

The background of the slide is an aerial photograph showing a dense green forest. A dark, winding river or stream flows through the forest, creating a meandering path. The lighting suggests a sunny day, with shadows cast across the forest floor.

Sustainable forestry

The foundation for a future beyond fossils

Saara Tahvanainen, Vice President, Stakeholder Relations, UPM Fibres

Our forests today

Northern hemisphere:

- 520,000 ha in Finland, own nursery
- 76,000 ha in the US
- Partnerships with private land-owners
- Growth cycle 40-80 years
- Wood consumption in Finland 18m m³

Southern hemisphere/Uruguay:

- 500,098 ha total plantation land area (own and leased)
- Partnerships with private land-owners
- 3 own nurseries
- Growth cycle 9-11 years
- Wood consumption in Uruguay 4m m³

Our principles of sustainable forestry

100%

traceability with 3rd party verification

Target of

100%

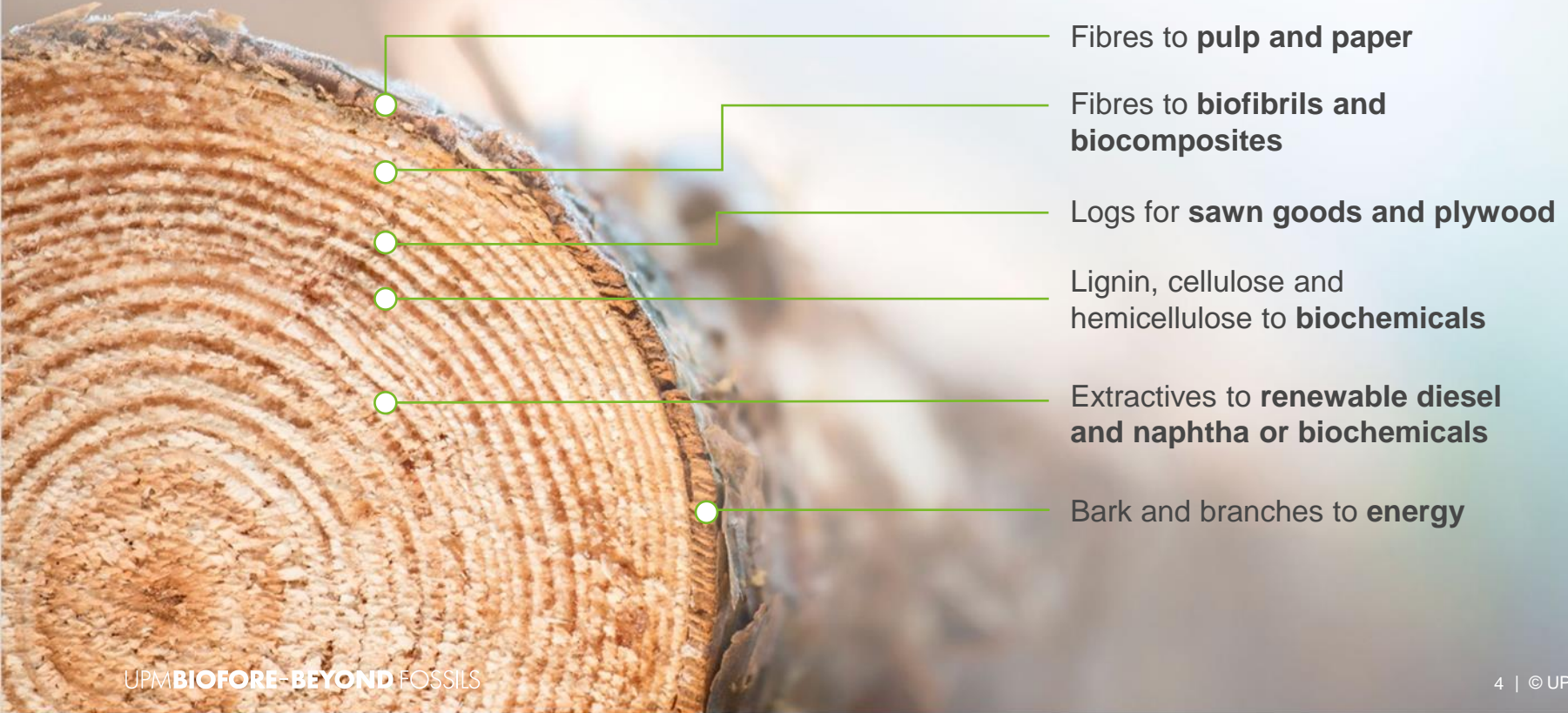
of certified wood material by 2030
already today over 80%

100%

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

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- **No deforestation, ever.** No use of rainforests.
 - **Sustainable harvesting practices**
 - **Preservation of all forest ecosystem services**

Efficient use of wood – nothing goes to waste



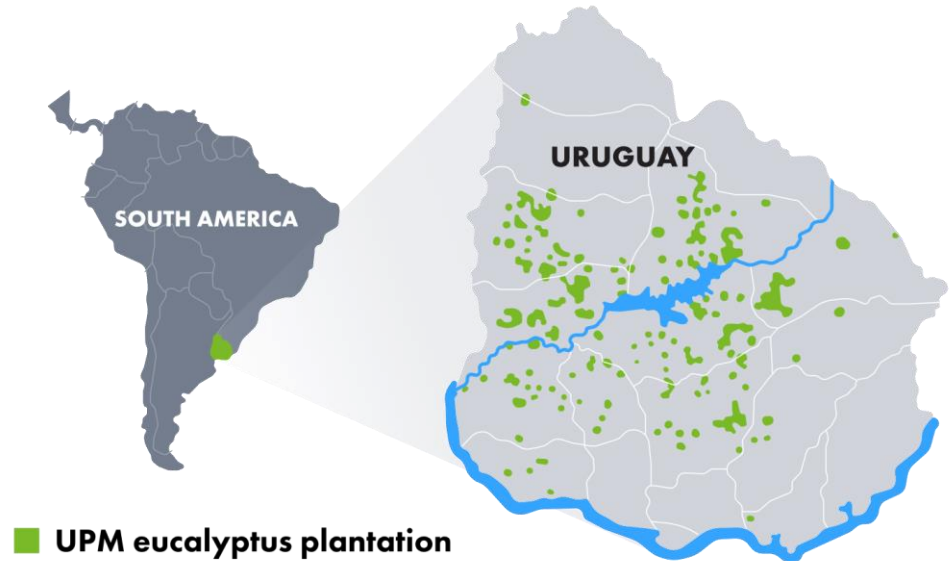


Sustainable plantations in Uruguay

Saara Tahvanainen, Vice President, Stakeholder Relations, UPM Fibres

UPM's eucalyptus plantations in Uruguay

- UPM plantations supply about 4 M m³ of eucalyptus wood to the UPM Fray Bentos mill
- Plantation base already expanded to ensure the 7 M m³ supply to the new UPM Paso de los Toros mill
- Secured wood base with company owned plantations on own and leased land, complemented with partnerships with local private landowners
- All UPM's plantations certified to FSC® and PEFC™



Key fundamentals of plantations in Uruguay

- **Forest promotion law** established in 1987 to develop forest industry and diversify the economy
- **All native forests protected** (5% of land surface)
- **Clear land ownership** structure and strict land policy
- Tree plantations established mainly **on old cattle grazing land**
- **Plantations cover 1.1 M ha, only 6% of total land surface**

The anatomy of UPM plantations



planted with UPM's specifically selected, fast-growing trees from the most suitable and productive eucalyptus species (E Grandis and E Dunnii)

non-planted area for maintaining the natural vegetation (native forests, water courses and wetlands), infrastructure and conservation areas

years rotation time from planting to harvesting

Our plantations have established a new renewable raw material base for growing global fibre needs



Plantations provide wood to UPM's pulp mills in south-western and central Uruguay.



UPM FRAY BENTOS

1.3 million t/a

eucalyptus pulp



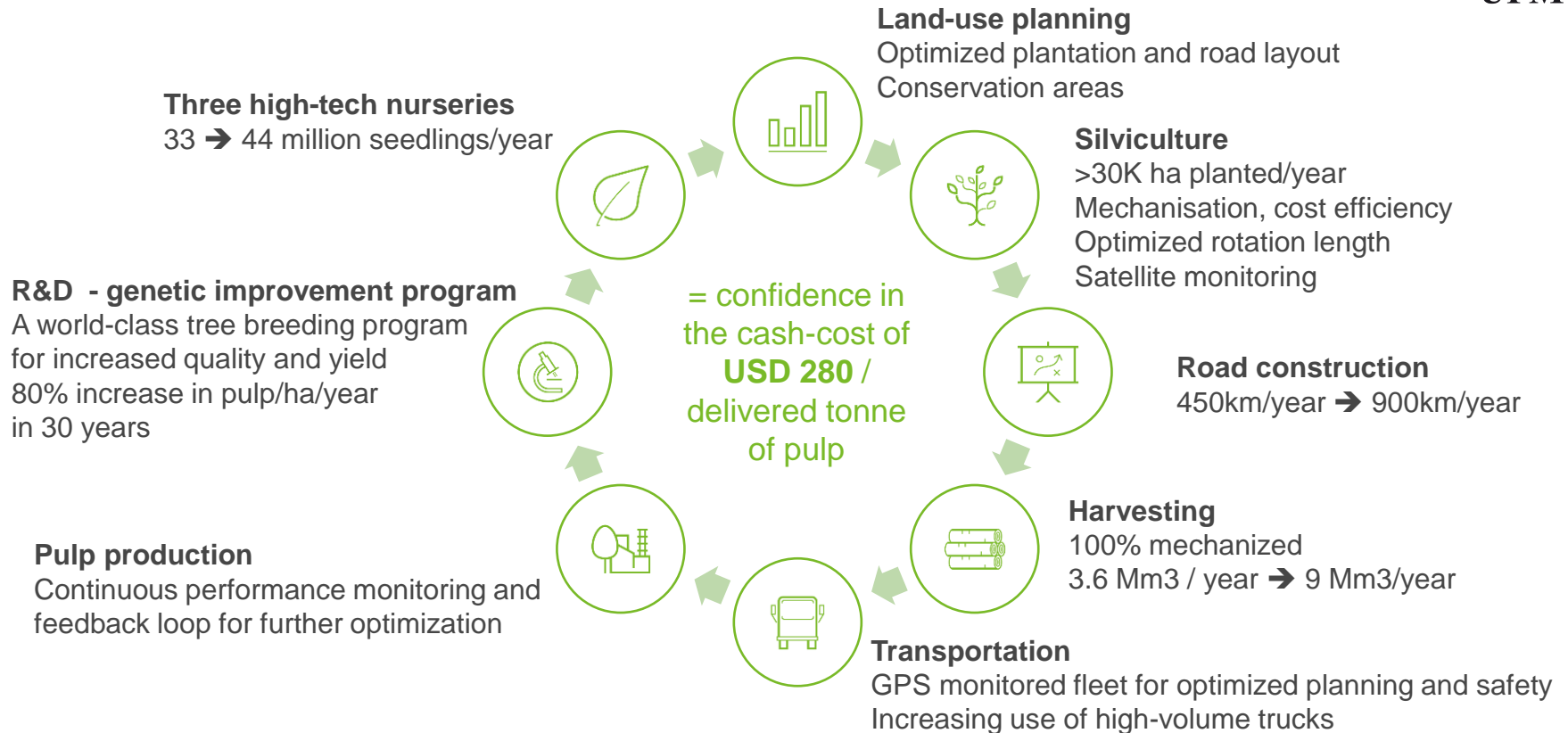
UPM PASO DE LOS TOROS

2.1 million t/a

eucalyptus pulp

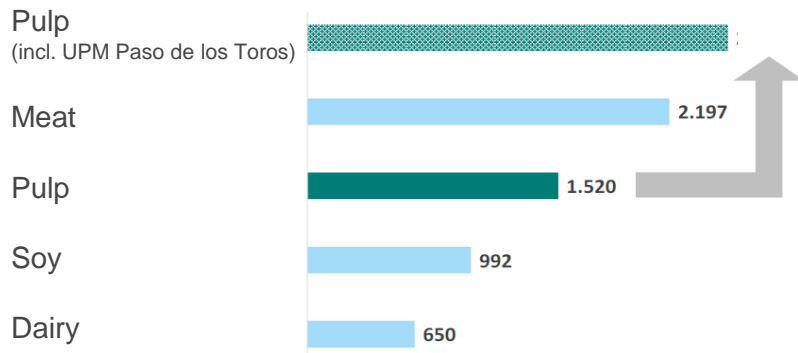
start-up by the end of the first quarter of 2023

Competitive advantage



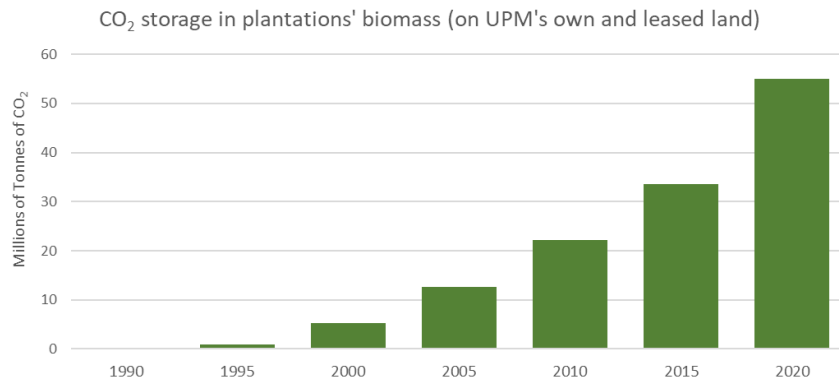
Matching climate and economic interests

Uruguay exports (million USD)



Source: EXANTE (Pablo Roselli & Co.) December 2020

CO₂ storage



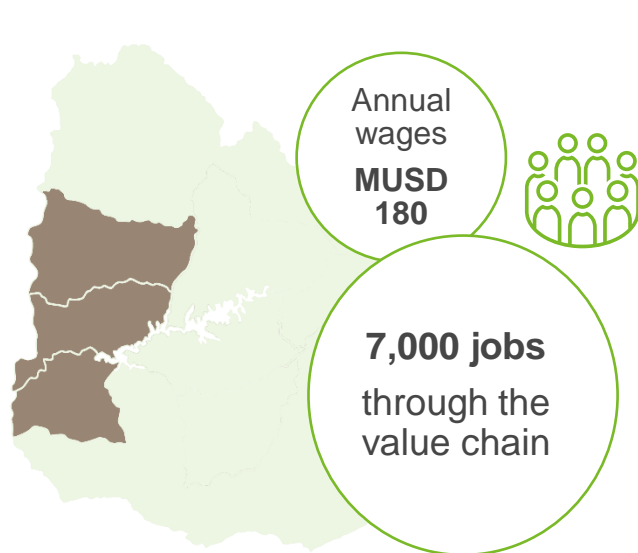
Plantations formed on old grazing lands
Industry diversification, export growth

Permanent new CO₂ storage with no effect
on food production or natural forests

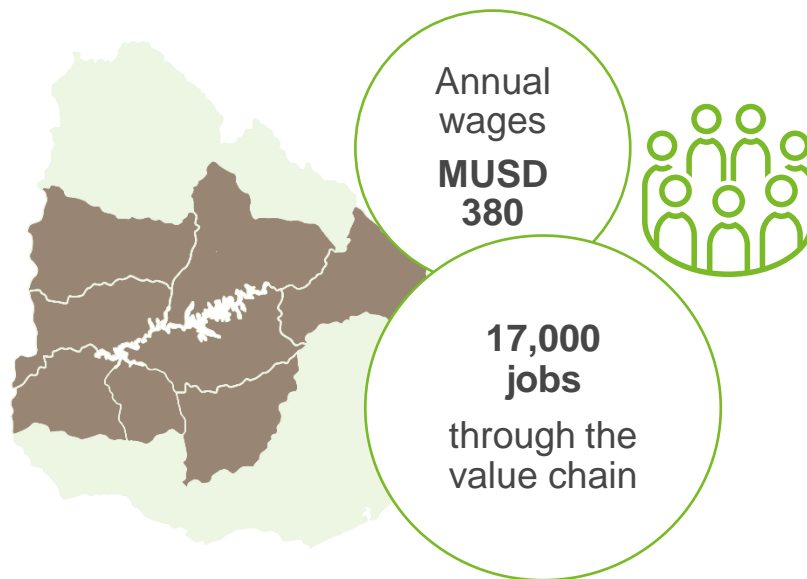
Significant impact on the local employment and economy



UPM current operations



UPM operations after the start of the new pulp mill



Source: Economic impact study of UPM in Uruguay (CPA Ferrere / May 2016 and Deloitte/June 2019)

UPM **BIOFORE**
BEYOND FOSSILS

