

UPM Raflatac Labeling a Smarter Future

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Self adhesive labels in end use



Pharmaceuticals



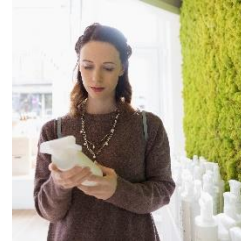
Wine, spirits & craft beverage



Food



Personal care



Home care



Durables



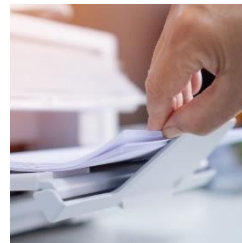
Transport & logistics



Industrial Chemical



Retail



A4 & cut-size



Security & brand protection



Tyre

The labelstock markets have solid long term demand growth trends – short term can be more volatile



The long term demand growth outlook remains a solid 3-4% p.a.

However in the short term the demand changes can be more dynamic

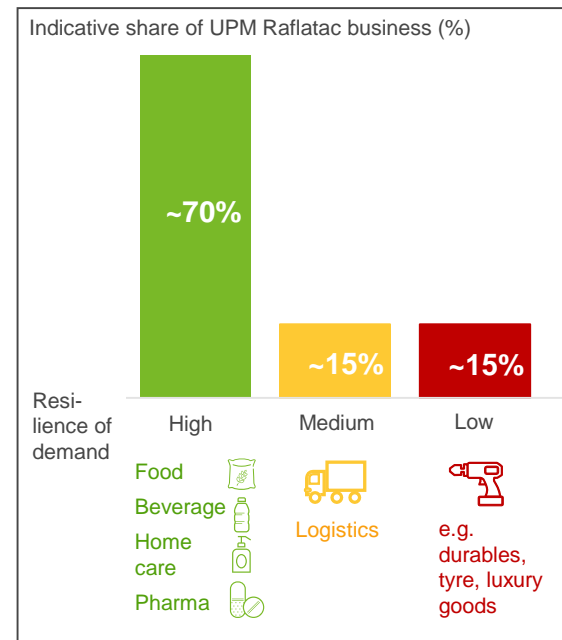
The demand of UPM Raflatac's end use portfolio is relatively resilient

Growth drivers

- Packaging unit growth in Food, Personal Care, Beverage
- E-Commerce growth & parcel logistics
- Niche segments (e.g. pharmaceuticals)
- Further trends benefitting labelstock: **sustainability**, wet glue substitution

Impact to labelstock demand

- Consumer **stockpiling**
- Lockdowns**
- Value chain **inventory cycle**
- Private consumption changes**



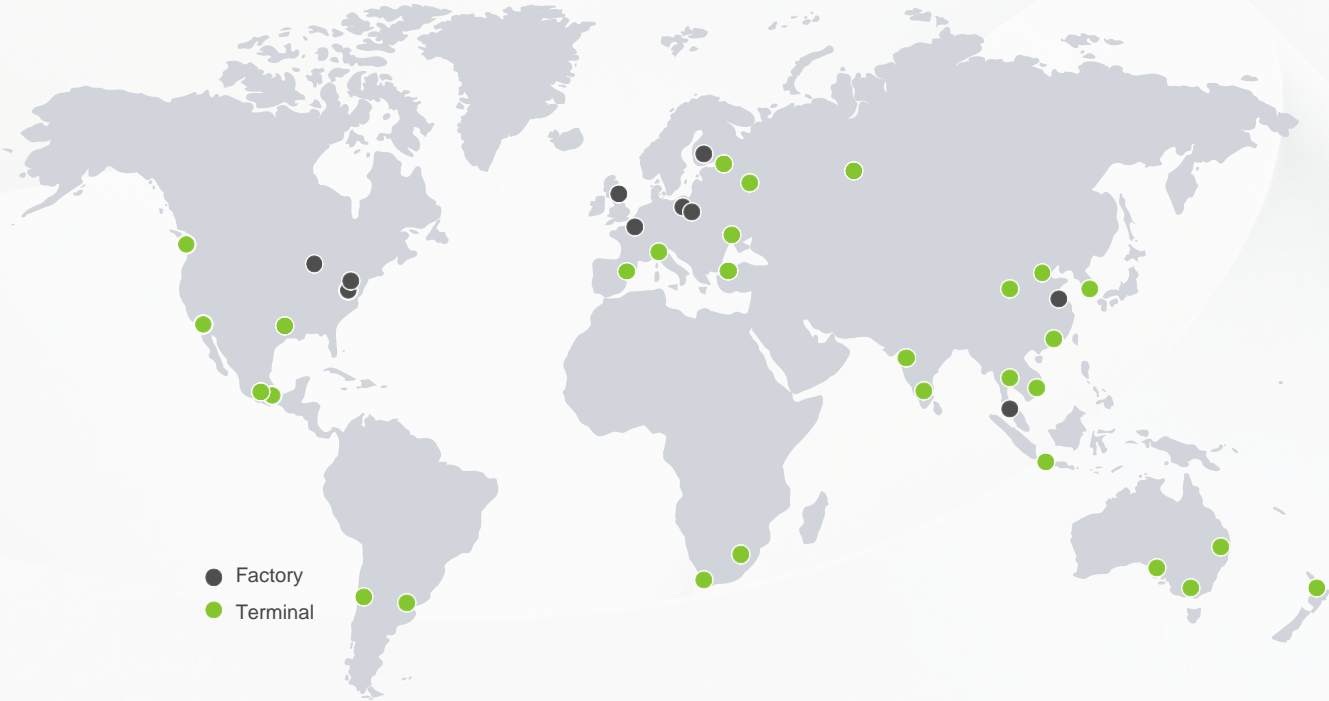
Our global presence brings reach and resilience



>8000
customers



Sales to
120
countries



Operations in
41
countries



>3000
employees

Our development priorities

Strategy cornerstones

Ongoing initiatives

Strong common capabilities



Wider product portfolio

Sustainability leadership

Global operating model



Improved customer reach

Commercial Excellence, Digital reach

Focused investments, potentially accelerated with M&A if feasible



Winning operations

Productivity program

The evolving market demand for more sustainable packaging – what the big brand owners say and commit to

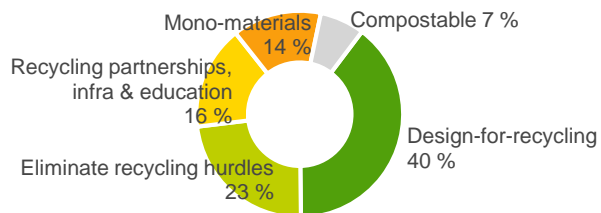


Area

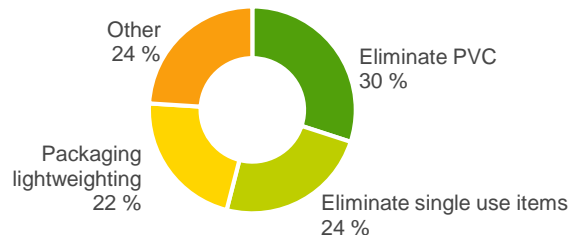
Commitments by 2025

Market needs for packaging

“100% of plastic packaging to be re-usable, recyclable or compostable”

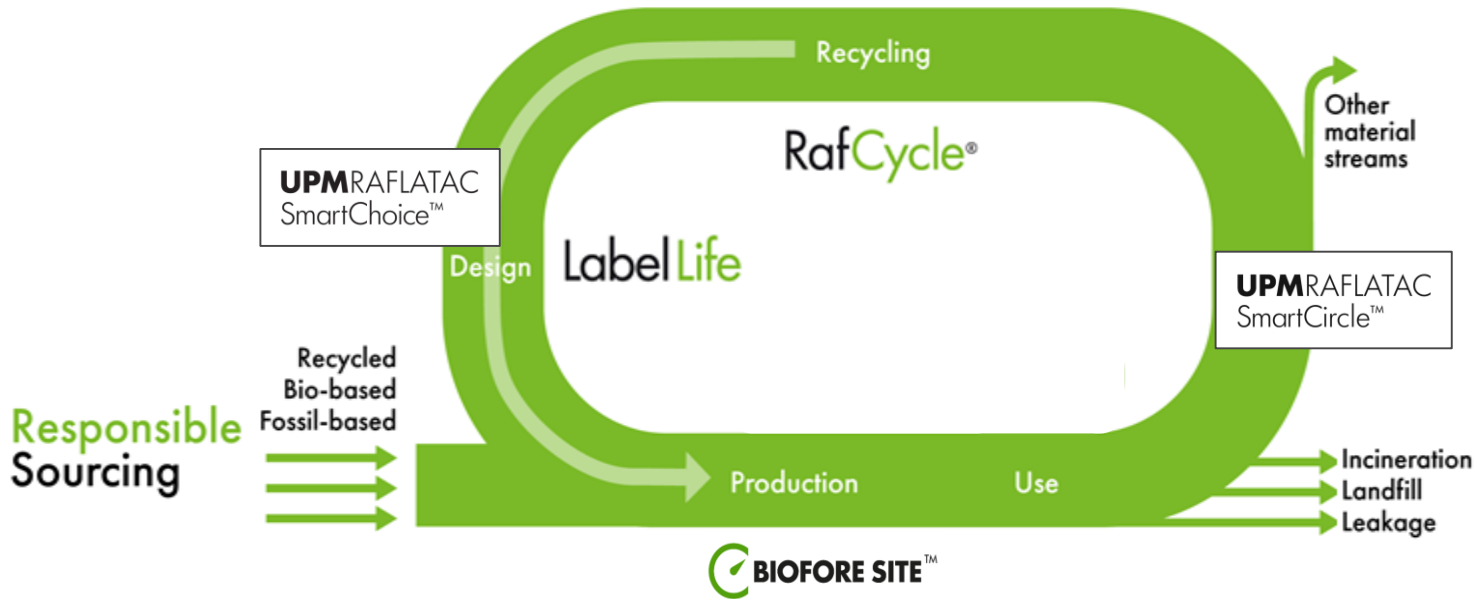


“Take action to eliminate unnecessary plastic packaging”



- Solutions to enable recycling
- Recycled content in products (10x)
- Renewable alternatives
- Better resource efficiency

Raw material choice and functionality is critical – labels matter in the circular model



UPM Raflatac leading in sustainable labelling

Addressing the market needs with a wide portfolio



Reduce

Resource optimized products, reducing pressure on natural resources and lowering environmental impact.



Recycle

Products enabling packaging recyclability and reducing waste and products that are made from recycled materials



Renew

Label materials from sustainable and renewable sources that help move beyond fossils and mitigate climate change.

Differentiated *Spearhead* products & services

RAF NXT+



Forest Film™

RafCycle®

Label Life by **UPM** Raflatac

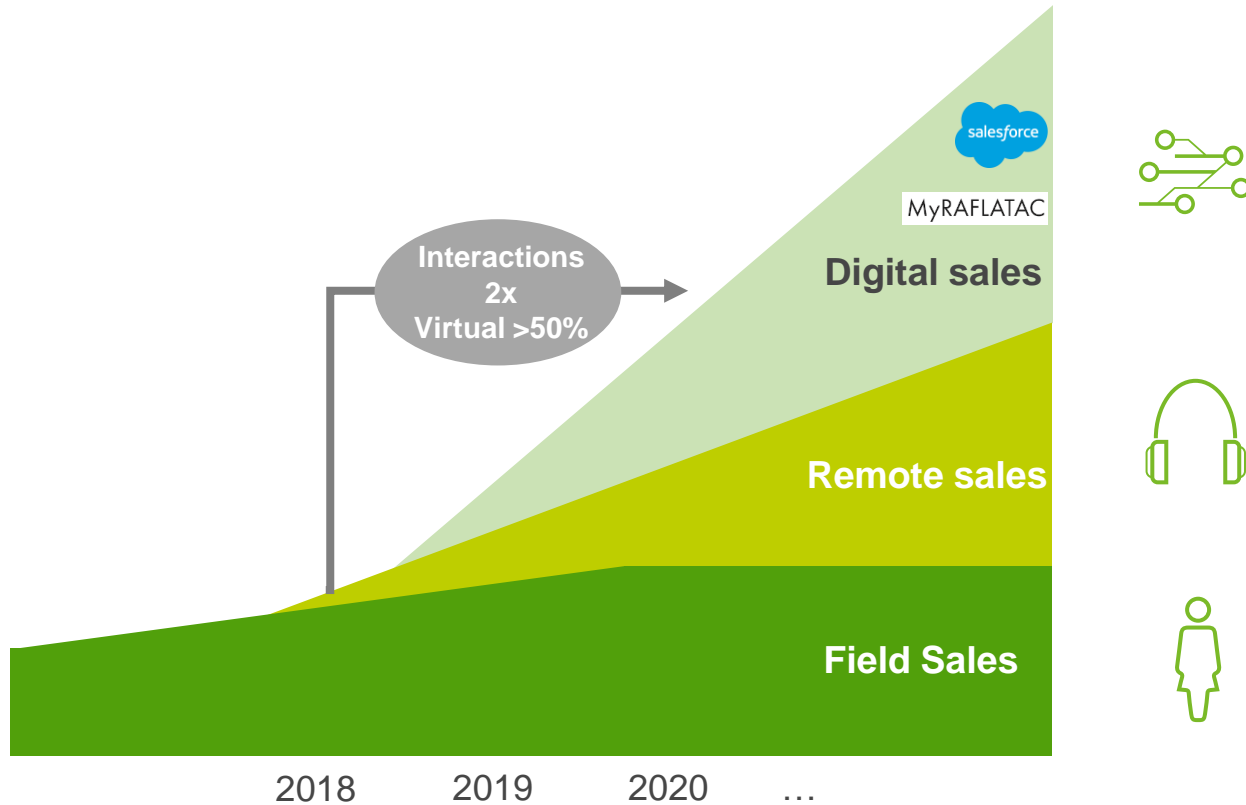
The first Label
Materials
company
Beyond Fossils

Early signs of recycling impacts: Packaging decisions to favour labelstock

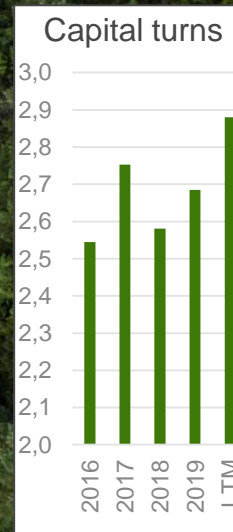
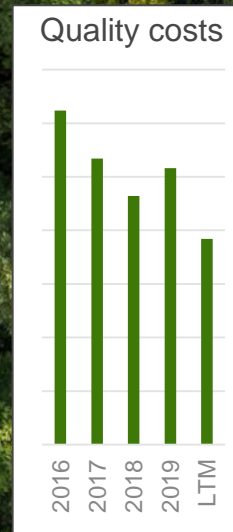
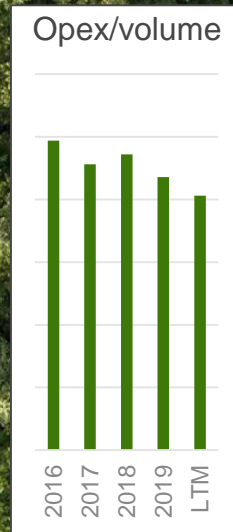
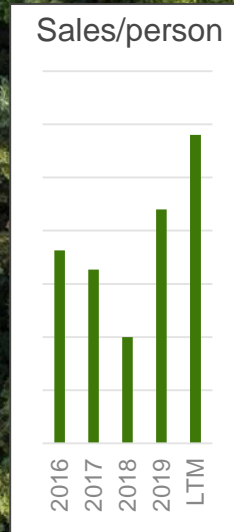
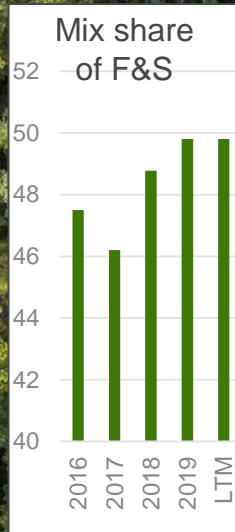
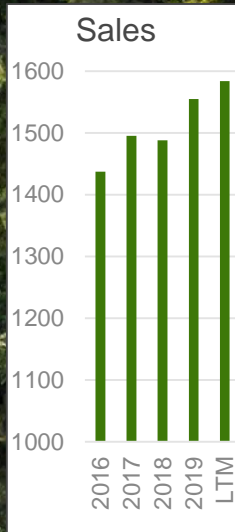


Source: Euromonitor September 2020; UPM Raflatac perspective

Commercial Excellence & Digitalization: Journey to serve our customers better, more efficiently



Relentless drive to improve effectiveness and productivity in everything we do





Summary



- Resilient markets, resilient operations
- Long term demand growth prospects solid, short term volatility possible
- Sustainability is a major trend in packaging – a need from consumers to brand owners
- We lead the sustainability offering of products & services to Reduce, Recycle and Renew packaging and labelling
- Performance drive through commercial excellence, digital reach and productivity improvement in everything we do

UPM **BIOFORE**
BEYOND FOSSILS

