UPM

An International Approach to Biodiversity Conservation

The business case

Forests provide UPM with the company's main raw materials: wood and wood fiber. The company is using forest certification schemes, such as Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and Programme for the Enhancement of Forest Certification (PEFC), for its sustainable forest management, but realizes that many consumers do not recognize the forest certification logos or know what they mean, and even when they do recognize the logos, most do not understand the concept of sustainable forest management.

The UPM biodiversity program was developed to meet these challenges directly and to differentiate UPM from other companies with the same accreditation. This approach also helps to promote sustainability issues on all levels of the company. The clear commitment to biodiversity conservation has helped UPM enter markets, maintaining old, and reaching new customers and stakeholders.

The issue

UPM is the biggest producer of magazine and label paper in the world. In 2011, UPM's sales exceed €10 billion. It has production plants in 16 countries and employs approximately 24,000 people worldwide. UPM shares are listed on the NASDAQ OMX Helsinki stock exchange. UPM owns and manages forests and forestry plantations in Finland, Uruguay, the US and the UK – totaling 2 million hectares. All areas and operations are certified under one or more of the main forest certification schemes and ISO 14001.

Biodiversity issues have been perceived by many stakeholders as wholly contrary to normal commercial forestry management, but the development of sustainable forest management and its validation through forest certification means that biodiversity conservation can be embedded into sustainable forest management practices.

Sustainable forest management is a complex concept and difficult to communicate to stakeholders and the public. For example, forest certification schemes were developed primarily to promote, regulate and validate sustainable forest management in the world's tropical forests; however, the vast majority of the world's timber and wood supply is from the northern Boreal forests and increasingly from fast growth plantations. Furthermore, forest management practices can vary significantly from region to region, creating diverse business environments and business practices. Consumer expectations can also vary widely depending on the region, and legal specifications and frameworks may be very different from country to country.

The response

The UPM global biodiversity program provides a cohesive international focus in all the countries where UPM owns or manages forests and plantations. It is centered on six major themes (see box below) that have common significance around the world; each theme is interpreted by the UPM national environment manager in each country. This focus enables UPM to communicate clearly and simply on biodiversity issues, so that forest certification becomes a tool in the wider process of sustainable forest management and not just the end point.

UPM's objective for the Global Biodiversity program is to:

- Embed biodiversity conservation into sustainable forest management practices;
- Communicate the importance of sustainable forest management internally and externally;

Key element	Global target
Native tree species	Maintain and promote native tree species and their natural composition
Deadwood	Manage deadwood quality and quantity to enhance biodiversity
Valuable habitats	Protect valuable habitats and manage them for their biodiversity value
Forest structure	Manage variations in forest structure at landscape and stand level
Water resources	Maintain open water bodies and wetlands, secure high water quality
Natural forests	Implement plans for remnants of natural forests

- Differentiate UPM from other similar companies;
- Maintain and increase biodiversity on UPM land.

Created in 2006, UPM's biodiversity program identified six key elements that are important for forest biodiversity:

A global target has been set for each key element and will be implemented through country-level targets and local action plans. The global targets were implemented on a national level by revising the environmental objectives and targets within the ISO 14001 management system, including specific guidance and instruction for forest management and wood sourcing.

The results

The biodiversity program has facilitated a number of biodiversity projects, including:

- A three-year project to enhance the habitats (ponds and surroundings) of Great Crested Newt, Triturus cristatus, a species protected by the EU species directive;
- A black grouse conservation project run in many locations in the UK;
- The promotion of a native tree species in Uruguay, the Yatay Palm, on company-managed lands;
- Eight years monitoring beetles inhabiting a group of long-term retention trees in Finland.

There were three significant challenges associated with the implementation of this project:

1 Standardizing the approach, the key elements and the targets across such a wide geographic area;

2 Countering the scepticism that what was perceived as a single approach to biodiversity was required or would work;

3 Oversight of the change throughout UPM in different locations and with very different local communication and biodiversity challenges.

UPM's biodiversity program:

- Raised the profile of biodiversity and sustainability in general within UPM;
- Improved biodiversity sustainability communication internally and externally;
- Clarified the value of UPM's environmental reputation with customers;
- Demonstrated UPM's commitment to biodiversity and created a "safe space" for dialogue with critical environmental organizations. Also demonstrated its knowledge and understanding of biodiversity issues;
- Enabled operational UPM managers to understand what the priority biodiversity issues are;
- Reduced pressure against the company lands for forest protection;
- Showed promising monitoring results of the development of biodiversity;
- Showed that while biodiversity loss is a global issue and requires attention at the global level, solutions have to be driven at the local and regional perspective, to ensure realistic approaches and credible targets.

Critical to the success of UPM's approach was the involvement of local experts with their local knowledge to accomplish the overall global objectives. UPM is now engaging with the International Union for Conservation of Nature (IUCN) to continue to develop and support the biodiversity program.

FURTHER INFORMATION
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