



Responsibility –We deliver a positive impact

2022



Global megatrends drive demand

GLOBAL MEGATRENDS



DRIVERS FOR DEMAND



OUR SUSTAINABLE SOLUTIONS



Larry Fink, Black Rock 2022 letter to CEOs

Our conviction at BlackRock is that companies perform better when they are deliberate about their role in society and act in the interests of their employees, customers, communities, and their shareholders.

That is why it is more important than ever that your company and its management are guided by its purpose. If you stay true to your company's purpose and focus on the long term, while adapting to this new world around us, you will deliver durable returns for shareholders and help realize the power of capitalism for all.

[Read more](#)

Biofore strategy



Biofore strategy drives our transformation as a bioeconomy frontrunner.

We seek sustainable growth by enabling our customers and consumers to make more sustainable choices.

High performance, innovations and world-leading responsibility are the cornerstones. We create a future beyond fossils.

A FUTURE BEYOND FOSSILS

GROWTH

- We respond to megatrends and meet customers' changing needs
- Creating new markets and enabling sustainable choices



PERFORMANCE

- Continuous improvement
- Agile operating model



INNOVATION

- Creating new business and competitive advantage
- Replacing fossils with biomaterials



RESPONSIBILITY

- Renewable & sustainable solutions
- Responsible operations and value chain

PORTFOLIO

- Effective capital allocation
- Investing in businesses with strong long-term fundamentals for growth and high barriers to entry

VALUES

Trust and be trusted

Achieve together

Renew with courage

Our responsibility agenda is guided by the Biofore strategy and contributes to UN's SDGs

Goals where we can have the biggest positive impact through our operation, products and solutions, or where we aim to minimise our negative impact.



Reliable, credible and transparent reporting



- We follow sustainability reporting standards published by the Global Reporting Initiative (GRI).
- Our Annual Report integrates environmental and corporate responsibility.
- All our pulp and paper mills in Europe, Uruguay and China are registered with the EU Eco-Management and Audit Scheme (EMAS), a voluntary environmental management system. The reports also include information about our societal impacts.
- Carbon accounting on corporate, site and product level.
- Product declarations and environmental data for most of our products.



Responsible business conduct is a basis for everything we do

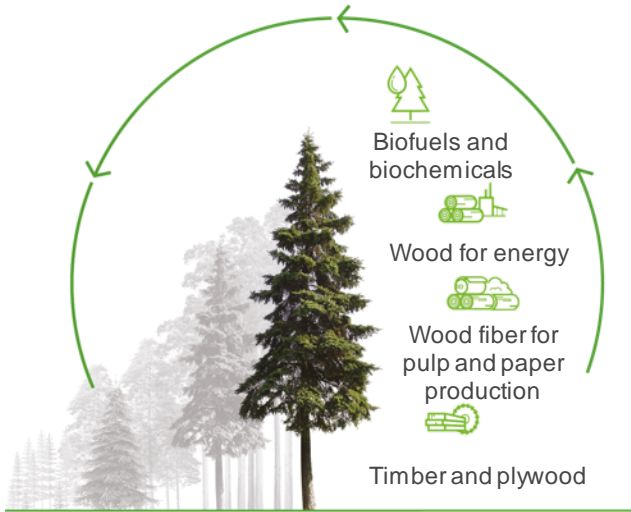
- Corporate responsibility is managed by the Board of Directors and the Group Executive Team, as well as by businesses and functions
- Executive management remuneration is linked with responsibility KPI's
- Our sites and also our wood-sourcing operations are covered by environmental, quality and occupational health and safety systems certified in accordance with the ISO 9001, ISO 14001 and ISO45001 standards.



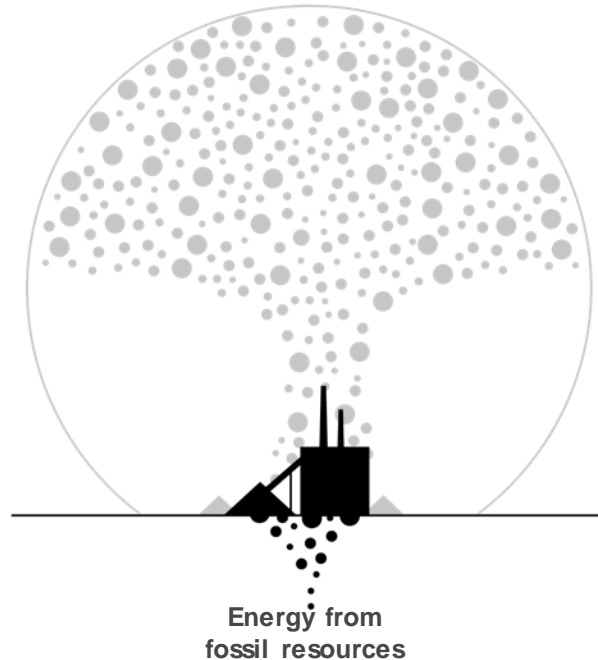
Circular bioeconomy offers a sustainable alternative to fossil-based economy



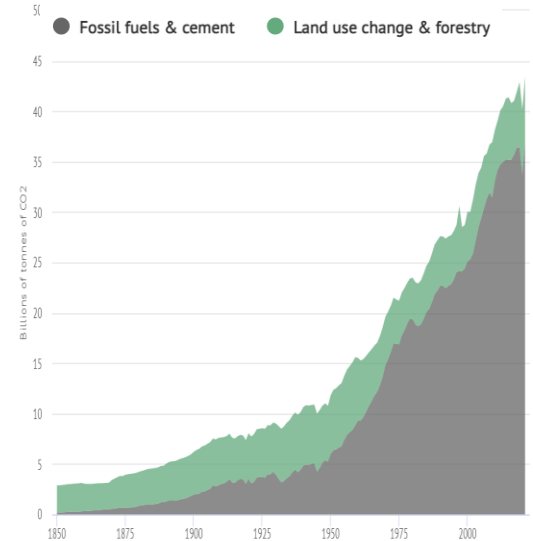
Biomass use is not increasing
CO₂ to carbon cycle



Use of fossil resources
increases CO₂ amount



Use of fossils has increased
global CO₂ -emissions



Source: IPCC AR5, various.
Chart by Carbon Brief

Responsible operations and value chain

Holistic approach to sustainable forestry

100% traceability with 3rd party verification

Target of 100% of FSC and PEFC certification – 84% already today

100% regeneration

- 50 million new trees planted every year, 100 per minute

No deforestation, ever. No use of rainforests.

Sustainable harvesting practices
Preservation of all forest ecosystem services



UPM's Responsible Sourcing Principles



**UPM Code
of Conduct**



**Transparent supplier
requirements**



**TOGETHER FOR
SUSTAINABILITY**



**Systematic risk
assessment**



**Continuous
supplier
development**



Focus on people and respecting human rights



...of our employees

...of our suppliers
& contractors

...of the communities
where we operate



Strengthening our safety culture

- Our proactive safety culture is based on UPM Code of Conduct and UPM Safety Rules.
- Strong focus on life-saving standards and identification of major risks.
- Working closely with employees and external OHS organisations to provide a safe and healthy working environment and foster the wellbeing of employees and contractors.
- Zero accident mindset and continuous target recognised through company-wide safety awards.

44,000

safety-related near-miss and safety observation reports recorded in 2021

31,000

Safety walks and discussions in 2021



Enabling people growth

- Lead according to UPM Values and with integrity
- Develop and including and diverse working environment
- Engage employees to create active dialogue and a future beyond fossils
- Enable performance with agile goalsetting and feedback
- Invest in the growth of our people and develop new capabilities
- Provide a safe and healthy working environment and foster the wellbeing of employees and contractors



We are present in local communities

- Continuous dialogue to understand key risks, challenges and opportunities in the local operating environment
- Systematic collecting and analysing of feedback
- Prosperity and wellbeing: employment and taxes
- Good collaboration with extensive supplier pool
- Transparent reporting of environmental and societal impacts (EMAS: EU Eco-Management and Audit Scheme)
- Biofore Share and Care: donations, sponsorships and employee volunteering



Engaging with communities through donations, sponsorships and employee volunteering



BIOFORE
SHARE AND CARE



Reading &
learning



Engaging with
communities



Beyond fossils
initiatives



Our climate commitment



WE ACT THROUGH FORESTS

Committed to climate-positive forestry and enhancing biodiversity



WE ACT THROUGH EMISSION REDUCTIONS

-65% from own CO₂ emissions
-30% from CO₂ emissions of supply chain



WE ACT THROUGH PRODUCTS

Innovative products
Scientifically verifying the climate impact of all our products



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C   **OUR ONLY FUTURE**

**THE Paris...
CLIMATE 10 years
PLEDGE Early**

Implementing the circular bioeconomy at UPM



Our products are based on renewable materials from sustainably managed forests. Many of them are made of residues, side streams and recovered materials generated from various production processes.

Renewable materials from forests

Forests are a source for our renewable bio-based products and materials.

Circular by design

Circularity is an integral part of our Sustainable Product Design concept.

Efficient use of resources

We make efficient use of all our material, nutrient and water streams.

Circular bioeconomy at UPM: We minimise waste and maximise reuse

By minimising waste, we maximise the reuse of materials that would otherwise be sent to landfills. In the circular bioeconomy, bio-based products and materials are recycled several times.

96%

of ash is recycled

Ash forms our single largest side stream. It is reused in soil stabilisation and the cement industry, for example

89%

of process waste is recycled or recovered

Most of our process waste is recycled or recovered as energy. We aim at 100% by 2030.

59%

of mills reuse 100% of process waste

Many of our mills do not send any process waste to landfills.

35%

of nutrients come from recycled sources

Our goal is that 100% of nutrients used at effluent treatment come from recycled sources by 2030.

Leadership position (A-) on CDP's ranking for our significant actions to enhance water stewardship



-38%

reduction of effluent load for the average product from the 2008 levels

-18%

Reduction of waste water volumes for the average product from the 2008 levels

35%

of all nutrients used at effluent treatment from recycled sources

88-98%

of water we use is recirculated



Innovating novel, climate-positive products

- Recyclable products made of renewable wood-based raw materials
- Product safety
- Open and transparent product information
- Co-operation across the value chain
- Strong commitment to long-term customer relationships

Our Sustainable Product Design concept steers our product development, promoting a sustainable product lifecycle approach and ensuring that every new product and service have a proven sustainability value proposition and that they support the UN SDGs.



- > Regulation
- > Trends
- > Markets
- > People



> Future Beyond



Creating new business and competitive advantage



BIOFUELS

Renewable and sustainable products for the transport and petrochemical industries



BIOMEDICALS

Bio-based products and applications made from wood



BIOCHEMICALS

Replacing fossil-based materials



BIOCOMPOSITES

Replacing fossil-based materials



Leader in responsibility

MSCI
ESG RATINGS



Global Compact
LEAD
2021 PARTICIPANT

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Sustainability Award
Gold Class 2022

S&P Global



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BEYOND FOSSILS

