

Level: Group
Approval: 28.10.2010
Updated: 19.12.2013

Paper Procurement Guidelines of Sanoma

These guidelines outline Sanoma's principles in paper procurement. The guidelines will be annexed to all paper procurement agreements. As a major paper purchaser, Sanoma acknowledges its responsibility to the environment and promotes the responsible use of forest resources. Purchasing certified products such as paper offers a mean to favour sustainable forest management. These guidelines ensure that the paper Sanoma procures has been produced responsibly.

Basic guidelines for Sanoma's paper procurement:

- All paper supplied to Sanoma must be made from wood of legal sources.
- All wood used in the papers supplied to Sanoma must be of traceable and verified origin.
- All suppliers must respect human rights and rights at work and comply with labour standards and related international agreements.
- Sanoma favours suppliers with certified environmental management system ISO 14001.
- In its procurement, Sanoma favours paper products made from certified fibre.

The principles set in these guidelines govern Sanoma Corporation and its subsidiaries ("Sanoma" or "the Group"). Paper procurement principles and changes to them are approved by the President and CEO of Sanoma Corporation.

1. From sustainable forestry to certified fibre

Sanoma requires that its suppliers support sustainable forestry, which means long-term commitment to managing forests. Forest certification is one way to verify and promote sustainable forestry. The certificates prove that the product comes from a forest that has been managed with high quality environmental, social and economic standards and requirements. Forest certificate acts as a support in the paper procurement by providing reliable information about the wood products and in particular about their origin and the management of that forest.

Globally there are several forest certification systems in use which differ from one another to some degree because of local conditions. Approximately 10% of the world's forests have been certified, of which most of are in developed countries. The most common criteria used in forest management are standards set by the PEFC and FSC. The PEFC and FSC systems are often compared, but Sanoma regards them as equal.

In its procurement, Sanoma favours paper products made from certified fibre. This entails certification according to the FSC and PEFC systems. There is no mutual acknowledgement between the systems, which makes it impossible to fully calculate the actual amount of certified fibre in the final products. Sanoma believes that both systems advance balanced and sustainable forestry. Sanoma continually seeks to increase the amount of certified fibre in the paper products. Sanoma's goal is to maintain the proportion of certified fibre in the purchased papers at over 80%.

The fibre used in the paper is selected according to the intended use of the finished product. Primary fibre, or virgin wood fibre, is a necessity in many paper grades for high quality colour rendering. The higher the paper quality, the more primary fibre is needed. Primary fibre helps all the fibres bind together and form strong paper. Certain paper grades are seldom or practically never made from recycled fibre. Sanoma uses recycled fibres in magazines and newspapers as much as possible.

Level: Group
Approval: 28.10.2010
Updated: 19.12.2013

2. Certified origin and verification

The management of the origin of wood is linked to the requirements of forest certification systems. In practice, there are only two internationally recognised systems for controlling the origin of wood: PEFC and FSC. There is also a specific system for FSC Controlled Wood.

Controlling the origin of wood begins with the Chain of custody (CoC). CoC refers to a chain certified by a third party, verifying the origin of the wood from the forest to the paper plant. When information provided by CoC is added to a plant specific PEFC or FSC certificate, also the paper batch gets a certificate. By using CoC, the amount of certified wood and the raw material's origin stays traceable throughout the whole supply chain.

All paper supplied to Sanoma must be from management forests, i.e. legal sources. The origin of wood and the legality of felling can be verified by forest, CoC and plant-specific certificates, issued by an independent auditing body.

Sanoma requires that its paper manufacturers monitor and verify the origin of the wood they use as raw material, both for certified and non-certified fibre. The verification takes place through the assurance of the party. CoC proves the origin of the wood and the composition of the certified raw material.

3. Environmental responsibility of the paper manufacturer

Sanoma examines the commitment of manufacturer's environmental responsibility and the actions taken to decrease environmental impacts. Third-party certification is the only way of verifying that a paper manufacturer utilizes a systematic approach to environmental management. Sanoma specifically favours suppliers with the ISO 14001:2004 Environmental Management System, because this system encourages companies to improve their environmental performance in all operations continuously.

4. Social responsibility of the paper manufacturer

Sanoma also emphasizes social responsibility when purchasing paper. All paper suppliers must respect human rights and rights at work and comply with labour standards and related international agreements such as UN Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.