

ENVIRONMENTAL performance in 2015



UPM Steyrermühl



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 19,600 people and its annual sales are approximately € 10 billion. UPM shares are listed on NASDAQ OMX Helsinki. UPM – The Biofore Company – www.upm.com

UPM Steyrermühl

First established in 1868, the mill has developed into a determining factor for the industrialization of the community of Laakirchen in Upper Austria. Two modern paper machines produce up to 470,000 tonnes per annum of high-quality printing papers.

Our three-stage biological treatment plant cleans both the mill's effluents and the municipal wastewater of the Laakirchen area. Combined heat and power plants make sure that primary energy is used effectively. Process residues are incinerated in the fluidized bed boiler operated by Entsorgungs- und Energieverwertungsgesellschaft (EEVG), a subsidiary of UPM Steyrermühl and Laakirchen Papier AG (former SCA Grafik Laakirchen).

The sawmill is a 100 % subsidiary of UPM Steyrermühl and produces up to 400,000 m³ of sawn timber. Sawmill residues are used as a raw material for papermaking.

The Group's wood sourcing function supplies both the paper mill and the sawmill with wood from sustainably managed forests.

The Laakirchen pollution control association has set up a state-of-the-art landfill site which is operated according to the requirements of the new landfill regulation.



UPM Steyrermühl, Environmental Performance in 2015, is a supplement to the joint 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 2015. The annually updated supplement and the joint Environmental Statement together form the EMAS Statement. The next Environmental Statement and supplement will be published in 2017.

Production capacity	up to 470,000 tonnes per annum
Workforce in 2015	400 employees (full-time jobs incl. apprentices, as per 31 December 2015)
Products	Standard and improved newsprint: UPM Eco UPM News
Mill area	Approx. 26 hectares, of which 50 % is built or sealed
Certification	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>
Eco-labels	European eco-label (EU flower) for UPM Eco "Blue Angel" eco-label (RAL-UZ 72) for UPM News, UPM Eco and Eco Basic "Blue Angel" eco-label (RAL-UZ 14) for UPM Eco and Eco Basic Austrian eco-label (UZ02) for UPM News and UPM Eco



For FSC products visit www.fsc.org



For PEFC products visit www.pefc.org



The environmental year in 2015

Environmental protection has a long tradition at Steyermühl. When new production plants were built at the beginning of the 1980s, major investments were also made into environmental protection, especially in effluent treatment, energy supply and waste management. As far back as in 1994, Steyermühl implemented a quality management system, which over the years has been developed into an integrated management system for quality, environment, energy, fire prevention and occupational health and safety. Our active mill fire brigade forms the basis for effective risk and emergency management. Staffed by specially trained volunteers, it is able to provide effective response in case of an emergency together with the fire and rescue services from the surrounding communities. The wood sourcing organisation gained Chain-of-Custody and PEFC certification for sustainable forestry practices as far back as in 2001. Our products continuously meet the stringent requirements of European eco-logos. Most of our products have been FSC-certified since 2008.

Our environmental focus areas in 2015 can be summarised as follows:

(see Performance against targets)

Due to the poor economic climate in the construction industry, the use of ash as a soil stabiliser in earth works, commercialised under the brand name Cinerit®, declined and the recovery

rate fell to 84 %. In the fields of water management and energy use, the large number of measures taken delivered savings. Our integrated management system was expanded to include an Energy Management System according to ISO 50001, first certified in the autumn of 2015.

We will further improve our performance through on-going evaluation of our processes and consistent action.

Gaining product status for ash was

prerequisite for permanently securing a high recovery rate. Maintaining the currently high level will be a big challenge for us, as there are currently no major projects planned, such as, for example, the extensive flood protection projects. In order to further reduce fresh water consumption and effluent generation, we will get continue to work intensively in group-wide projects. The focus of our objectives for the coming years will continue to be on energy and water saving measures and reducing fibre losses in all areas of production.



Dipl.-HTL-Ing. Ernst Spitzbart
General Manager

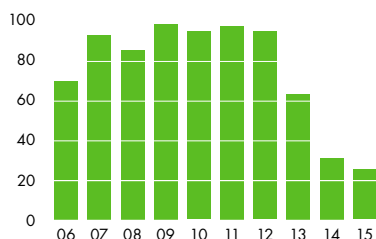
Christian Polzinger, MSc
Environmental Officer

Production and raw materials

Production increased by 13,583 t in comparison with the previous year. Recovered paper consumption was up by nearly 2,000 t.

FOSSIL CARBON DIOXIDE, CO₂

kg/t paper, development since 2006



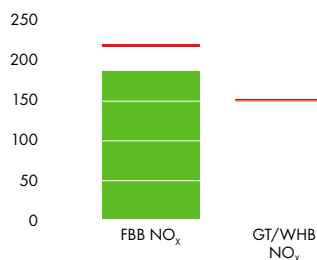
100% basis = year 2000

Air

The gas turbine with downstream heat recovery boiler was not put into service during the whole year and the required power was purchased externally. As a result, natural gas consumption as well as site specific CO₂ and NO_x emissions were stable on a very low level.

AIRBORNE EMISSIONS FROM ENERGY GENERATION

mg/Nm³



AIRBORNE EMISSIONS FROM ENERGY GENERATION

mg/Nm³



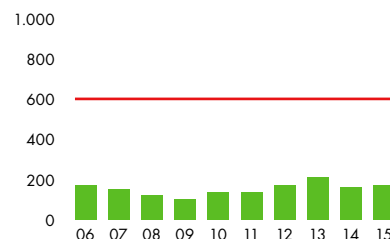
FBB = Fluidised bed boiler
GT = Gas turbine
WHB = Waste heat boiler

Water

The total effluent volume remained nearly constant in comparison with the previous year. The annual COD load of effluents discharged from the treatment plant decreased further by 0.03 kg/t.

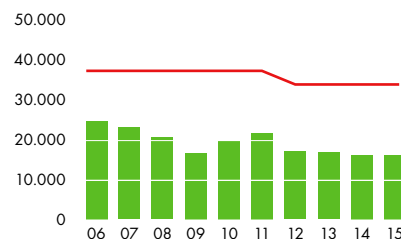
BIOLOGICAL OXYGEN DEMAND, BOD₅

kg/d



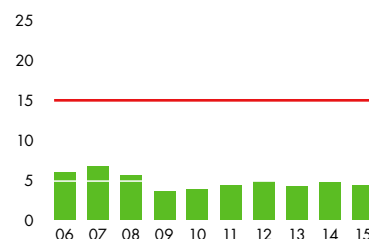
EFFLUENT VOLUME

m³/d



PHOSPHORUS, P

kg/d

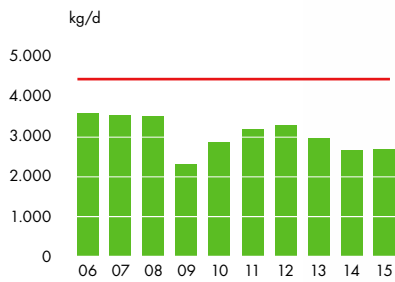


■ Annual average — Limit value

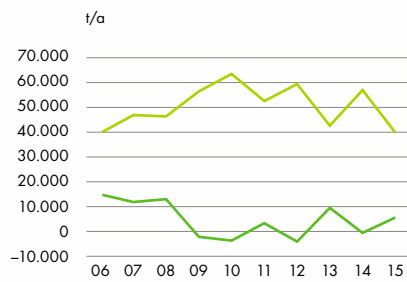
Waste

Due to the poor economic climate in the construction industry, there was a significant reduction in the use of fluidised bed boiler ash as a soil stabiliser. The recovery rate (including also material temporarily deposited in landfill) was 84 %.

CHEMICAL OXYGEN DEMAND, COD

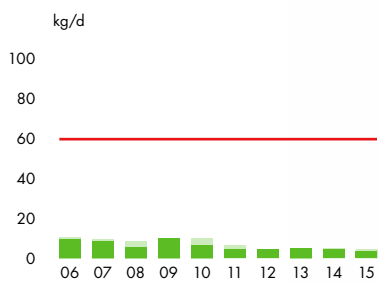


WASTE

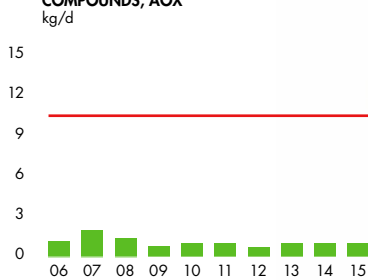


— Annual average recovery
— Annual average external disposal

NITROGEN (INORGANIC), N



ADSORBABLE ORGANIC HALOGEN COMPOUNDS, AOX



Environmental parameters 2015

Data on production volumes and raw material and energy consumption as well as specific indicators per tonne of paper are given as a total figure. They can be found in the joint Environmental Statement of UPM's paper and pulp mills.

Production capacity	Paper	Up to 470,000 t
Raw materials and additives	Recovered paper Process chemicals Consumables	See joint Environmental Statement
Energy	Renewable and fossil fuels External power supply	59 % renewable fuels See joint Environmental Statement
Airborne emissions in t	Carbon dioxide, CO ₂ (fossil) Nitrogen oxide, NO _x Sulphur dioxide, SO ₂ Dust Carbon monoxide, CO	72,952 t 183.9 t 0.08 t 3.3 t 17.1 t
Mill water use in m³	Process and cooling water	7,927,538 m ³
Emissions to water in t	Effluent volume COD BOD ₅ Phosphorus Nitrogen (inorganic) AOX	6,519,007 m ³ 981 t 73 t 1.7 t 1.4 t 0.37 t
Waste in t*	Total waste volume of which: - ash + bed sand - Fibrous process residue to brick works - metal - other Waste recovery rate Hazardous waste	54,058 t 50,623 t 0 t 161 t 3,274 t 99.7 % 80.5 t
Mill area		26 ha

* wet t



Effluent treatment operative measuring visible depth in the secondary sedimentation basin of the treatment plant.

COD: chemical oxygen demand
BOD₅: biological oxygen demand
AOX: adsorbable organic halogen compounds

Performance against targets in 2015

TARGET	TARGET ACHIEVED?
Waste Maintain ash recovery rate at 100%	Both the volumes of Cinerit and of moist ash from the landfill site decreased. The ash recovery rate in 2015 was 84 % (2014: 113 %)
Occupational health and safety – Reduce number of workplace accidents. Target: “Zero accidents” in 2015, maximum 5 accidents (per 1 million working hours) – Reduce illness-related absences to < 3.5 %	Result: 4.1 accidents. Target achieved. Result: 4.03 %. (2014: 3.68 %). Target missed.
Energy Implement Energy Management System according to ISO 50001	Certification of the Energy Management System in the autumn of 2015 following an external audit by the technical inspection agency TÜV Austria.
Water – Reduce fresh water use in production to < 12 m ³ /t – Promote fish migration in the Traun river	Fresh water use slightly reduced by 0.2 m ³ /t Fish ladders built and put into service in the autumn of 2015
Water/Airborne emissions Prevent Clean Run category 3 – 5 deviations	One category 3 deviation in April of 2015 (phosphorus load in the waste water discharged from the effluent treatment plant was over the limit). Target missed.

Current targets

TARGETS	MEASURES/deadlines 12/2016	DEPARTMENT(S) responsible
Waste – Maintain ash recovery rate at 100 % – Reduce metal wastes from DIP – Reduce reel pin waste	Secure use of ash as a stabiliser in earth works (dam construction, road bedding), create additional storage capacity Investigate alternative recovery options Burn waste in fluidised bed boiler	Environment, Energy
Occupational health and safety – Reduce number of workplace accidents. Target: “Zero accidents” in 2016, maximum 1.7 accidents (per 1 million working hours) – Reduce illness-related absences to < 3.5 %	Rigorously implement actions derived from audits, internal standards and group guidelines Implement measures of the “Absence management” plan	All
Water – Reduce fresh water use in production to < 12 m ³ /t – Complete fish migration facilities in the Traun river	– Implement various projects and optimise water management – Test operation of fish ladders	Production Technical Department/ Environment
Water/Airborne emissions Prevent Clean Run category 3 – 5 deviations	Roll out One Safety tool Further optimise start-up and shut-down plans for standstills	Production/Environment



EMAS

Geprüftes
Umweltmanagement
REG.NO. FI - 000058



Environmental verifier's declaration on verification and validation activities

Environmental verifier Dipl.-Ing. Peter Kroiß, Head of the EMAS environmental verification organisation TÜV AUSTRIA CERT GMBH, 1015 Vienna, Krugerstrasse 16 (accreditation number AT-V-0008) and accredited for NACE Code 17.1 “Manufacture of pulp, paper and paperboard”, declares to have verified whether the site at Fabriksplatz 1, 4662 Laakirchen, Austria, as indicated in the Environmental Statement 2015 of the organisation

UPM-Kymmene Austria GmbH, Fabriksplatz 1, 4662 Laakirchen, Austria,

registration number FI-000058, meets all the requirements in 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 the 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 the site's activities, within the scope mentioned in the Environmental Statement.

This document is not equivalent to EMAS registration. EMAS 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

Vienna, April 2015

Dipl. Ing. Peter Kroiß
Managing Environmental Verifier

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efficiency. www.upm.com

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