

24 November, 2008

UPM and Global Compact

UPM signed the Global Compact in 2003. As UPM already has set high standards for its business conduct, the signing of the Global Compact did not signify any major change in the company practices, but it did fortify and solidify UPM's commitment to continuous improvement in the area of sustainable development.

The ten principles of the Global Compact and what UPM is doing in these areas.

Human rights

- | | |
|---|--|
| 1. Businesses should support and respect the protection of internationally proclaimed human rights | UPM respects the universal human rights as defined by the United Nations' Universal Declaration of Human Rights in its own operations and promotes their implementation in its sphere of influence. |
| 2. Businesses should make sure that they are not complicit in human rights abuses | This is reflected especially in our supply chain management practices. UPM expects all its suppliers to adhere to the principles of the UPM Code of Conduct – if breaches are discovered that violate the Code in a supplier's operations, and the supplier fails to provide evidence on how it will improve, UPM has the authority to terminate the supply contract without further notice. |

Labour practices

- | | |
|---|--|
| 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | This requirement is included in the Code of Conduct and in UPM's HR Rules. |
| 4. Businesses should uphold the elimination of all forms of forced and compulsory labour | This requirement is included in the Code of Conduct, UPM's HR Rules, and in the company's Supplier Requirements. |
| 5. Businesses should uphold the effective abolition of child labour | This requirement is included in the Code of Conduct, UPM's HR Rules, and in the company's Supplier Requirements. |
| 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation | This requirement is included in the Code of Conduct and in UPM's HR Rules. |

24 November, 2008

Environment

7. Businesses should support a precautionary approach to environmental challenges

At UPM, environmental management is part of the common operations management in order to minimise risks and share best practices. It has certified ISO 14 001 environmental management systems in all operations and the focus is set on continuous eco-efficiency improvement and open communications.
8. Businesses should undertake initiatives to promote greater environmental responsibility

UPM takes into consideration the whole lifecycle of a product. UPM has strict and precise environmental requirements for its suppliers and actively utilises environmental labels to certify the good environmental quality of its products e.g. European Eco-label, PEFC and FSC.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies

At UPM, the Best Available Techniques (BAT) is used in all its operations. UPM is a forerunner in using biomass and non-fossil power. UPM also is preparing to become a significant producer of renewable, second generation non-fossil transportation fuels (biodiesel).

Corruption & Bribery

10. Businesses should work against corruption in all its forms, including extortion and bribery

The Code of Conduct prohibits corruption and bribery in all its forms. Moreover, detailed anti-corruption rules are being further developed and implemented. UPM has taken additional measures by making an active “whistle blowers hotline” available to report possible violations of the Code.