



Sustainable forestry in Finland

Sauli Brander, Senior Vice President, UPM Forest

UPM wood sourcing and forest management in Northern Europe



We buy approx. 20 million m³ of logs and pulpwood for UPM mills each year

- 10% from UPM forests
- 30% from forest management partners
- 55% from private forest owners
- 5% imported wood

We manage

- 520,000 hectares of UPM forests
- 1.3 million hectares of private forests
- 20 M seedlings nursery in Joroinen

UPM Forest
operating area
in Northern Europe



Strong position across the value chain



Nurseries and company forests

Joroinen
employs approximately 40 people

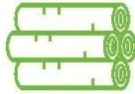
Forest property in Finland
520,000 ha



Forest management

Over 50,000 ha for forest management tasks

UPM Silvesta and UPM Forest franchising chain



Wood trade

Approximately 25,000
wood trade agreements with private forest owners annually



Wood harvesting

Approximately 40 entrepreneurs
Harvesting, local transportation



Logistics

Approximately 70 entrepreneurs
by road, rail or sea



Mills and biomass power plants

18 mills in Finland, one in Estonia

550 forestry experts, 120 offices, a network of over 300 entrepreneurs that employs approximately 2000 people

Wood imports from Russia have stopped

– new wood market equilibrium to the Baltic rim



Finland



- Total annual industry wood imports from Russia were approximately 8m m³
- New balance to be achieved around the Baltic rim through increased domestic sourcing and other imports

UPM



- Imported less than 10% of its wood sourcing to Finland from Russia
- Strong position in the Finnish wood market
- Alternative imports sources for the transition phase
- Increased share of softwood pulp in the production mix, ahead of the start of the UPM Paso de los Toros mill

Finland represents leading edge in sustainable forest management

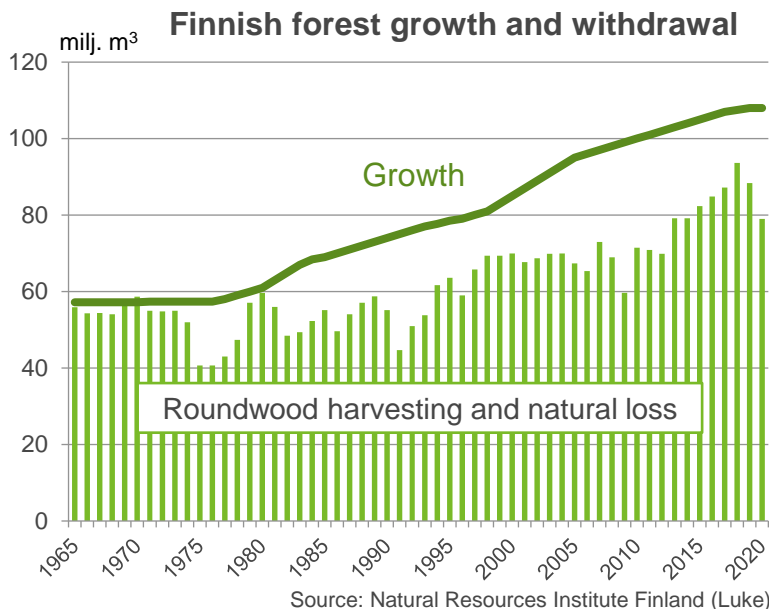


Forest growth doubled

in 50 years despite increased use through combination of modern forestry practices and conservation

Standing stock in Finland increased

from **1.5bn m³** to **2.5bn m³**

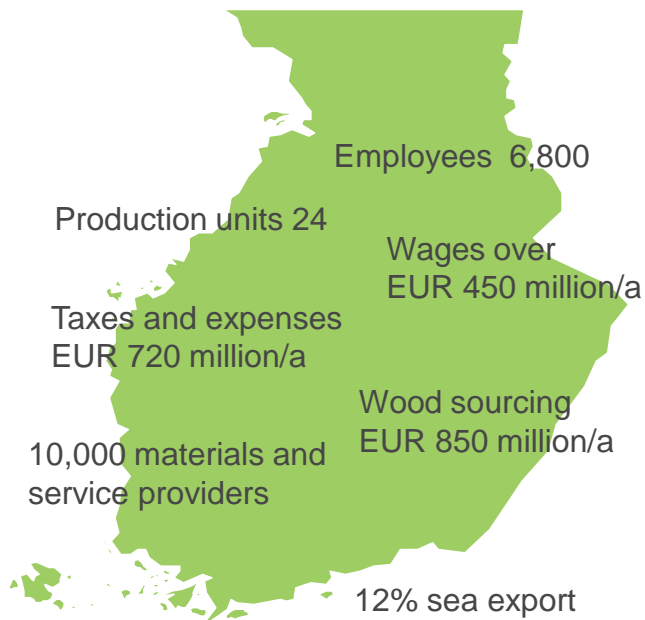


Source: Natural Resources Institute Finland (Luke)

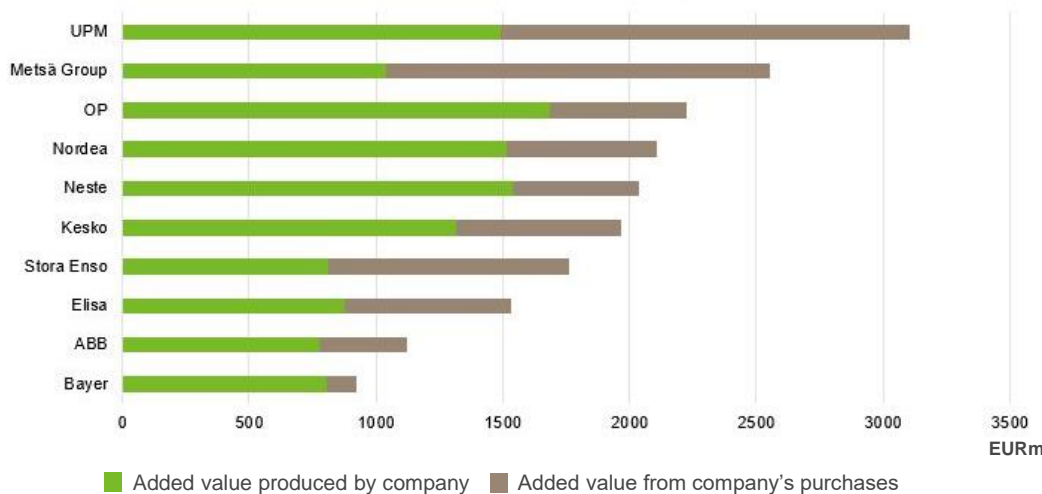
UPM's economical footprint in Finland is large – strong position as trusted partner



UPM in Finland



The leading companies producing added value to Finnish economy



We follow strict principles in all forestry and wood sourcing operations



100%
traceability
covered by a
**third-party
verified Chain
of Custody**

Guaranteed
sustainability
by **FSC®
and PEFC™
certifications**
(FSC®-C109750)

Forest
**biodiversity
preserved**

100% from
**sustainable
sources**

No wood
from tropical
rainforests or
forests converted
to plantations

Sustainability aspects are considered in every harvesting



Valuable habitats are protected

Retention tree groups are left to the clear cut area

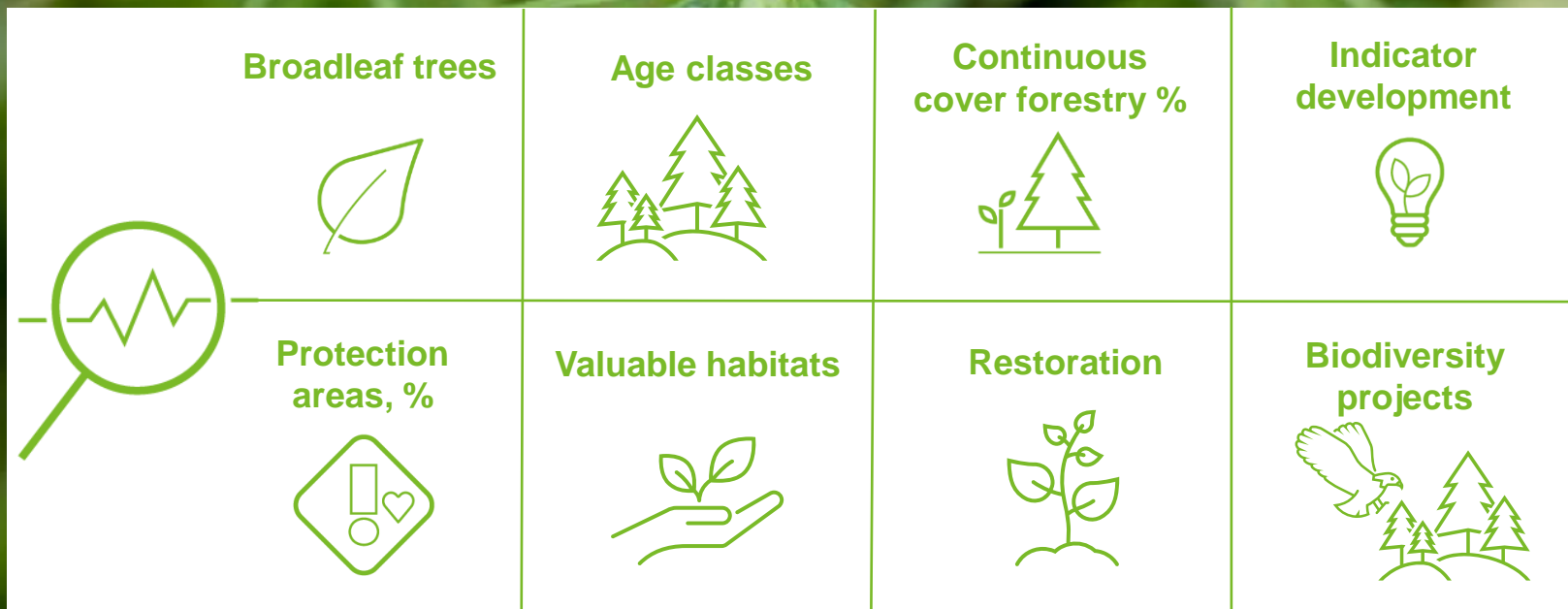
After harvesting, forest will be regenerated with native tree species

Deadwood is left to the forest site

Clear cut area is surrounded by different age forests

Water protections is considered

UPM Net Positive Impact for biodiversity: our metrics in the Finnish forests



UPM **BIOFORE**
BEYOND FOSSILS

