

# DISCLOSURE UNDER THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT



**DISCLOSURE UNDER THE CALIFORNIA TRANSPARENCY IN  
SUPPLY CHAINS ACT****1. Introduction**

The business of UPM-Kymmene Corporation ("UPM") in California is carried out by its subsidiary UPM Raflatac Inc. (the "Company"). Pursuant to the requirements of the California Transparency in Supply Chains Act 2010, UPM Raflatac Inc. hereby discloses its efforts to eradicate slavery and human trafficking from its direct supply chain.

**2. Verification of Supply Chains**

We assess our suppliers systematically and regularly based on risk evaluations. Before UPM enters into a supply contract with its supplier, it ensures that a prospective supplier knows that it must comply with UPM Supplier and Third Party Code. In addition, supplier risk is managed and a supplier's performance is evaluated regularly.

**3. Supplier Audits**

The supplier audit systematically verifies a supplier's conformance with UPM's supplier requirements. In recent years, the focus of such audits has been on social responsibility issues in our supply chain. A growing number of risk assessment-based supplier audits are regularly conducted by UPM's Sourcing Function in co-operation with qualified auditors.

**4. Supplier Certifications**

UPM is committed to responsible sourcing practices and expects its suppliers to comply with applicable laws and to share the principles outlined in its Code of Conduct. The UPM Supplier and Third Party Code sets out the level of social responsibility expected from UPM's suppliers. This level of social responsibility corresponds to recognised international labour standards as defined by the ILO and the UN Global Compact. The UPM Supplier and Third Party Code includes clauses prohibiting a supplier to use child or forced labour at any of its operations or activities. The UPM Supplier and Third Party Code is complemented with more detailed rules, guidelines and supplier requirements. UPM expects its suppliers to comply with the requirements set out in the UPM Supplier and Third Party Code, and to use their best efforts to promote these requirements among their own suppliers.

**5. Internal Accountability**

UPM group level policies are applicable to all activities of its subsidiaries, including UPM Raflatac Inc. The UPM Code of Conduct sets out UPM's general principles of business integrity. In line with its ethical standards, UPM is committed to the United Nations Universal Declaration of Human Rights, recognises the United Nations Sustainable Development Goals, and values the ten principles of the United Nations Global Compact. Based on our solid ethical practices, it is clear that the use of forced labour is not tolerated under any circumstances. UPM's sourcing activities follow pre-set UPM responsibility focus areas and targets and are guided by UPM Responsible Sourcing Rules. Any concerns about forced labour, human trafficking or slavery may be reported through UPM's Report Misconduct channel, which is accessible online, by email ([reportmisconduct@upm.com](mailto:reportmisconduct@upm.com)) or by mail to the head of Internal Audit.

**DISCLOSURE UNDER THE CALIFORNIA TRANSPARENCY IN  
SUPPLY CHAINS ACT****6. Continuous Training**

All UPM employees receive Code of Conduct training. UPM's Sourcing Function arranges additional training for its personnel on responsibility principles and supplier requirements. In addition, UPM's Sourcing Function co-operates continuously with suppliers to ensure compliance with the UPM Supplier and Third Party Code.