries out a review of the approach and the implementation of UPM's programme in Finland and in the UK.

The results of this review will be available by the end of 2012.

