



The Biofore Company

UPM

UPM Chapelle Darblay

Environmental and Societal Responsibility 2017



UPM Chapelle Darblay

UPM Chapelle Darblay paper mill is located in Grand-Couronne, near Rouen, by the river Seine and approx. 130 km from Paris. Founded in 1927, Chapelle Darblay belongs to UPM Paper ENA (Europe and North America) business area and manufactures newsprint from 100% recycled fibres. The mill consists of one paper machine, two de-inking lines, a Biomass Combined Heat and Power (CHP) plant, a primary effluent treatment plant as well as a Paper Sorting Center.

For the production of newsprint, Chapelle Darblay recovers 350,000 tonnes of newspapers and magazines per year through 350 contracts with local authorities, representing 24 million people in France. A great part of the recyclable papers is coming from the Paris area and is transported by waterway. Our vicinity to large urban centres enables us to limit greenhouse gas emissions whenever possible.

Environmental issues are an integral part of our everyday operations. Targets are set as part of our annual planning process with our key environmental aspects and impacts identified through our regulatory and business requirements to demonstrate continuous improvement. These targets are followed closely through the year.



Production capacity	250 000 t/a graphic papers
Personnel	205
Products	Standard and Improved Newsprint: UPM News, UPM Brite, UPM EcoBasic H, UPM EcoPrime
Certificates	EMAS – EU Eco-Management and Audit Scheme ISO 14001 – Environmental Management System ISO 9001 – Quality Management System ISO 50001 – Energy Management System OHSAS 18001 – Occupational Health and Safety System PEFC™ Chain of Custody – Programme for the Endorsement of Forest Certification FSC® Chain of Custody – Forest Stewardship Council All certificates can be found from UPM's Certificate Finder (available at www.upm.com/responsibility)
Environmental labels	EU Ecolabel
Accreditation	Seine-Normandy Water Agency



UPM Chapelle Darblay Environmental and Societal Responsibility 2017 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 2017. 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 2019.

UPM leads the forest-based bioindustry into a sustainable, innovation-driven, and exciting future across six business areas: UPM Biorefining, UPM Energy, UPM Raflatac, UPM Specialty Papers, UPM Specialty Papers and UPM Plywood. Our products are made of renewable raw materials and are recyclable. We serve our customers worldwide. The group employs around 19,100 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



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Review of the year 2017

This report gives information on the mill's environmental and societal performances and covers the most significant topics: emissions to air and water, waste and material consumption. This year, the document include societal performances namely safety, health, employment, community, taxes.

Administrative authorization

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. The whole personnel strive at respecting the permit limits.

Certificate

During the year 2017, we decided to change our management system in order to be certified according to the new version of ISO 14001. Thanks to the involvement of each and every, we succeeded in October.

UPM work groups

One of the UPM value is "Achieve together". Thanks to the cooperation and the experience sharing between the mills, we decided of actions to improve environment, health and safety. As an example, Chapelle is participated to an energy and a safety work groups with colleagues from England and Scotland.

Environmental performance

Environmental incidents are recorded in a global database. There are categorized from 1 (insignificant) to 5 (serious impact to environment). In 2017 as in 2016, we did not have any category 4 incidents and we reduced by 30% the number of category 3 incidents (exedance of permit limits) thanks to improvement process; prevention and root causes analysis and action plan where appropriate.

Heath and safety performance

The same global database is used to record safety incidents. Safety incidents are categorized from safety walk, observation, near miss, medical treatment and lost time accident. UPM is engaged in safety and they edited UPM life saving standards. There are very operationals and very closed to the legal requirements in France.

In 2017, we reduced the number of lost time accident by focusing on tasks risks assessments, standards operating procedures, safety walks.

Extract from UPM Chapelle Darblay engagement

In keeping with the vision and values of UPM, our mill is committed to becoming a frontrunner in safety, environment and energy.

Our engagement is about:

- prevent health and safety risks, reduce the number of accidents at work and during travel by applying the principles of prevention and the systematic analysis of all incidents

- reduce environmental impacts as well as pollution phenomena
- reduce our energy consumption and encourage the purchase of energy-efficient products and services
- monitor performance indicators in the areas of quality, health, safety, environment and energy
- Cooperate with other production sites to learn about and apply best practices
- encourage innovation to improve the competitiveness of the mill
- respect the legislation and the requirements of the stakeholders



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

Responsibility figures 2017

Waste



97%

of non dangerous waste are recycled
– 39% are used as a fertilizer in the fields
– 49% of ashes are reused to stabilised landfills

Air



93%

of CO₂ emission is biogenic CO₂ thanks to the combustion of biomass in the CHP boiler.

Safety



805

Safety walks and Safety observations made by employees

600

safety actions completed in 2017

Energy



86%

of the energy of fuels used in the boilers comes from biogenic fuels.

Water



35%

reduction of chemical oxygen demand in 2017 compared to 2016

Taxes



Local taxes impact approx.

EUR 2,7 million

(amount divided into 5 local taxes and the exact amount of 2 of them will be known during the second quarter)

Recycled fibre



100%

recycled paper used in the process

Certified fiber



100%

of fibers used in the process are certified according to PEFC™ and FSC® Chain of Custody

Community



15

students welcomed as part of Industry Week in order to discover the jobs related to the paper industry. The industry week is promoted by the French Work Ministry

Health



161

employees have molded hearing protections
– number of visits to the infirmary for care = 82

Supply chain



93%

of raw materials spend qualified against UPM Supplier and Third Party Code

Employment



Number of direct jobs =

205

- Training days = 388
- Number of indirect jobs (contractors) (estimated) full time equivalent = 37
- Number of external employees during the major shutdown in September 2017 = 472

Air

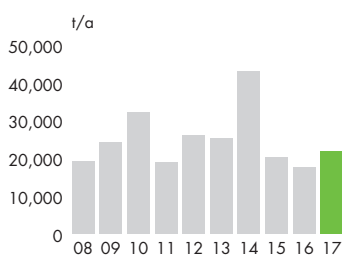


Our air emissions (dust, fossil carbon dioxide, nitrogen dioxide oxides, sulfur dioxide, hydrochloric acid, hydrofluoric acid and total organic carbon) from the biomass boiler are monitored continuously using automatic analysers. To validate the checks and to verify the compliance of our emissions with 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.

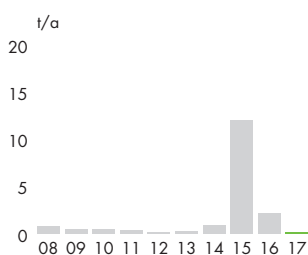
The limits deriving from our permit are:

- Dust: 10 mg/m³
- Sulfur dioxide (SO): 50 mg/m³
- Nitrous oxides (NO): 200 mg/m³

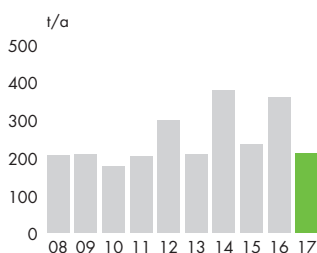
Fossil carbon dioxide, CO₂



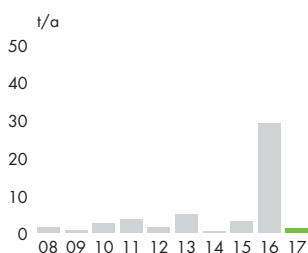
Sulphur dioxide, SO₂



Nitrogen oxides, NO_x



Particulates



Waste

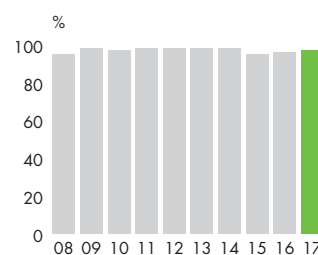


Our policy is to reduce waste as much as possible at the source, then sort and recycle or re-use it. The waste, classified into several groups, is sorted on site and goes through agreed treatment or recovery procedures in order to improve sorting at the source. We strive at finding as many recovery solutions as possible for our waste.

The waste originating from de-inking process and from waste water treatment plant are mixed together and burn with externally purchased biomass in the CHP boiler. The ash resulting from combustion is REACH-approved.

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.

Recovery rate



Water

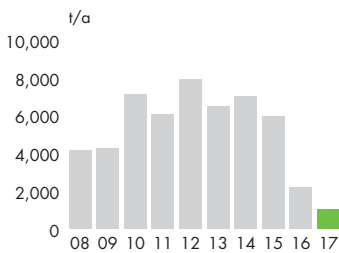
Our recycling rate is stable. Part of the waste sent to landfill is domestic waste. The other part is process waste. The identification of these waste will be strengthened in order to reduce the production of process waste at the source to respect the UPM 2030 target: no process waste to landfill.

Chapelle Darblay stay active in the research of ideas to increase the re-use of his wastes internally or externally in participating to work group with others local companies.

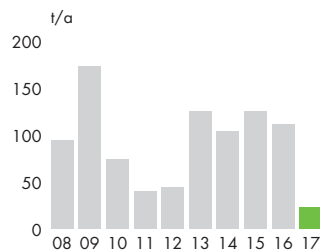
The actions decided and followed by the environmental engineer, the analysis technician, the manager of the waste water treatment plant (WWTP) and the energy teams had led to a improvement of the quality of the water at the outlet of the WWTP in terms chemical oxygen demand (COD), total suspended solids (TSS), biological oxygen demand (BOD₅) and especially after a technical shutdown of the mill.

As an example, we divided by more than 30% of the quantity of COD by ton of paper and we have equalled the best year since 11 years. However, we continue to plan actions in order to reach the 2020 targets and to stabilize the process of the waste water treatment plant.

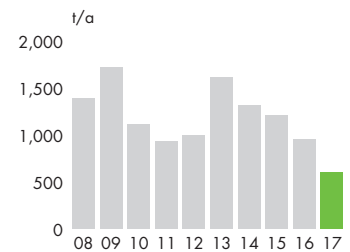
Solid waste to landfill



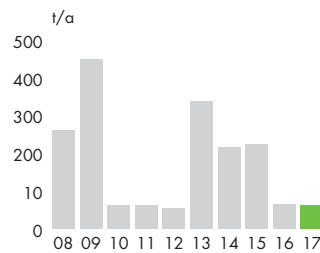
Biological oxygen demand, BOD₅



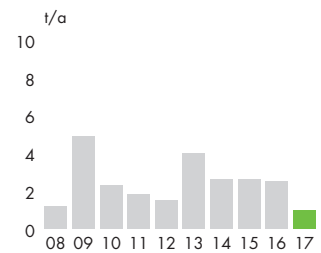
Chemical oxygen demand, COD



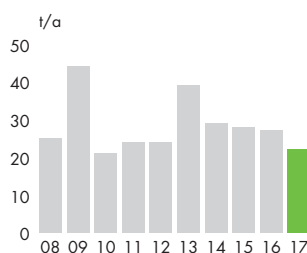
Total suspended solid, TSS



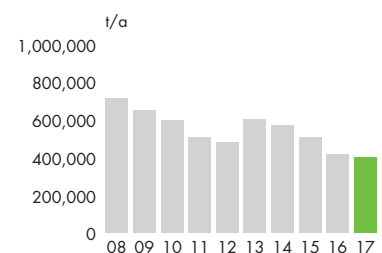
Phosphorus, P



Nitrogen, N



Process waste water volume m³



Societal responsibility

Safety first!

At Chapelle Darblay as in UPM, the health and safety of employees, visitors and all other people affected by our operations are of paramount importance. Our aim is to be the industry leader in safety. As a result of the company-wide "Step Change in Safety" initiative, safety results is improving.

We insist that our business partners and their employees on our sites comply with the rules and standards we have established for ourselves. UPM contractors who work in our production sites must have a basic understanding of UPM's safety procedures and, in addition, get a job specific safety training. Contractors must conduct UPM Safety Induction, which presents and demonstrates the basic Safety requirements.

Because "Safety starts with me", all employees is encouraged to achieve safety observations or near misses and all managers to achieve safety walks in the new One Safety Tool. These make it possible to implement actions to prevent accident.

In 2017, we identified the areas where the risks of accident between pedestrians and vehicules may occurred in order to plan actions as barriers, standard operating procedures,... to prevent accident.

Engaging with society

Well-functioning stakeholder dialogue is a key component for success for UPM. Our most important stakeholders are customers, employees, suppliers, authorities and key decision-makers, the media, non-governmental organisations and local communities.

We impact local communities and societies in many ways. We are committed to developing the vitality of the communities close to our operations through active co-operation and open dialogue with various stakeholders as well as, for example, through sponsorships and donations. We make social responsibility a reality through our strong commitment to responsible and ethical business practices wherever we operate.

Our economic impact is also significant locally and nationally, and we promote the transparency of tax issues. UPM is committed to paying all the relevant statutory indirect, direct and other taxes and to file, report and disclose the information required to comply with the prevailing legal requirements and transparency objectives of UPM.

Collaboration with local society

In Chapelle Darblay, we are active in interesting young professionals for working in the paper industry. We give several schools the opportunity to visit the mill with student groups interested in papermaking, recycling, safety, maintenance.

We participate in the Week of industry whose objectives is to:

- enhance the attractiveness of the industry and its jobs;
- to make young people aware of industry jobs;
- promote the mix of jobs and the place of women in the industry;



- to inform the general public of the recruitment needs of the industry;
- promote the image of a modern, innovative and ecological industry...

It is managed at the national level by the Ministry of Economy and Finance via the General Directorate of Enterprises (DGE).

Many partners (the Ministries of Education of Higher Education and Research, Labor, Employment, Vocational Training and Social Dialogue, Agriculture, Agri-Food and Forestry, Culture and Communication...) contribute to the success of Industry Week each year.

Responsible sourcing and qualified supplier spend

UPM is committed to responsible sourcing practices throughout the entire supply chain. We work closely with our suppliers to ensure that our suppliers understand and meet all of the company's requirements on sustainability and responsibility.

UPM requires its supplier to apply the UPM Supplier Code and Third Party Code that defines suppliers' minimum compliance requirements in terms of responsibility with regard to matters such as environmental impact, human rights, labour practices, health and safety, and product safety. The Supplier Code is complemented with more detailed rules, guidelines and supplier requirements, such as the list of Restricted Substances for paper and pulp businesses.

Suppliers' environmental and social performance is followed through regular data collection and analysis. Based on the risk assessments we carry out, we select the suppliers whose performance we want to study more closely. If any non-conformancies are found, the supplier is obligated to make corrective actions. We follow actively the results of these actions, and are ready to support our suppliers with our know-how in order to help them to enhance their performance.



Environmental parametres 2017

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	Newsprint	250,000 t
Raw materials	Recycled fiber pulp Process chemicals	See UPM Corporate Environmental Statement for more information
Energy	Fossil fuels Biofuels	See UPM Corporate Environmental Statement for more information
Emission to air	Carbon dioxide, CO ₂ (fossil) Nitrogen oxides, NO _x Sulfure dioxide, SO ₂ Particulates	21,691 t 211 t 0.136 t 1.1 t
Water intake	Surface water and municipal water	16,181,517 m ³
Discharges to water	Effluent volume Biological oxygen demand, BOD ₅ Chemical oxygen demand, COD Total suspended solids, TSS Nitrogen, N Phosphorus, P	3,970,922 m ³ 23 t 597 t 62 t 22 t 1 t
Waste	Total waste volume (excl. hazardous waste) Of which: – Ash – Sludge – Bark and other wood residues – Bark sand – Deinking residues (non-fibrous) – Others Recovery rate (excl. hazardous waste) Hazardous waste	36,553 BDt 29,055 BDt 2,690 BDt 138 BDt 2,709 BDt 0 BDt 1,961 BDt 97.0% 121 t
Size of mill area		33 ha



Performance against targets in 2017

TARGET	ACHIEVEMENT	COMMENTS
Clean Run deviations of category 3 at level of 0	No	Chapelle had 2 category 3 in 2017. One for exceedance of TSS and One for exceedance of NO _x compared to the permit limit. Root causes analysis conducted to make an action plan.
Clean Run deviations of category 4 at level of 0	Yes	
Full compliance with permit limit	No	The 2 category 3 were the exceeding of limit values.
Decrease the process waste water volume	No	The target of the reduction of process waste water volume is reported to 2018

Targets for 2018

TARGET
Clean Run deviations of category 3 at level of 0
Clean Run deviations of category 4 at level of 0
Effluent volume/tonne of paper (target 2020) = 11 m ³ /t
Near misses + Safety observations = 2/employee (207)/year = 414
All safety observations, near misses and accidents closed in less than 6 weeks
10 safety walks/manager (20) = 200



Environmental verifier's declaration on verification and validation activities

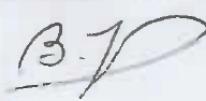
Mr Bruno Jacquet, EMAS environmental verifier, ECOCERT, bearing agreement number COFRAC n°4-0011 rév.18 – FR-V-0010, accredited or certified for NACE 17 codes, declares to have verified whether the site or the organization as a whole, i.e. UPM Chapelle Darblay (France – 76530 Grand Couronne), (with agreement number FI-000058), as indicated in the updated 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 updated 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 in Paris (France) on ~~06/05/2018~~
28 mai 2018

Bruno Jacquet
ECOCERT environmental verifier



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