

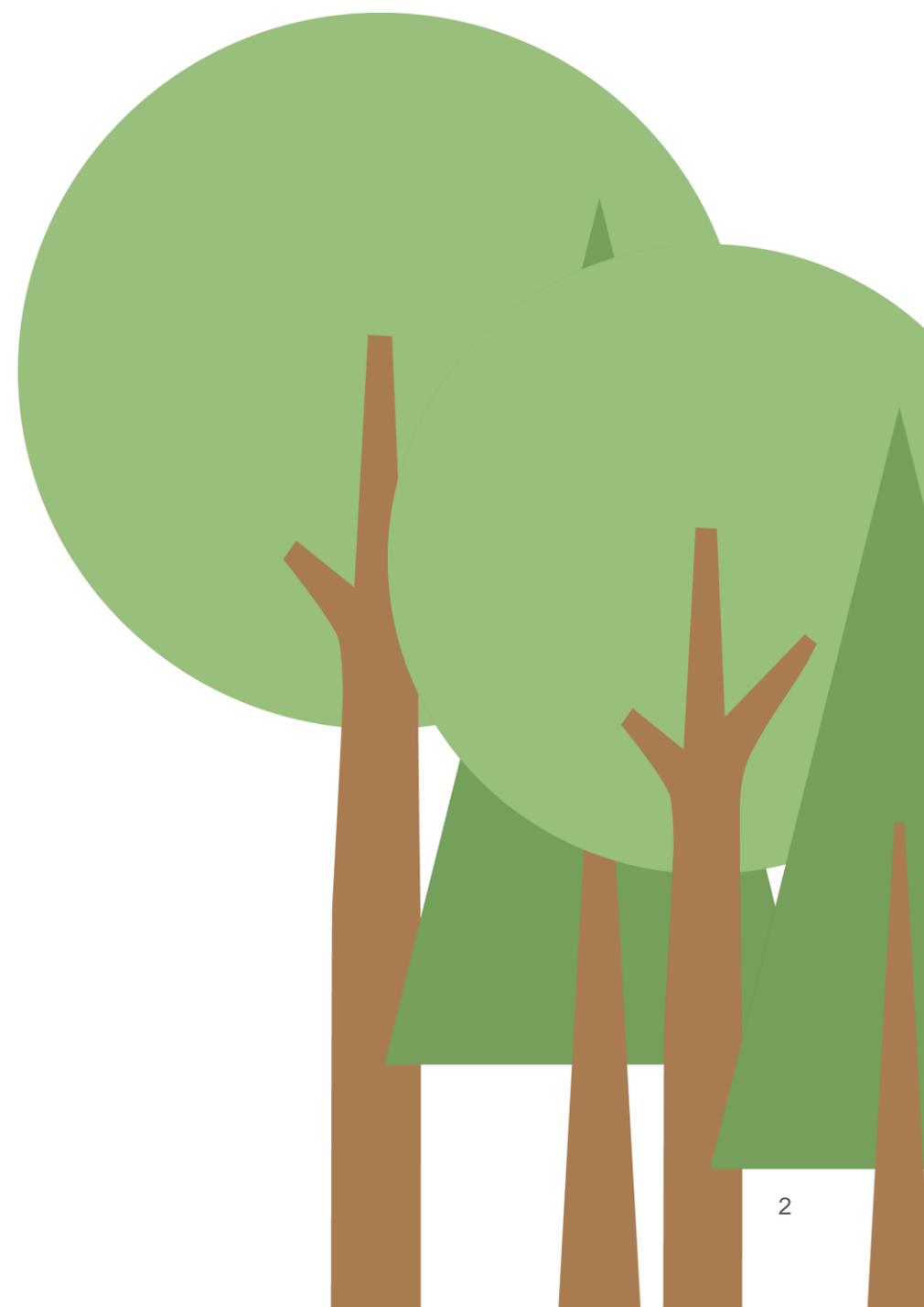
From principles to transparency in disclosure

Towards a benchmark for the forest products value chain

2014 Key Performance Indicator Results
June 2015

Who is the Forest Solutions Group?

- **Global leadership** platform for **strategic collaboration** among value chain partners
- About **35% of global** forest, paper and packaging sales
- 280'000 employees worldwide
- Operations and sales in 120 countries
- Bring more of the world's **forests under sustainable management** and **expand markets** for responsible forest products
- Joint forces to address global challenges and transform forest challenges in to **value added solutions**



From principles to performance measurement

Where to begin?

- FSG membership principles
- Challenge to report sustainability along the value chain
- Need to bridge varying legislations, different reporting requirements and regional impacts
- Companies stand at different stages of the value chain & supply different products into the market

What can we measure together?

What indicators fulfill the right criteria?

- Global relevance
- Significance to external stakeholders and the companies
- Grounded in the FSG membership principles
- Measurability

What to prioritize?

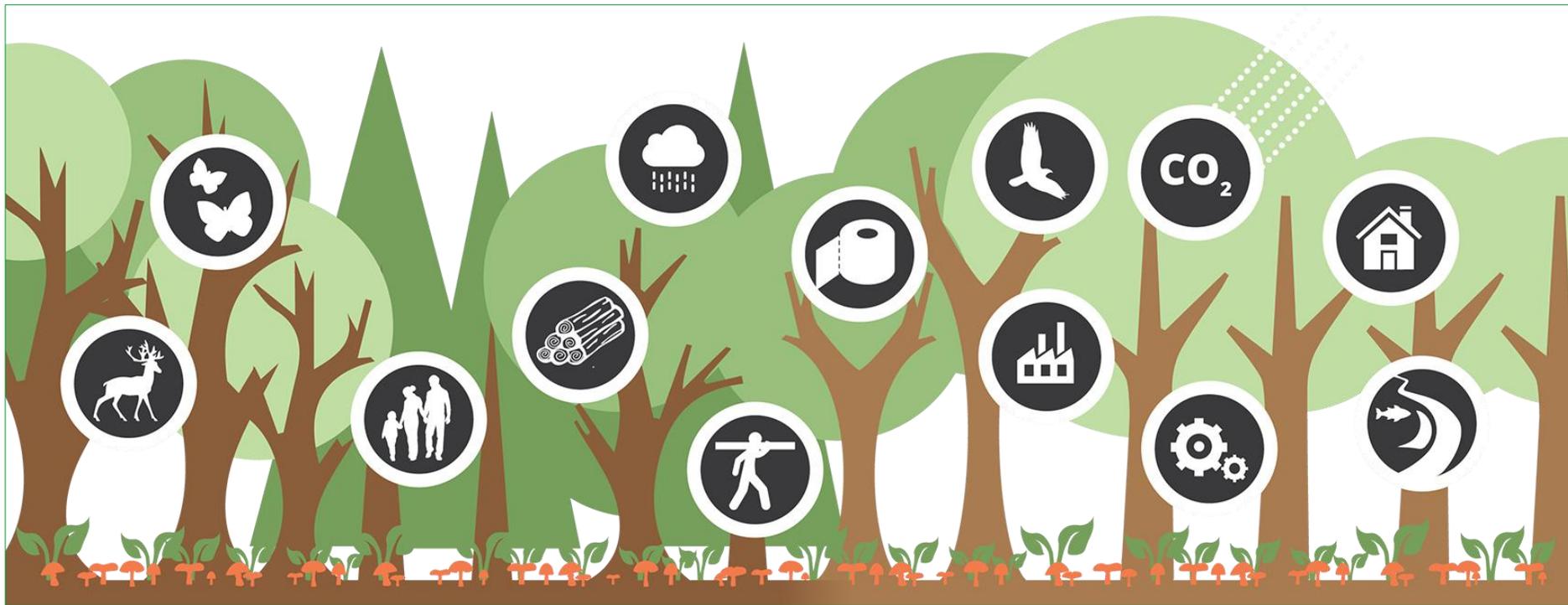
5 priority areas:

- Landscape management and forest certification,
- Waste management
- Energy & Climate
- Water stewardship
- Social impact



Resource efficiency: Renewable, recyclable & low carbon

- Wood is a **renewable raw material**
- Wood & products derived from it are **resource efficient** because they are renewable, **widely recyclable**
- To produce wood on a renewable basis **sustainable forest management** practices are **vital**



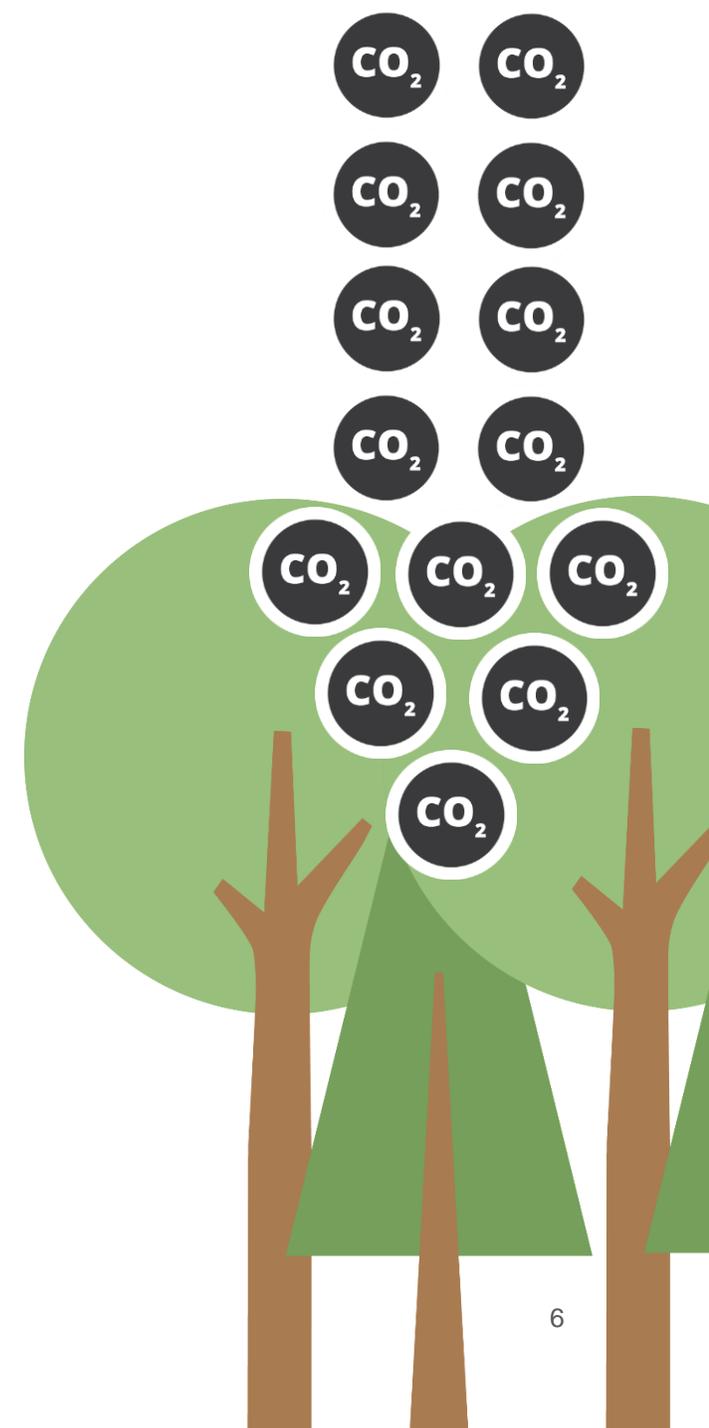
Foundation of responsible business in the forest sector

- More than **20 million hectares** of land under management
- Forests are managed without compromising **environmental** and **social safeguards**
- **93% forests certified** for sustainable management
- **62% total volume of wood**, fiber and other products intake **certified**
- Working to ensure that the supply of **sustainably managed wood & fiber** continues to increase to meet growing demand



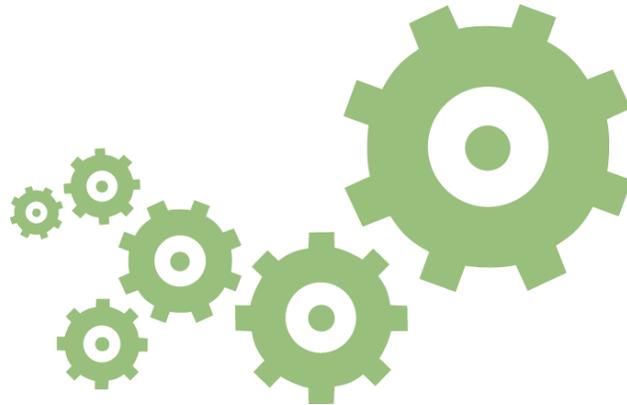
Reducing climate change impacts & striving towards a low-carbon economy

- **Forests absorb carbon** in trees and the ground
- Renewable energy **mitigates carbon emissions**
- **63%** of our **energy consumption** is from **renewable sources** – mainly biomass
- 19'335 gigawatt-hours of **renewable energy supplied** to **third-parties**
→ More than the annual energy consumption of the city of Washington D.C.



Maximizing the value of each harvested tree

- **Efficient use** of all raw materials
- Continuous improvements in **reducing waste & reuse of resources**
- About **two-thirds of waste** for **beneficial reuse** in energy generation or provision of industrial raw material
- Only **21%** of solid waste was **sent to landfill**



Water stewardship is key

Quantity

- Water is a critical resource in the pulp & paper production process
- Water stewardship is important given increasing water insecurity in certain regions of the world
- **93% water** running through our production facilities is **returned** to the **water source, supply** or **third parties** for reuse → in at least the same quality as it was withdrawn

Quality

- Chemical Oxygen Demand (COD) is a **water quality measure**, indicating the efficiency of the water treatment process
- On average 5kg COD per tonne of saleable production was reported by FSG members in 2014, reflecting **low levels of oxygen consumed** to degrade the organic content of the effluent.

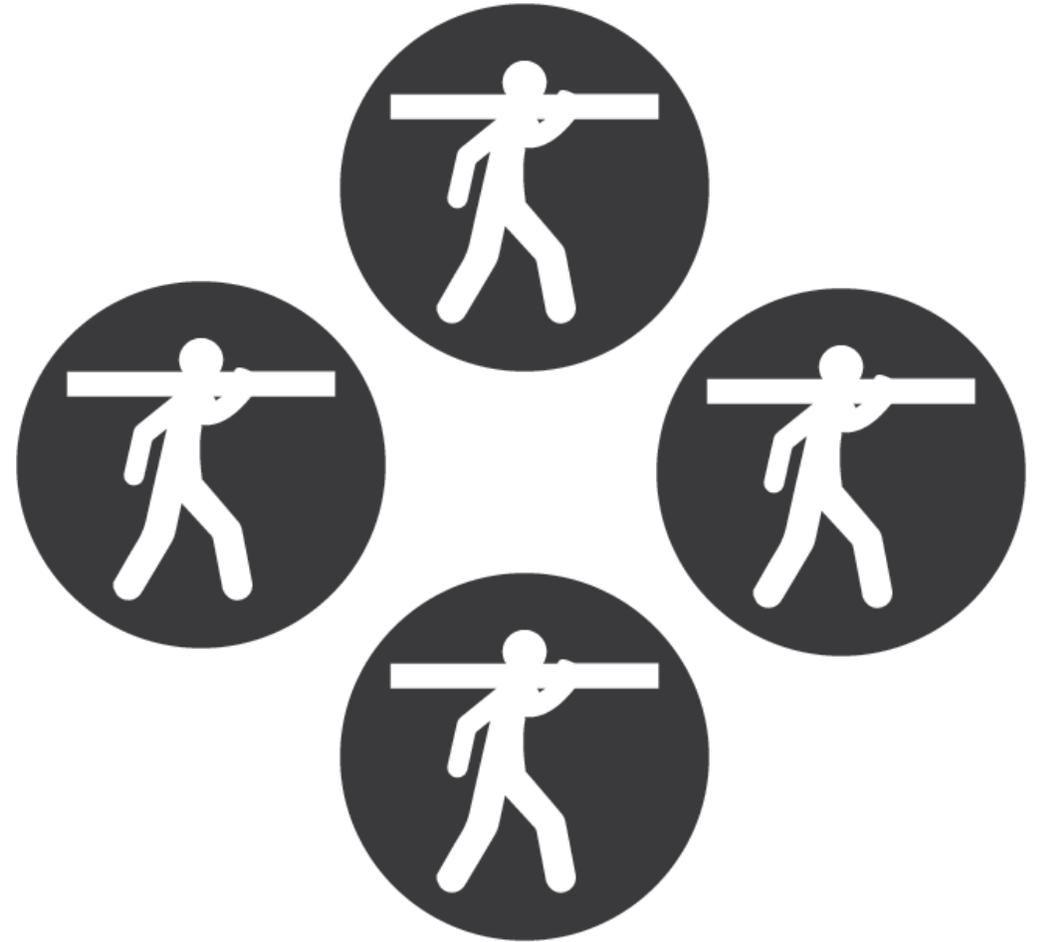
Social impact with multi-stakeholder engagement

- 10 year engagement with **The Forests Dialogue**
 - A neutral, international, multi-stakeholder driven engagement initiative to reconcile competing interests over forest-related issues worldwide
- Supported and active in:
 - 15 different initiatives
 - 65 international dialogues
 - More than 2'500 stakeholders
- Established **strong stakeholder relations**
- Understood **local concerns**
- Drive **inclusive business strategies**



Health & Safety – a cornerstone of responsible business

- Total workforce of more than 280'000 people
- **Continuous improvement** in occupational health and safety is key
- **Systematic & consistent assessments** of safety risks, goals and adequate indicators, performance measurement
- 2014 average lost-time accident frequency rate was 3.0 per 1 million hours worked
- 7 fatalities of directly employed workers



Our commitment to the future

- **Report** on our KPIs **annually**
- **Review** and **update** the FSG membership principles and related KPIs
- Identify **additional metrics** that can be measured together and deliver on joint priorities
- Continue to **engage with stakeholders**, share learnings and improve processes





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