



HUMAN RESOURCES RULES

The management of Human Resources in UPM-Kymmene is based on the company's values – Trust and be trusted, Achieve together, Renew with courage – and on social responsibility

The company complies with international, national and local rules and regulations and international agreements. In the event that these prove to be insufficient or open to various interpretations, the company acts in accordance with its operating principles and best practices.

UPM-Kymmene fosters a leadership culture that supports its values. It actively promotes employee well-being and motivation and provides opportunities for development.

UPM-Kymmene respects the freedom of association and abides by legally binding collective agreements. Employee participation and consultation are organised in accordance with international and national rules and regulations.

The remuneration and benefits UPM-Kymmene provides meet with national legal standards, governing collective agreements and good local practice.

UPM-Kymmene promotes equal opportunities and objectivity in employment and career development and respects employee privacy. Discrimination or harassment is not tolerated.

UPM-Kymmene does not tolerate the use of forced or child labour.

If layoffs are imminent due to changes in the business environment, effort is made to relocate employees within the company, if necessary by means of reasonable retraining. In case redundancies are unavoidable social plans and financial compensations are agreed on locally in accordance with national rules and with regard for national social security.

UPM-Kymmene Human Resources Rules are implemented throughout the company at all levels and activities.

The Board of Directors of UPM-Kymmene Corporation has approved this document on 18 September, 2002. By decision of the Board the heading was changed to Human Resources Rules on 14 December, 2006

Renewed values updated on October 28, 2010.

HUMAN RESOURCES RULES, GLOSSARY

The aim of this glossary is to explain the meaning of some of the terms used in the Human Resources Rules document. It should be noted that the meaning of the terms may vary depending on e.g. the reader's cultural background.

Company values

Legislation and competition set limits for transparency for a listed company. The aim is to maintain an atmosphere of openness when interacting with stakeholders without compromising requirements for confidentiality.

Corporate Social Responsibility (CSR)

Corporate Responsibility consists of three pillars: economic, environmental and social responsibility. Corporate Social Responsibility, or CSR, deals with the company's responsibility towards its employees, society and the other stakeholder groups of the company.

Rules and regulations and international agreements

The minimum requirement of responsibility for UPM-Kymmene is to comply with national and local rules and regulations, but it is understood that is the minimum to fulfil the company's social responsibility.

By international agreements are meant those the Finnish government (or the governments of countries where UPM-Kymmene operates) has ratified. These include or will include e.g. the United Nations Universal Declaration of Human Rights, and the International Labour Organization Conventions.

Operating principles

These include all approved principles and policies inside UPM-Kymmene.

Best practices

Best practices means the best level of operation inside the industry, the geographical area or the issue at hand.

Opportunities for development

UPM-Kymmene offers its employees possibilities for personal development. Effort is also put into developing teams and the working atmosphere across the whole organization.

Freedom of association

Freedom of association respects the right for all personnel to form and join trade unions of their choice and to bargain collectively. Where these rights are restricted by law, the company should provide an alternative channel to hear employee concerns. (Ref: ILO Convention 98)

Employee participation

Examples of employee participation are co-operation within company, co-determination and employee representation in companies' decision making bodies.

Consultation

Consultation means the exchange of views and establishment of dialogue between the employees' representatives and the management. (Ref: Council Directive on European Works Council; UPM-Kymmene European Forum)

Collective agreements

Collective agreement is an agreement concluded between a number of employees (normally a union) and one or more employers (normally an employers' association) governing pay and working conditions. Depending on contractual structures, local agreements and custom can form part of a collective agreement.

Employee privacy

UPM-Kymmene respects the employees' private life and other basic rights safeguarding privacy. Personal data are processed in accordance with good processing practice.

Discrimination

Any discrimination against employees on the basis of age, sex, health, national or ethnic origin, sexual preference, language, religion, opinion, family ties, trade union activity, political activity or any other comparable circumstance is prohibited.

Forced or compulsory labour

All work or service that is extracted by any person under the menace of any penalty for which he/she has not offered him/herself voluntarily. (Ref: ILO Convention 105)

Child labour

The minimum age for employment is 15 years for regular, non hazardous work and 18 for hazardous work. (Ref: ILO Convention 138)

Reasonable retraining

This term means an orientation-type of training which can be considered reasonable from the employee's as well as the employer's point of view having regard to time needed, costs, availability of training etc.

Social plans and financial compensation

The measures of support in redundancies vary from one country to another depending on the social security structure and on the funding of unemployment benefits. In some countries a special social plan is compulsory in cases of collective dismissal.