



Corporate Responsibility and Forest Industry

UNECE/FAO Timber Committee
Market Discussions

Outi Marin
Environmental Manager
Metsäliitto Group
13.10.2009

Contents

- Metsäliitto Group in short
- CR Drivers 2009
- Committed to responsible business
- Sustainability in our actions
- Continuous improvement of environmental performance
- Good employer and neighbour
- Conclusions

One of the largest forest industry groups in the world

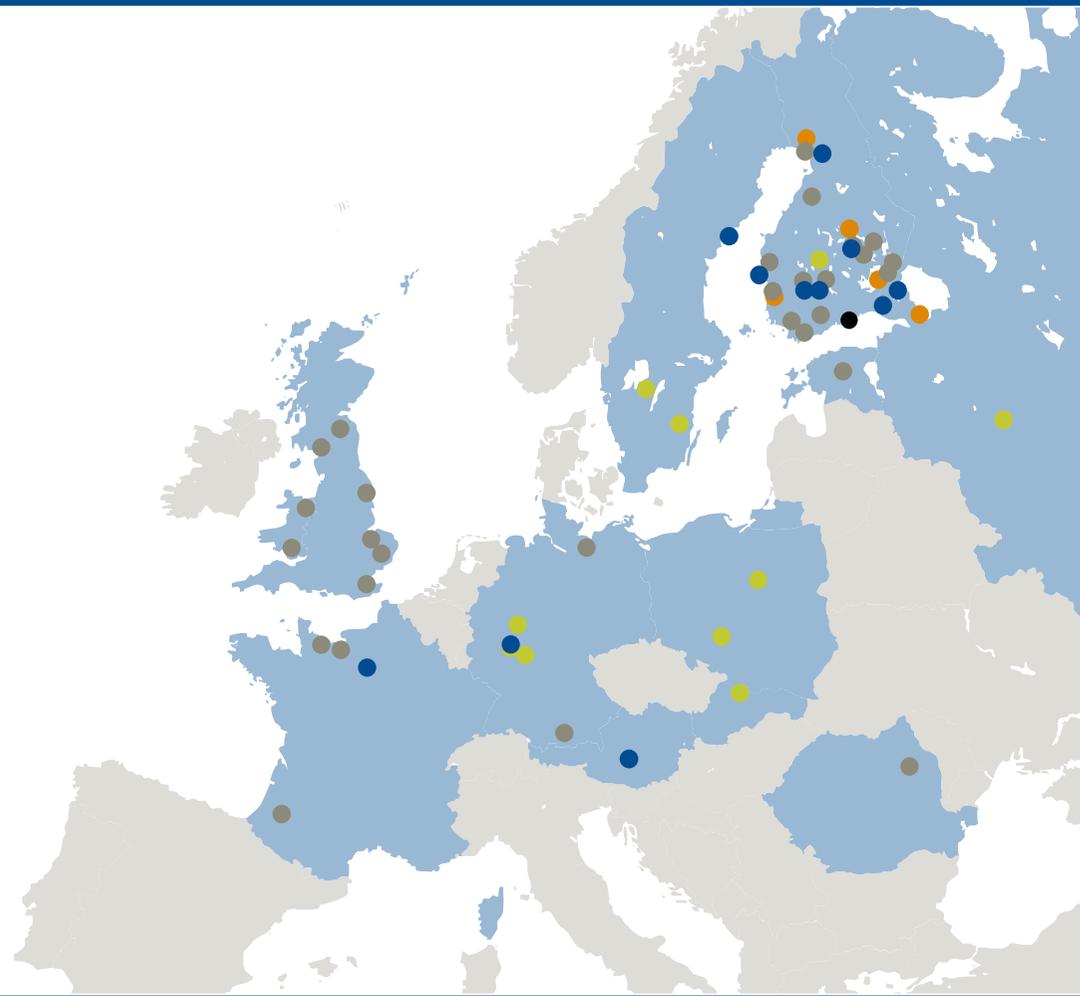


Production units

- Metsäliitto,
Finnforest
- Metsä-Botnia
- M-real
- Metsä Tissue
- Metsäliitto Group,
Espoo



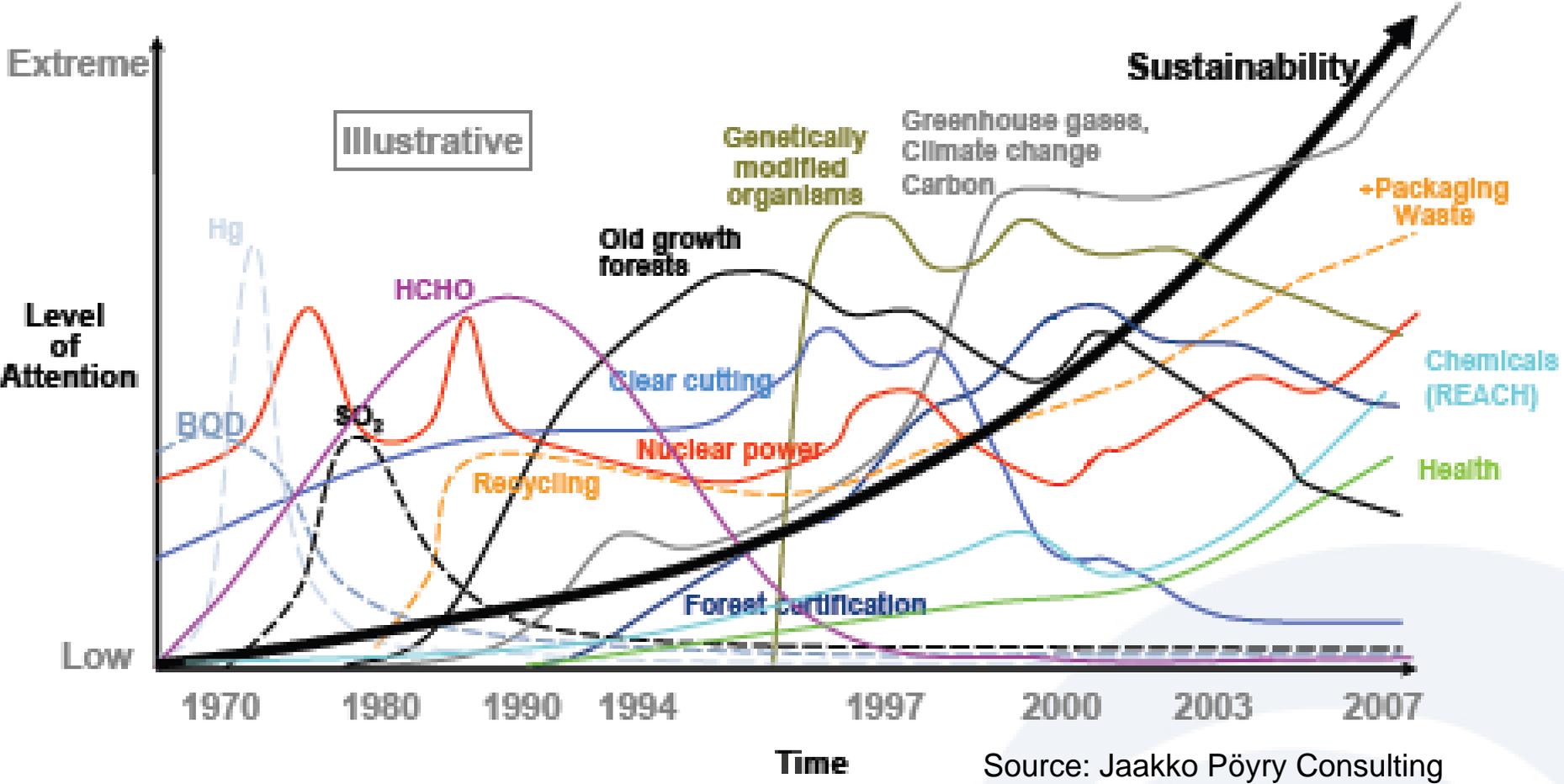
Metsä-Botnia / Uruguay

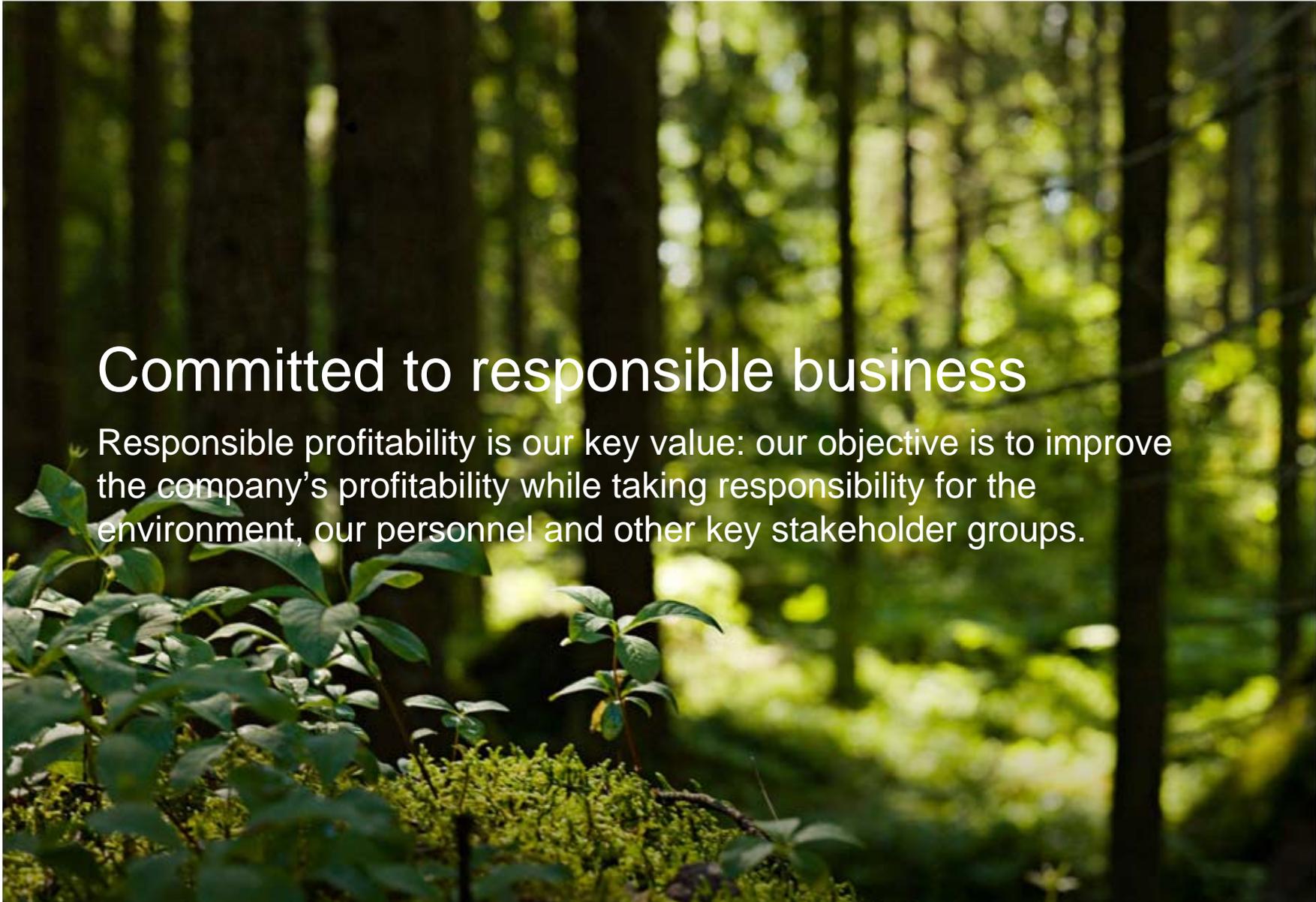


CR Drivers

- Climate change
- Competition of natural resources
 - Wood
 - Water
- Increasing awareness of customers, consumers and society
 - Customer and investor requirements
- Structural change within the forest industry
 - Environmental issues core business

Sustainability trends

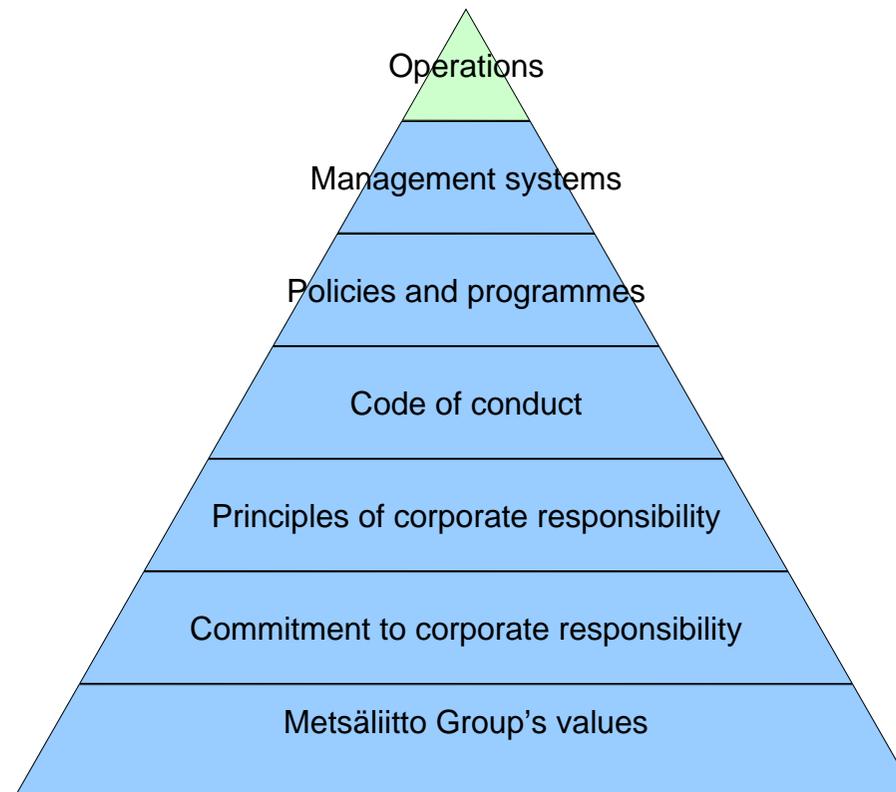




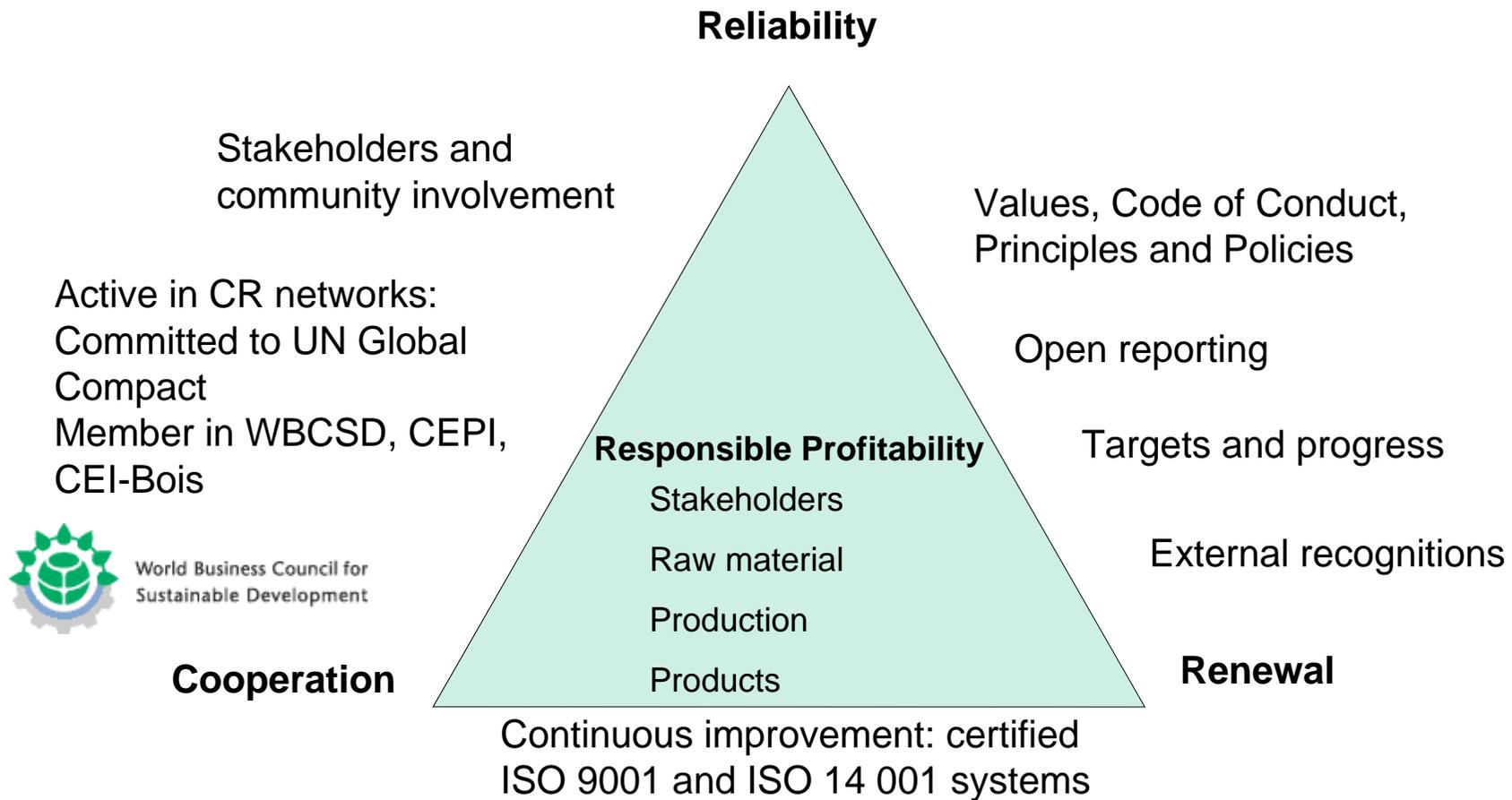
Committed to responsible business

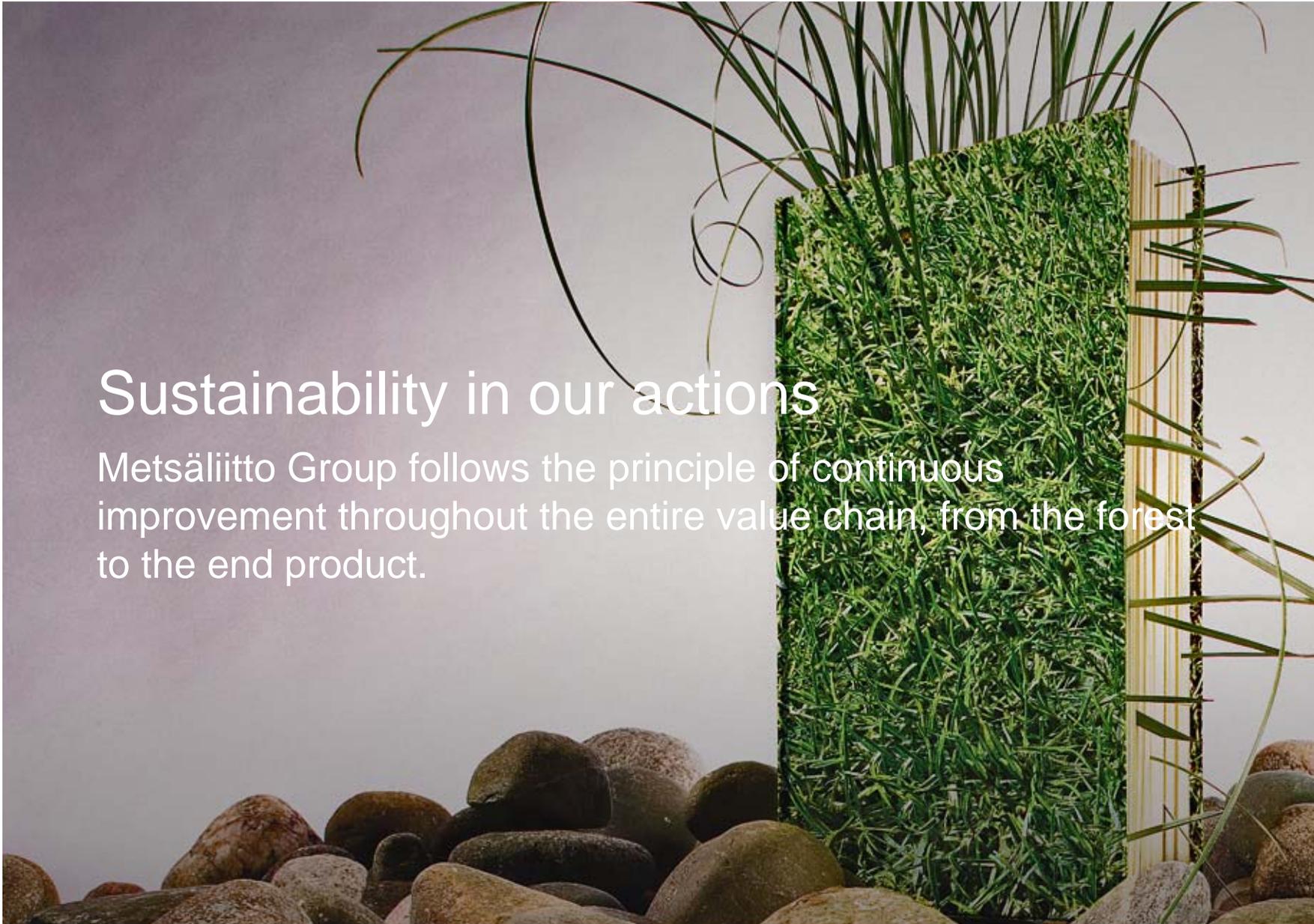
Responsible profitability is our key value: our objective is to improve the company's profitability while taking responsibility for the environment, our personnel and other key stakeholder groups.

Values guide responsible business



Responsible profitability key value

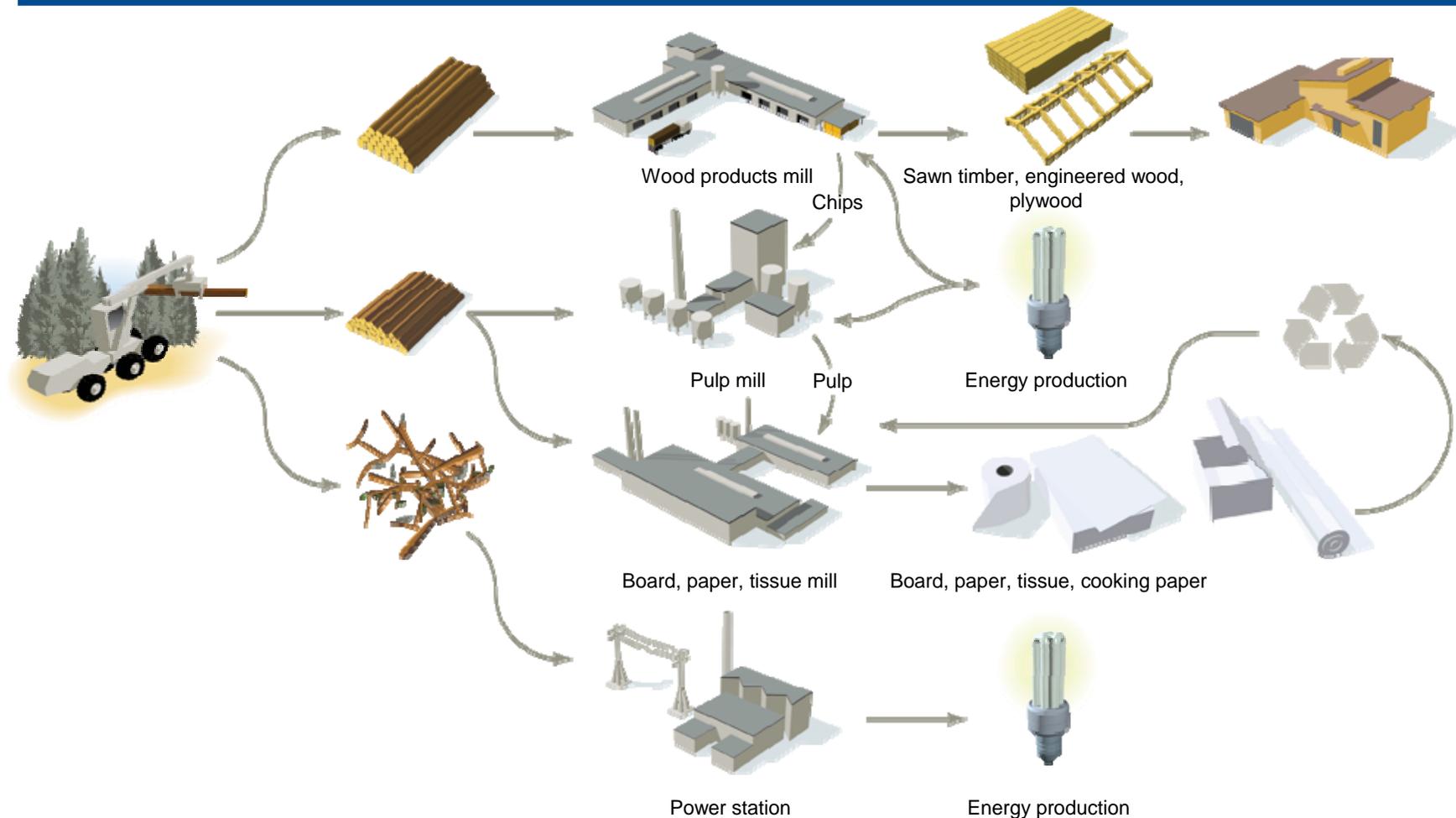




Sustainability in our actions

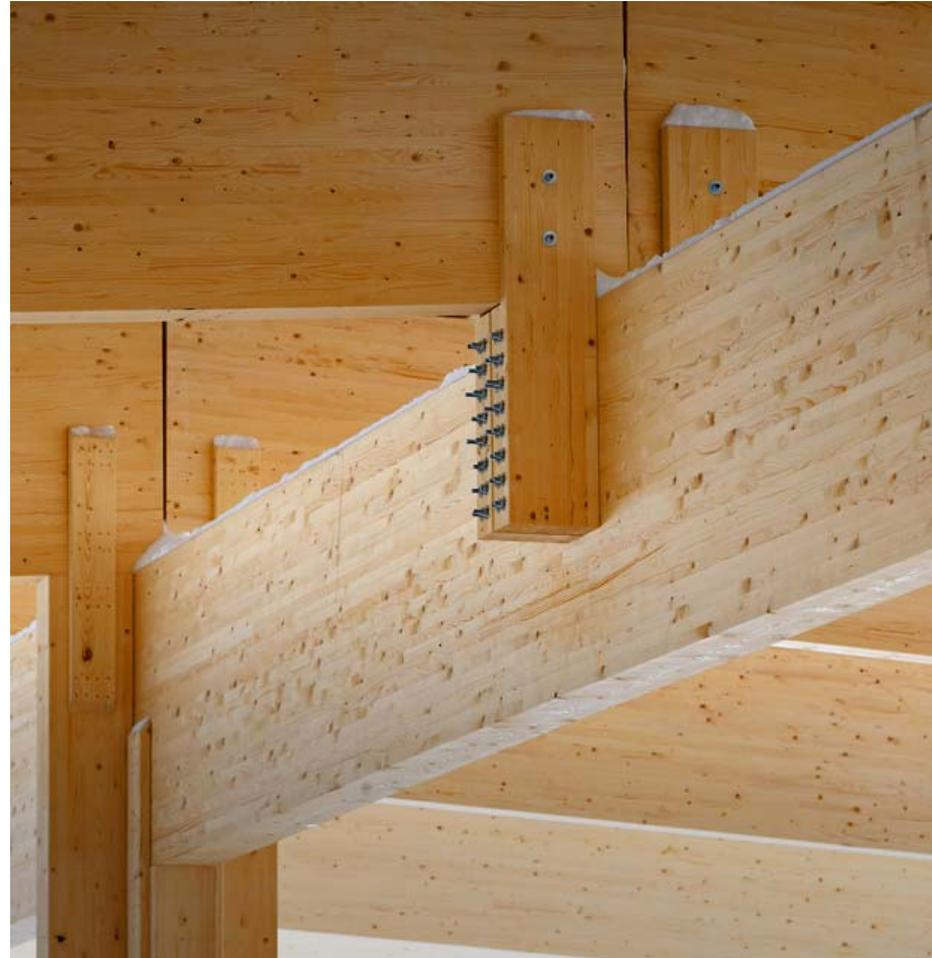
Metsäliitto Group follows the principle of continuous improvement throughout the entire value chain, from the forest to the end product.

Wood renewable, reusable, recyclable and energy efficient



Products that help solving global challenges

- Wood is climate friendly building material
 - Energy efficient and low carbon building solutions
 - Passive houses
- Efficient packaging
- Low weight papers
- High quality hygiene products that are produced locally



Sustainable supply chain management

- Sustainability of raw material supply chains throughout the whole value chain prevent reputational and financial risks
 - Customer requirement
- Sustainable wood raw material of key importance
 - **legal:** the wood is harvested following local legislation and international agreements and the forest owner has been compensated accordingly
 - **from well managed forests:** forestry operations have been conducted maintaining forest's ecological, social and economic values
 - **traceable:** the raw material supply chain is controlled and verified from the harvesting site up until finished products
- We support independent third party verified forest certification
 - Chains of custodies at place
 - Certified timber tracking systems

Our products are safe for people and the environment

- We manage hygiene and product safety risks throughout the entire supply chain
- Product safety is particularly important in consumer packaging materials; to ensure product safety, our board mills:
 - Co-work in the product safety network
 - Have product safety control systems based on HACCP
 - Follow the principles of Good Manufacturing Practice (GMP)
 - Comply with the EU Framework Regulation for food packaging
- our mills have implemented the requirements of REACH, the EU chemical regulation.
- Our products do not require to be registered under the REACH regulations.

We report openly on our progress

Corporate Responsibility report in Annual Report

Product specific information:

- Paper Profile
- Carbon Footprint calculations

Customer requiries

Web pages

The image shows a screenshot of the 'paper profile' website for m-real. The page is titled 'Environmental product declaration for paper' and provides detailed information about the product's environmental management and parameters.

paper profile **m-real** 

Product Galerie Art Gloss and Silk 115 - 300 g/m²

Company M-real

Site Äänekoski Paper, Finland

Information gathered from: 04-01-09 to 04-12-09

Environmental Management

Certified environmental management system (at the mill level): ISO 14001 (1996) EMAS (2002)

Environmental aspects of wood procurement

(Share of wood from certified forests in product is 80 % (FPECC))

Wood supplier is ISO 14001 and FPECC certified.

Environmental parameters

The figures are based on methods and procedures of measurement approved by the local (or national) environmental regulators at the production site. The figures include both paper and pulp production.

Parameter	Value	Unit	
Water	0.00	kg/t	
CO ₂	0.100	kg/t	
N ₂	0.000	kg/t	
P ₂	0.000	kg/t	
Air	SO ₂	0.00	kg/t
	NO _x	1.70	kg/t
	CO ₂ (total)	1.00	kg/t

Product composition

Component	Percentage
chemical pulp	40 %
moisture	32 %
binders	8 %
pigments and resins	20 %

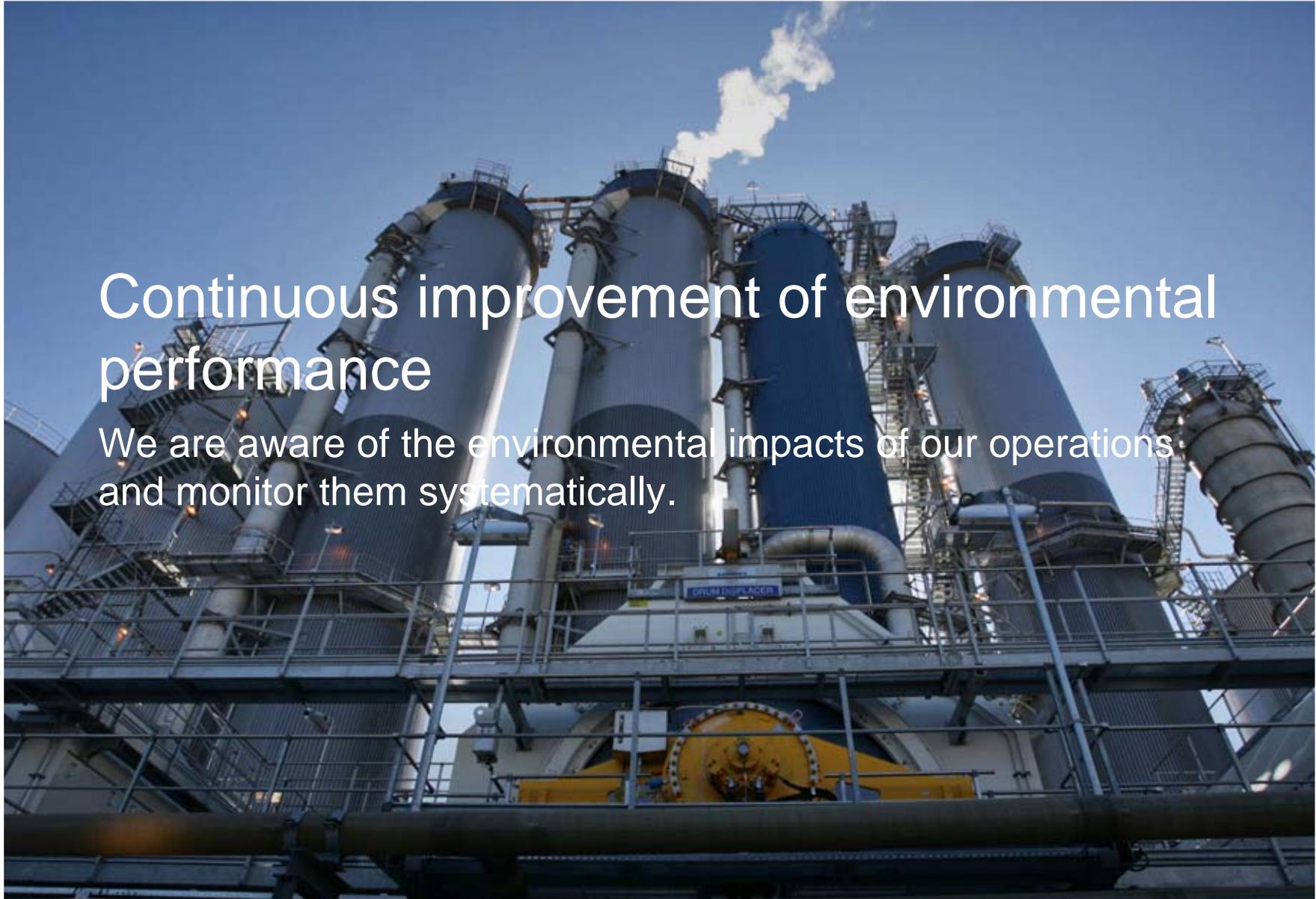
More information

Contact person: Tuukka Kakkonen

Address: M-real Äänekoski Paper, P.O. Box 500
FI-06101 Äänekoski

Phone: +358 1040 43330

E-mail: tuukka.kakkonen@m-real.com

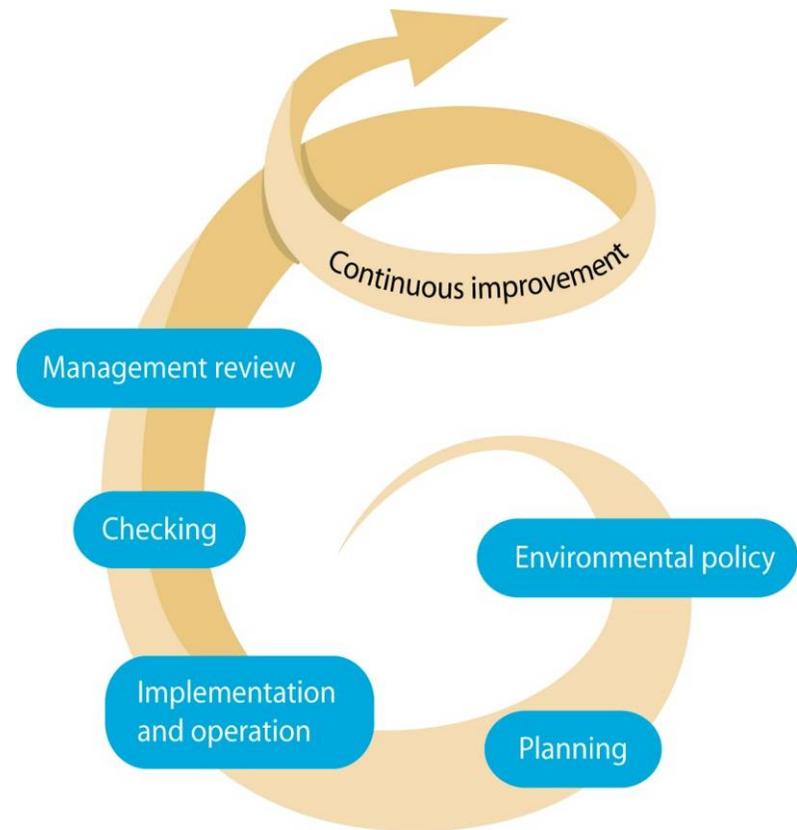


Continuous improvement of environmental performance

We are aware of the environmental impacts of our operations and monitor them systematically.

Continuous improvement of environmental performance

- Most of Metsäliitto's production units have an ISO 14001 certified environmental management system in place
- Depending on their customer needs, many of our production units have also implemented other systems, such as EMAS or HACCP
- Many of our production units have certified chain-of-custody systems
- We report openly on our environmental performance for instance in our Annual reports and local EMAS reports



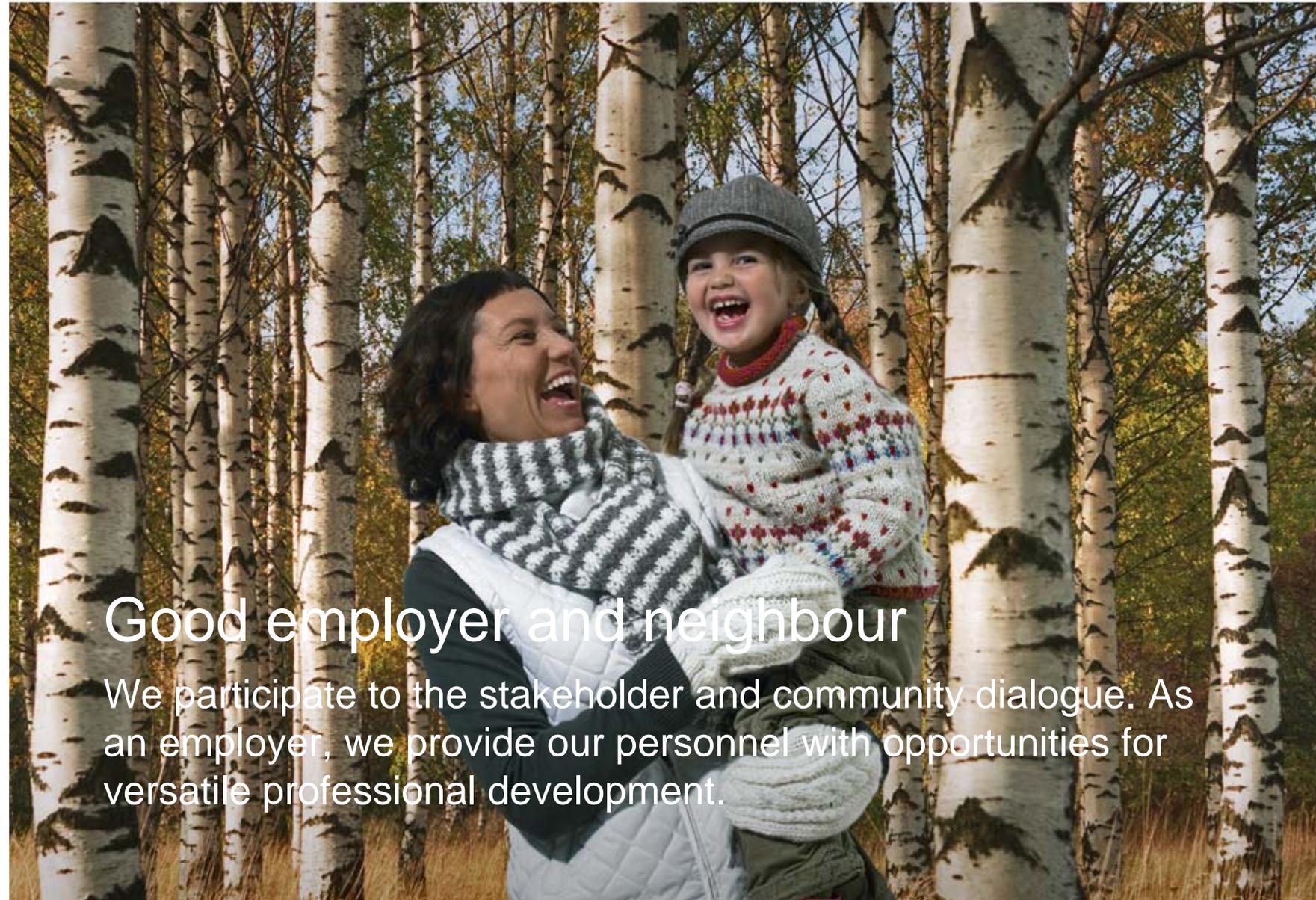
We aim at reducing the environmental impacts of our operations

- Emissions to air are reduced by fuel choices, efficient cleaning technology and proper combustion conditions
- Waste water discharges are minimised by efficient purification technology
- Waste loads to landfill areas are minimised by proper sorting and reutilisation or energy production
 - By-products are combusted and their energy is recovered and utilised by the mills or external companies
- Hazardous wastes are taken to treatment plants specialised in the disposal of hazardous waste

Metsäliitto Climate Programme

Working actively for the climate

- We use energy efficiently
 - We strive for energy efficiency at all our production units and are currently running an extensive energy-saving project, which includes implementing certified energy efficiency systems to all the Group's mills by end of 2009.
 - Metsäliitto's production units use mainly on-site produced steam and electricity.
- We use renewable energy
 - Wood-based fuels accounted for 76 % of total fuel consumption at the Group's mills in 2008.
 - However, we consider it wise to convert wood first to products with high added value and utilise the energy content only once the products have reached the end of their life cycle, which may include several times of recycling.
- We actively search for innovative energy alternatives
 - The share of combined heat and power production in Metsäliitto Group is high.
- We carry out research on our carbon footprint
 - Since 2007 we have calculated Carbon Footprints for all M-real's board and paper products and many other products too.



Good employer and neighbour

We participate to the stakeholder and community dialogue. As an employer, we provide our personnel with opportunities for versatile professional development.

We promote well-being of our employees

- We want to make the living and working environment safe. Occupational safety, working conditions and well-being are developed systematically.
- We encourage our personnel to be actively involved in continuous learning, job rotation and taking their own initiatives.
- We encourage constructive, open and active dialogue between management and employees.

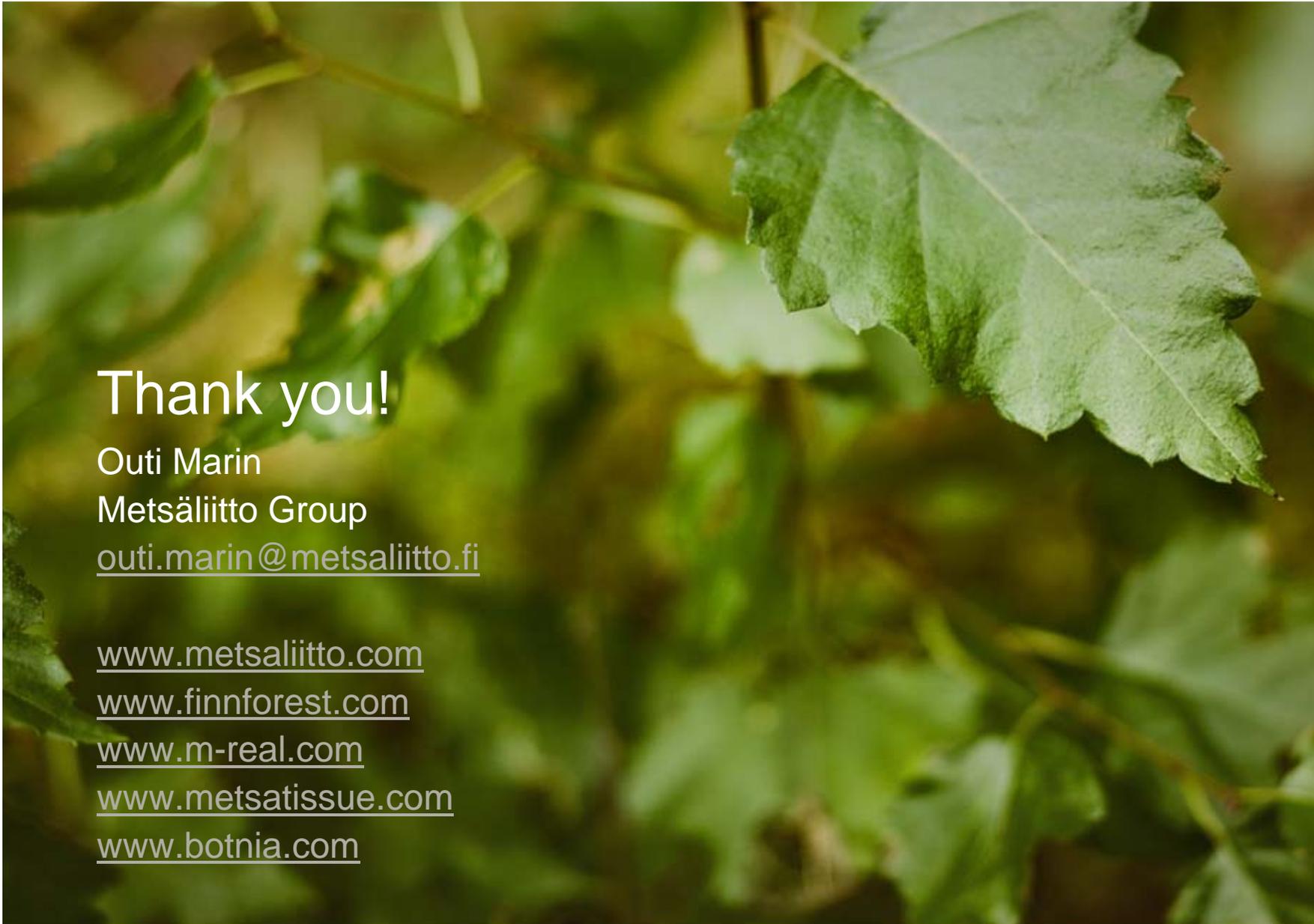


Cooperation with stakeholders

- Participation to stakeholder cooperation i.e.
 - Forest owners
 - WBCSD
 - Forest certification
 - CEPI
 - Cei-Bois
 - ETS
- In co-operation with our local partners we monitor our activities and make regular improvements
 - A mill should be a good neighbour
 - We regularly report to our stakeholders the results of our efforts to put commitment to corporate responsibility into practice in our daily operations

To conclude

- Corporate responsibility is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments
- CR is a multitude of actions and commitments that are incorporated to our daily lives
- CR is part of added value in products and services
 - product development
 - differentiation
- Good corporate citizenship attracts future employees
 - competition on best skills



Thank you!

Outi Marin

Metsäliitto Group

outi.marin@metsaliitto.fi

www.metsaliitto.com

www.finnforest.com

www.m-real.com

www.metsatissue.com

www.botnia.com