

ENVIRONMENTAL performance in 2014



UPM Chapelle Darblay



Through the renewing of the bio and forest industries, UPM is building a sustainable future across six business areas: UPM Biorefining, UPM Energy, UPM Raflatac, UPM Paper Asia, UPM Paper Europe and North America and UPM Plywood. Our products are made of renewable raw materials and are recyclable. We serve our customers worldwide. The group employs around 20,000 people and its annual sales are approximately EUR 10 billion. UPM shares are listed on NASDAQ OMX Helsinki. UPM – The Biofore Company – www.upm.com

UPM Chapelle Darblay

UPM Chapelle Darblay is one of the paper mills of the UPM group. Situated near Rouen, the Normandy factory has an ideal location: easy access to international export markets on account of its proximity to the ports of Le Havre, Paris and Rouen (HAROPA), Rouen being France's main forest harbor. Chapelle Darblay is also near to large urban centres for its raw materials (Paris is 130 kilometres away). In addition, it has access to the Paris region by local waterway, as well as speedy road and rail access to European capitals.

Our mill, which belongs to the UPM ENA (Europe and North America) business area, manufactures newsprint from 100% recycled fibres. Chapelle Darblay, through its 450 contracts with local authorities, recovers 500,000 tonnes of newspapers and magazines per year from 30 million people in France.



UPM Chapelle Darblay Environmental Performance in 2014 is a supplement to the Corporate Environmental Statement of UPM's pulp and paper mills (available at www.upm.com) and provides mill-specific environmental performance data and trends for the year 2014. The annually updated mill supplements and the UPM Corporate Environmental Statement together form the joint EMAS Statement of UPM Corporation. The next Corporate Environmental Statement and also this supplement will be published in 2016.

Production capacity	380,000 t/a graphic papers
Personnel	364
Products	Newsprint: UPM News, UPM Brite, UPM Color
Certificates	EMAS – EU Eco-Management and Audit Scheme ISO 14001 – Environmental Management System Standard ISO 9001 – Quality Management System Standard ISO 50001 – Energy Management System Standard OHSAS 18001 – Occupational Health and Safety System Standard PEFC™ Chain of Custody – Programme for the Endorsement of Forest Certification FSC® Chain of Custody – Forest Stewardship Council <i>All certificates can be found from UPM's Certificate Finder (available at www.upm.com/responsibility).</i>
Environmental labels	EU Ecolabel: UPM News C, UPM EcoBasic H, UPM Brite, UPM EcoPrime, UPM Color
Accreditation	Seine-Normandy Water Agency certification



The mark of responsible forestry

For FSC products, visit www.fsc.org



For PEFC products, visit www.pefc.org



Environmental year 2014

This report gives information on the mill's environmental performance and covers the most significant impacts: emissions to air and water, waste and material consumption.

UPM Chapelle Darblay operates within a permit delivered by the French Ministry of Environment. This permit details the limits to be respected for air and water emissions. Our global environmental performance in 2014 respected the permit limits thanks to a permanent attention of the staff. Some actions, described below, were implemented to improve our environmental performance.

Water

At the beginning of 2014, we experienced difficulties at the Waste Water Treatment Plant leading to exceed occasionally the suspended solids limit values. A multi-site working group has been created to analyze the causes of these problems and implement corrective and preventive actions, as well as new procedures for monitoring and managing the Waste Water Treatment Plant. The actions implemented have significantly improved the management of the Waste Water Treatment Plant and therefore the emission parameters into the water.

Air

Thanks to our biomass boiler, we have low fossil CO₂ emissions. Since the end of 2013, the biomass boiler experienced malfunctions leading to the use of gas emergency boilers, thus generating fossil CO₂ emissions. To solve these problems, a multi-site working group has been created and technical solutions have been planned for the beginning of 2015. Since the completion of works,

the problems disappeared and the biomass boiler recovered its operating rate, thus reducing in a near future the amount of fossil CO₂ emissions compared to 2014.

Local environment authorities

UPM Chapelle Darblay cooperates with the local authorities on environmental issues. Regular exchanges are set up on the operation of our facilities, thus creating a climate of trust between the parties. UPM Chapelle Darblay is subject to the prefectural decree of 18 January 2011 (classified site and subject to authorization).

Extract from UPM Chapelle Darblay engagement.

In keeping with the vision and values of UPM, our mill is committed to becoming a standard industry in security, environment and energy. Specifically, in terms of environment and energy, our engagement is about:

- reducing the environmental impacts and pollution
- reducing our energy consumption and encouraging the purchase of products and energy-efficient services
- monitoring the performance indicators
- cooperating with the other UPM production sites to know and implement the best practices
- encouraging innovation to improve the competitiveness of the mill
- respecting the laws and requirements of our stakeholders



Jean Kubiak, Managing Director
and Céline Pierre, Management Systems Manager and
Coordinator of Health, Safety and Environment

Air

Our airborne emissions (dust, fossil carbon dioxide, nitrogen dioxide oxides, sulfur dioxide, hydrochloric acid, hydrofluoric acid and total organic carbon) from the biomass boiler are monitored continuously using automatic analysers. To validate the checks and to verify the conformity of our emissions with regulatory thresholds, an accredited external body conducts a full analysis of the exhaust gases one to four times a year. The low use of our gas furnaces and our gas turbine allows us to limit greenhouse gas emissions to a minimum.



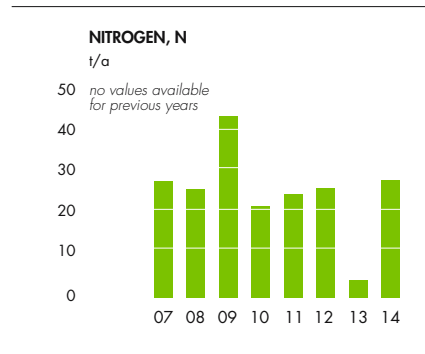
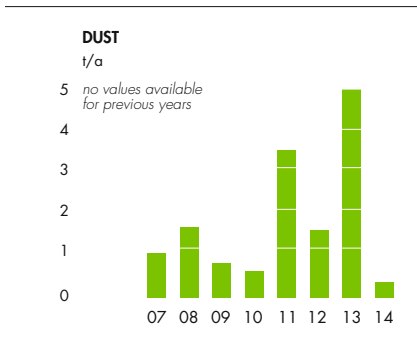
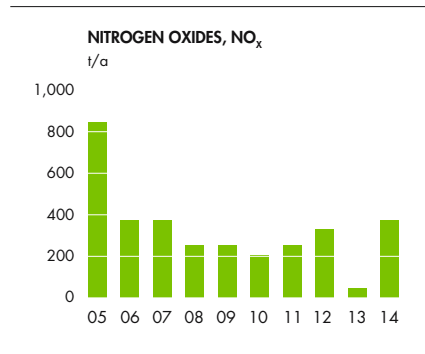
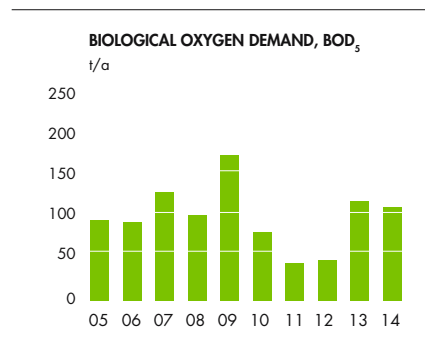
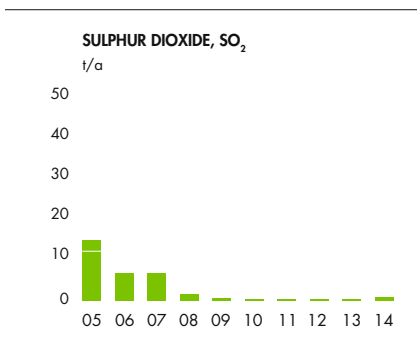
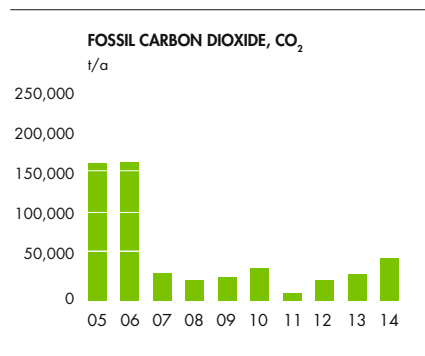
The biomass boiler produces green electricity. This is achieved through the use of biofuels which supply the boiler, and the purification of flue gas.

Water

The water used in our mill comes from the River Seine. Once it has been drawn the water is coarsely filtered and then a portion of the water is finely filtered in a treatment plant equipped with pulsating settling tank and sand filters.

After our recyclable materials have been suspended in the water, it is called process water, and serves as a carrier for the paper fibres. It transports the fibres to the de-inking lines and then on to the paper machines where it is removed from the paper web by draining, pressing and drying. Most of the process water is then recycled. The remainder, called 'effluent' goes to our treatment plant for cleaning before it is discharged back into the Seine.

Recycling the process water is an important issue for UPM and for Chapelle Darblay in particular. Our water



Waste

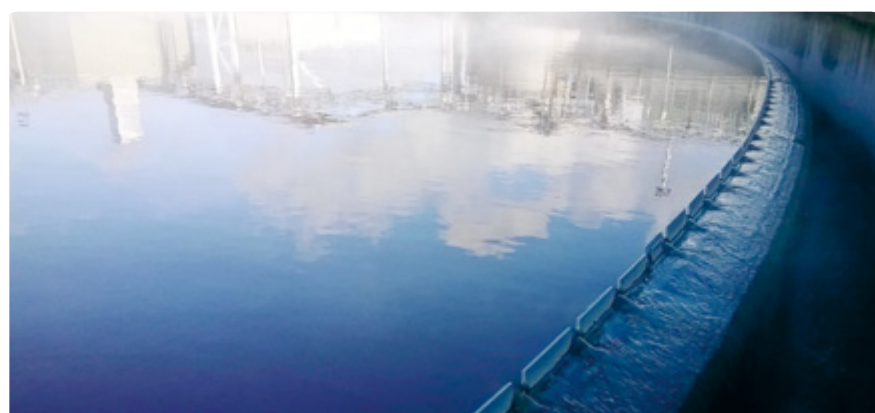
consumption has decreased significantly over the last decade.

Specific water consumption per tonne of paper decreased by 33% from 2008 to 2012, but increased by 17% in 2013.

For the year 2014, specific water consumption is stable compared to the year 2013. The purifying efficiency of the treatment plant improved between

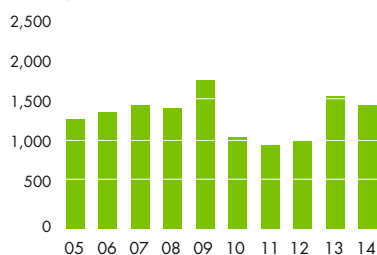
2013 and 2014. Thus, the plant has decreased its COD (chemical oxygen demand) by 7%, its SS (suspended solids) by 64% and its BOD₅ (biological oxygen demand) by 3% in the effluent in Seine between 2013 and 2014.

The 2015 target is to reduce the specific water consumption per ton of paper and further optimization of purifying efficiency of the treatment plant.

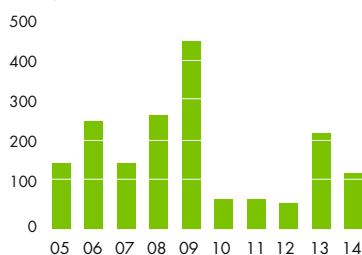


Our policy is to reduce waste as much as possible at source, then sort and recycle or re-use it. The waste, classified into 31 groups, is sorted on site and goes through agreed treatment or recovery procedures in order to improve sorting at source. The waste originating from paper production, particularly from the de-inking process, is used internally in the biomass boiler. Fly ash from combustion and waste resulting from the recycling of boiler sand are recovered materially (civil engineering, land-spreading, inerting, etc.). The ash is REACH-approved and the production of ash and de-inking sludge is ISO 9001, ISO 14001 and OHSAS 18001 certified. Hazardous waste is handled according to BSDD (Bordereau de Suivi des Déchets Dangereux, hazardous waste tracking note) and sent to the appropriate processes. Each type of waste leaving the site is recorded in the waste register.

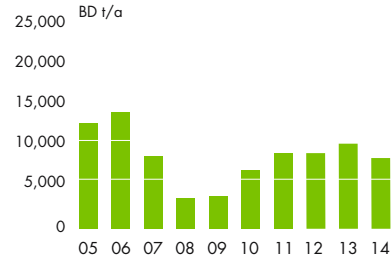
CHEMICAL OXYGEN DEMAND, COD
t/a



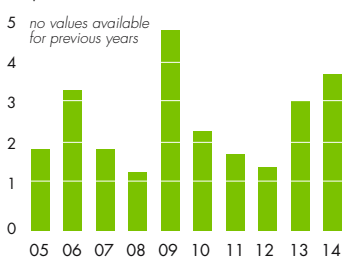
TOTAL SUSPENDED SOLIDS, TSS
t/a



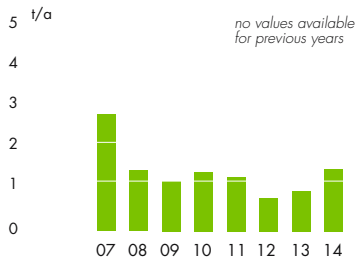
DISPOSAL OF INDUSTRIAL WASTE TO CLASS 2 LANDFILL SITES
BD t/a



PHOSPHORUS, P
t/a



ADSORBABLE ORGANIC HALOGEN COMPOUNDS, AOX
t/a



Environmental parameters 2014

The figures related to production as well as raw material and energy consumption are published as aggregated figures on group level in the UPM Corporate Environmental Statement.

Production capacity	Paper	380,000 t
Raw materials	Recycled fibre pulp Process chemicals	See UPM Corporate Environmental Statement for more information
Energy	Fossil fuels Biofuels	26% 74% See UPM Corporate Environmental Statement for more information
Emissions to air	Carbon dioxide, CO ₂ (fossil) Nitrogen oxide, NO _x Sulphur dioxide, SO ₂ Dust	43,049 t 377 t 0.78 t 0.339 t
Water intake	Surface water Municipal water Groundwater	15,454,000 m ³ 8,700 m ³ 0 m ³
Discharges to water	Cooling water Effluent volume Biological oxygen demand, BOD ₅ Chemical oxygen demand, COD Total suspended solids, TSS Nitrogen, N Phosphorous, P Adsorbable organic halogen compounds, AOX	8,345,000 m ³ 5,680,000 m ³ 116 t 1,418 t 114 t 27.7 t 3.7 t 1.364 t
Waste*	Waste, total (excl. hazardous waste) of which: – Ash – Sludge – Bark and wood waste – Others Hazardous waste	115,672 t 54,292 t 54,241 t 63 t 261 t 254 t
Size of mill area		33 ha
Biodiversity	Built area	306,500 m ² out of 330,000 m ² of the total mill area See UPM Corporate Environmental Statement for more information

* excluding moisture (dry weight)



To produce green electricity, the biomass boiler is provided with paper sludge produced by the mill, recycling wood and forest chips.

Performance against targets in 2014

TARGET	ACHIEVEMENT	COMMENTS
Reduce Clean Run deviations of category 3 by 50%	Yes	Clean Run continued to be a key area of focus. Significant improvement in 2014 with 3 category deviations reported for TSS breaches compared to 7 category 3 deviations in 2013.
No Clean Run deviation of category 4	No	3 deviations of category 4 have been reported. For each one, an analysis and an action plan have been implemented.
Continue the installation of frequency variators on several motors to reduce energy consumption	Yes	
Separate out nitrogen and phosphorus in the effluent treatment plant to produce the right mix of nutrients	No	Work done with supplier to improve the formulation of chemicals
Task force to solve the problems of the effluent treatment plant	Yes	
Project to separate rainwater and process effluents from PM3	No	Study done but project not implemented

Environmental targets 2015

- Clean Run deviations of category 3 at level of 4 or less for the year
- Clean Run deviations of category 4 at level of 0
- Full compliance with permit limit
- Decrease the process waste water volume



Environmental verifier's declaration on verification and validation activities

Mr Bruno Jacquet, EMAS environmental verifier, ECOCERT, bearing agreement number COFRAC n°4-0011 rév.18 - FR-V-0010, accredited or certified for NACE 17 codes, declares to have verified whether the site or the organization as a whole, i.e. UPM Chapelle Darblay (France – 76530 Grand Couronne), (with agreement number FI-000058), as indicated in the Environmental Statement of the mentioned site, meets all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community Eco-Management and Audit Scheme (EMAS).

By signing this declaration, I declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,

– the data and information of the environmental statement of the site reflect a reliable, credible and correct image of all the activities on the site within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Executed at Paris (France) on 17 April 2015

Bruno Jacquet
ECOCERT environmental verifier

MORE WITH BIOFORE



UPM leads the integration of bio and forest industries into a sustainable future characterised by innovation, responsibility and resource efficiency. www.upm.com



www.upm.com

UPM France SAS
Etablissement Chapelle Darblay
CD3-BP1
76530 Grand-Couronne-France
Tel: +33 (0)2 35 18 40 00
Fax +33 (0)2 35 18 40 40

Contact:

Céline Pierre
Management Systems Manager and
Coordinator of Health, Safety and
Environment
Tel. +33 (0) 2 35 18 41 39
Email: celine.pierre@upm.com

Florence Duquesne
Communications Officer
Tel. +33 (0) 2 35 18 40 28
Email: florence.duquesne@upm.com