Corporate Governance Statement 2025

UPM-Kymmene Corporation

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UPM-Kymmene Corporation (UPM or the Company) follows the Finnish Corporate Governance Code (CG Code) issued by the Securities Market Association and complies with all recommendations of the CG Code including the requirement that at least 40% of the members of the Board must be from an underrepresented gender. The CG Code is publicly available on the Securities Market Association's website at cgfinland.fi/en.

UPM's Corporate Governance Statement (CG Statement) for the financial year 2025 has been prepared in accordance with the CG Code's corporate governance reporting section. UPM presents the CG Statement as a separate report, distinct from the Report of the Board of Directors. The CG Statement is available on the corporate website's Investors section under Governance (upm.com/governance).

The Report of the Board of Directors is presented on pages 116–257 of UPM's Annual Report 2025, which is also available on the corporate website.

UPM's governance structure

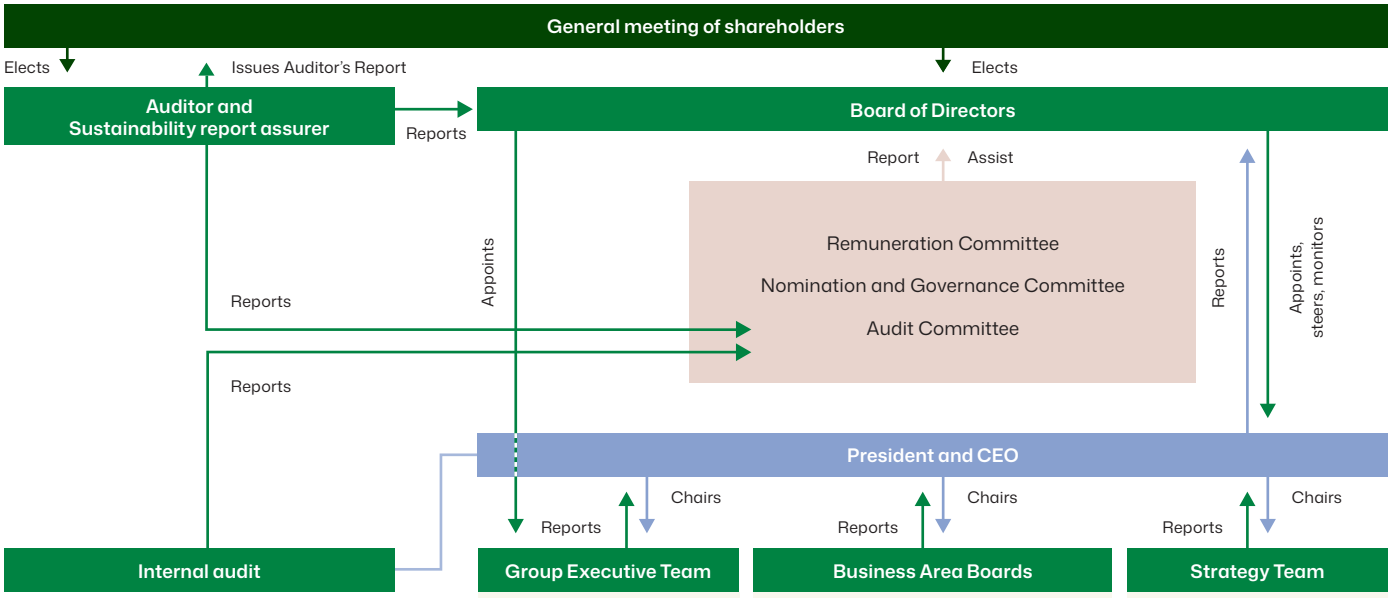
UPM is a Finnish limited liability company with headquarters in Helsinki, Finland. The Parent Company, UPM-Kymmene Corporation, and its subsidiaries form UPM Group, with approximately 15,100 employees in 42 countries. UPM Group's business operations are divided into six business areas and other operations, including the UPM Biorefining business unit and global functions. UPM shares are listed on Nasdaq Helsinki Ltd.

UPM uses a one-tier governance model, which, in addition to the general meeting of shareholders, comprises the Board of Directors and the President and CEO, as presented in the illustration on the right. In the operative management of the Company, the President and CEO is assisted by the Group Executive Team, the Business Area Boards and the Strategy Team.

Governance framework

UPM's decision-making, management and operations are guided by our values and by the UPM Code of Conduct. UPM's values and UPM Code of Conduct form the framework for all Company operations and set out standards of behavior for UPM employees, including directors and executives.

Governance structure of UPM-Kymmene Corporation



Compliance, and responsible and ethical practices are the foundation of UPM's businesses. In addition to the Finnish CG Code, the Company follows the Finnish Limited Liability Companies Act and other laws and regulations applicable to publicly listed companies in Finland, the Company's Articles of Association, Board and committee charters, corporate policies and rules, as well as rules and guidelines issued by the European Securities and Markets Authority, the Finnish Financial Supervisory Authority, and the Nasdaq Helsinki stock exchange.

Annual General Meeting 2025

The Company's Annual General Meeting (AGM) for 2025 was held in Helsinki on March 27, 2025. Notice of the AGM, including proposals by the Board of Directors and the Nomination and Governance Committee, was published in February. A total of 3,031 (3,167) shareholders were represented at the meeting. Shareholders attending the meeting represented 55% (60%) of the Company's shares and voting rights at the time of the AGM. The AGM supported all proposals by the Board of Directors or the Board's Nomination and Governance Committee, and the decisions at the AGM 2025 were made in accordance with the proposals.

Board of Directors

The AGM 2025 resolved to elect nine members to UPM's Board of Directors for a one-year term and re-elected Pia Aaltonen-Forsell, Henrik Ehrnrooth, Jari Gustafsson, Piia-Noora Kauppi, Melanie Maas-Brunner, Topi Manner, Marjan Oudeman, Martin à Porta and Kim Wahl to the Board. All directors are non-executive, and their term of office will end with the closure of AGM 2026.

55%

of shares and votes represented in the AGM 2025

3,031

shareholders represented in the AGM 2025

Composition of the Board of Directors, December 31, 2025

Henrik Ehrnrooth

Chair of the Board and Chair of the Nomination and Governance Committee

Director since	2015
Independence	Independent of the Company and significant shareholders
Education	M.Sc (Econ.)
Nationality	Finnish
Born	1969
Gender	male
Main occupation	Senior Industrial Partner at CVC
UPM shares[1)]	34,474

Kim Wahl

Deputy Chair of the Board

Director since	2012[2)]
Independence	Independent of the Company and significant shareholders
Education	MBA (Harvard), BA (Business Econ.)
Nationality	Norwegian
Born	1960
Gender	male
Main occupation	Chair of the Board of Strømstangen AS
UPM shares[1)]	32,335

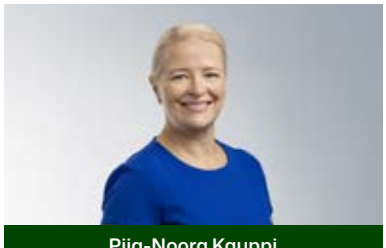
Pia Aaltonen-Forsell

Chair of the Audit Committee

Director since	2023
Independence	Independent of the Company and significant shareholders
Education	M.Soc.Sc. (Econ.), MBA
Nationality	Finnish
Born	1974
Gender	female
Main occupation	CFO of Finnair Plc
UPM shares[1)]	5,213

Jari Gustafsson

Director since	2021
Independence	Independent of the Company and significant shareholders
Education	M.Sc (Political Science)
Nationality	Finnish
Born	1958
Gender	male
Main occupation	Partner at AlterInvest Oy
UPM shares[1)]	8,049



Piia-Noora Kauppi

Director since	2013[2)]
Independence	Independent of the Company and significant shareholders
Education	LLM
Nationality	Finnish
Born	1975
Gender	female
Main occupation	Partner at Odgers Finland Oy
UPM shares[1)]	29,248

Melanie Maas-Brunner

Director since	2024
Independence	Independent of the Company and significant shareholders
Education	PhD (Chemistry)
Nationality	German
Born	1968
Gender	female
Main occupation	Non-executive director
UPM shares[1)]	3,547

Topi Manner

Director since	2022
Independence	Independent of the Company and significant shareholders
Education	M.Sc (Econ.)
Nationality	Finnish
Born	1974
Gender	male
Main occupation	CEO of Elisa Corporation
UPM shares[1)]	10,014

Marjan Oudeman

Director since	2018
Independence	Independent of the Company and significant shareholders
Education	LLM, MBA
Nationality	Dutch
Born	1958
Gender	female
Main occupation	Non-executive director
UPM shares[1)]	14,807

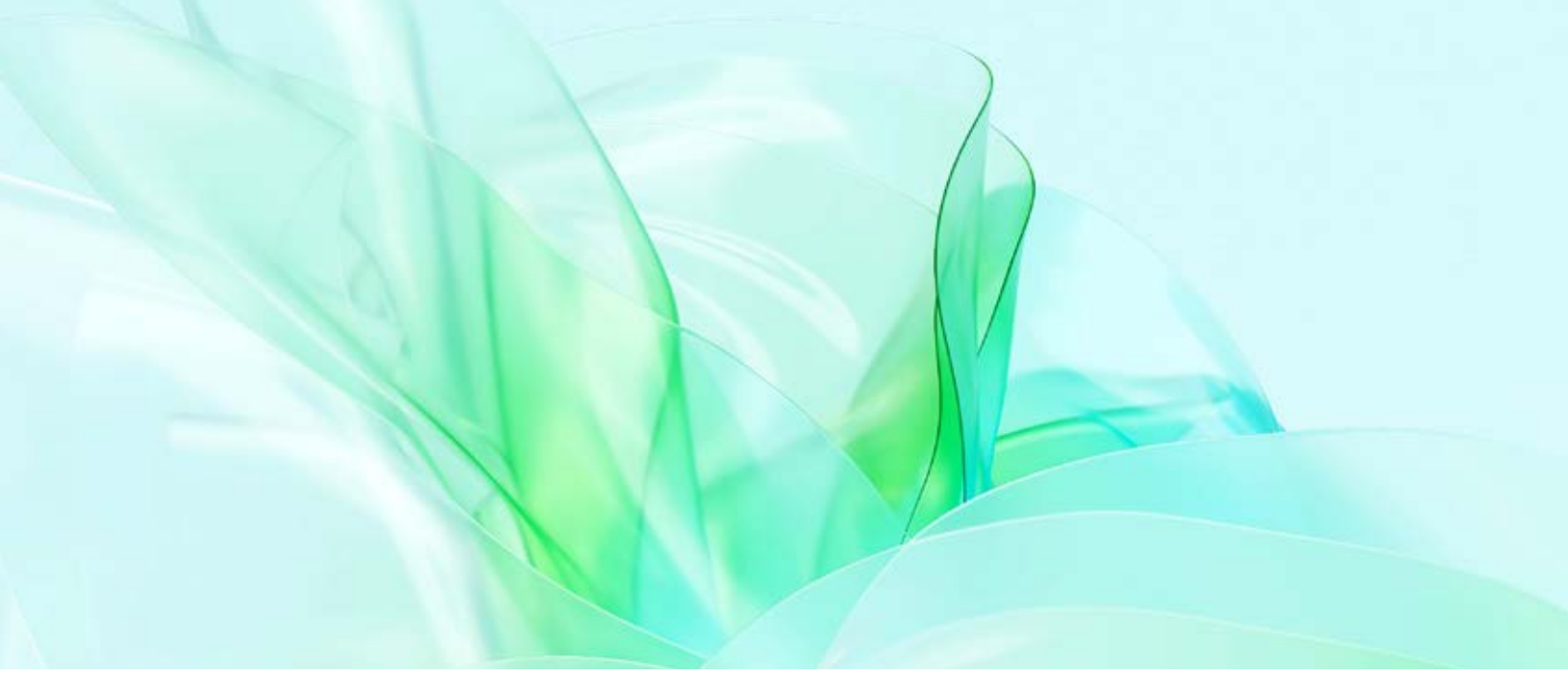
Martin à Porta

Chair of the Remuneration Committee

Director since	2020
Independence	Independent of the Company and significant shareholders
Education	M.Sc (Eng.)
Nationality	Swiss
Born	1970
Gender	male
Main occupation	Non-executive director
UPM shares[1)]	30,057

[1)] on December 31, 2025, and including shares held by the director's controlled entities if any.

[2)] not available for re-election at the AGM 2026.



Director independence

Independence evaluation process

The Board of Directors evaluates the independence of its members, both annually and on a continuous basis, with the assistance of the Board's Nomination and Governance Committee. A Board member is obliged to provide sufficient information for the evaluation of their independence and to express their own opinion of their independence.

Independence criteria

Director independence is assessed based on the independence criteria of the CG Code, in addition to other factors and circumstances to be considered when carrying out an overall evaluation, from the perspective of both the Company and the Board of Directors. The Nomination and Governance Committee also considers additional director independence criteria it adopts. These criteria are available at upm.com/governance.

Director independence is assessed overall and in relation to UPM, its Group companies and the Company's significant shareholders. A shareholder with a shareholding of at least 10% of the Company's shares, or the votes attached thereto, or with the right or obligation to acquire the corresponding number of shares already issued, is deemed significant. The majority of directors must be independent of the Company, and at least two directors of this majority must be independent of significant shareholders. To be considered independent of the Company, a director must not have a material relationship with the Company other than their service as a director. In the overall assessment of a director's independence, any material relationships with a director's family members or closely related persons or entities are also taken into account, in addition to any other factors that may compromise the director's independence or ability to represent all shareholders.

UPM director independence

According to the evaluation carried out by the Board with the assistance of the Nomination and Governance Committee, all Board members are independent of the Company's significant shareholders, as the Company has no controlling shareholder, and none of the Company's shareholders has announced a holding of 10% or more of the Company's shares or votes attached thereto.

All the directors are non-executive, and the Board has also concluded that they are all independent of the Company, including Henrik Ehrnrooth, Piia-Noora Kauppi and Kim Wahl, although they have been non-executive directors of the Company for ten consecutive years or more. Based on the Board's overall evaluation of the independence of these directors, their long-standing service does not compromise their independence, and no other factors or circumstances have been identified that could affect their independence.

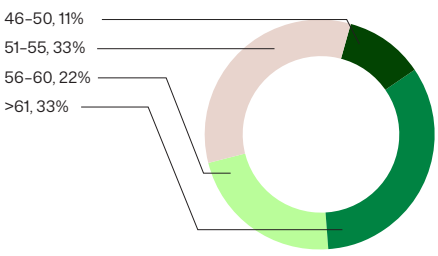
Board diversity

The Board's diversity principles are included in the Board and committee charters and, more specifically, in the Board's Diversity Policy. The Board of Directors' Nomination and Governance Committee assists the Board in the implementation of the policy and prepares the Board's proposal on the composition of the Board to the AGM, in accordance with the director evaluation and nomination process specified in the policy. The Board's Diversity Policy aims to set objectives and procedures for achieving appropriate diversity on the Board, thereby contributing to the effective functioning of the Board as a team. The Board updated its Diversity Policy in December 2024, and it is available at upm.com/governance.

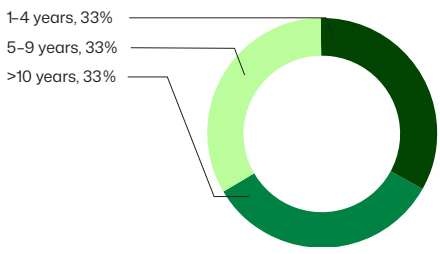
Diversity aspects and objectives

The overarching goal of diversity is for the Board as a whole to have a broad range of skills, experience and perspectives, as well as knowledge of UPM and relevant industries,

Board diversity – age



Board diversity – tenure



Gender

44%

women and 56% men

Nationalities

5

Represented nationalities:
Finnish (56%), Norwegian (11%), Dutch (11%,), German (11%) and Swiss (11%)

Education

100%

of members have a university degree, and one has a doctorate

MBA (33%), MSc (Econ.) (33%), LLM (22%), PhD (Chem.) (11%), MSc (Polit.) (11%) and BA (Business Econ.) (11%)

so that the Board can effectively accomplish its responsibilities, especially those pertaining to strategy and risk management.

The Board considers it important that all directors are individuals of high integrity with the ability to exercise sound judgment on a broad range of issues. For the Board to comprise an appropriate mix of relevant knowledge and experience, as well as have independence of judgment and diverse perspectives, the Board has set an objective for certain key qualifications to be sufficiently represented on the Board. A sufficient number of the directors on the Board are expected to have the relevant professional experience and education to provide a sound appreciation of issues pertinent to publicly listed companies of a size and scope corresponding to that of UPM, including:

- Relevant industrial, market and sectoral experience
- Financial and risk management experience
- Sustainability and governance experience
- Cybersecurity experience
- Experience in the planning and implementation of company strategies
- International experience.

Regarding other factors relevant to Board diversity, the Board aims to include an appropriate number of directors of different nationalities, ages, genders and lengths of service. The Board has set the following measurable objective: The representation of genders in the Board shall be balanced. The Company follows the goal set in the Limited Liability Companies Act to have at least 40% (including the relevant rounding rules) of the underrepresented gender on the Board. Where two candidates are equally qualified, priority is given to the candidate of the underrepresented gender.

There is no set retirement age for the Board, but, as stated in the Board's Diversity Policy, because UPM's strategic agenda, risks and operating needs evolve over time, it is acknowledged that the Board will review its skills and experience to develop and refresh its competencies and other relevant qualities as needs arise.

Implementation and results

There are nine directors on the Board. Each member of the Board has a university degree, and one has a doctorate. The said degrees cover different areas of study, with the majority in finance, economics or business administration. All the directors have international professional experience in various types of positions, and they are or have been executives or non-executive members of the Board of Directors of both listed and unlisted companies. The cultural background of the Board is also diverse. The members represent five different nationalities and speak six different languages as their mother tongue. Regarding age, the directors on the Board evenly represent different ages between 50 and 67. Likewise, their length of service is evenly spread: One third of directors have served on the UPM Board for ten years or more; one third for five to nine years; and one third for less than five years. Regarding the representation of both genders on the Board, female directors account for 44% (4/9) of UPM's directors.

Board duties

The Board is responsible for the oversight and control of the entire UPM Group, and for ensuring that the Company's administration and operations, as well as control of its accounts and finances, are duly in place. The Board approves the Company's financial statements, other financial reports and the Report of the Board of Directors, including the Sustainability Statement, determines the Company's Dividend Policy, and makes a proposal to the AGM for the distribution of profits and payment of dividends. The Board convened according to its original meeting schedule and held additional meetings as required.

The Board has prepared a written charter of its work, including the Board's main duties and operating principles. The duties and responsibilities of the Board of Directors, as defined in the charter, are presented on the next page. This charter is available at upm.com/governance.

Board of Directors' duties and responsibilities	
Strategy	• Review and approve the Company's strategic objectives • Review and approve the strategic plans of the Company and its business areas annually • Monitor the implementation of the strategic plans
Financial performance	• Review and approve the Company's financial targets • Monitor the Company's financial performance
Financial and statutory sustainability reporting	• Monitor and assess the Company's financial reporting process • Oversee the integrity of financial reporting • Approve the Company's financial reports
Sustainability	• Oversee the Company's key sustainability focus areas and targets • Oversee the Company's double materiality assessment (DMA) process • Oversee the management of material sustainability impacts, risks and opportunities (IROs)
Restructurings, investments, financing, M&A	• Review and approve major corporate plans and transactions • Establish limits for capital expenditures, investments and divestitures and financial commitments not to be exceeded without Board approval • Review and approve the Company's annual investment frame
Internal control	• Ensure that the Company has defined the operating principles of internal control • Monitor and assess the effectiveness of internal control
Risk management	• Monitor and assess the effectiveness of risk management systems • Oversee the assessment and management of risks related to the Company's strategy and operations
Audit of financial information and assurance of statutory sustainability reporting	• Monitor the Company's audit and assurance related to statutory sustainability reporting • Monitor and assess the auditor's performance and independence and the performance and independence of the sustainability report assurer • Monitor and assess the provision of non-audit and non-assurance services by the auditor and the sustainability report assurer • Prepare the proposal for the election of auditor and the sustainability report assurer, as well as their fees • Meet regularly with the auditor without members of management present
Appointments	• Appoint and dismiss the President and CEO • Appoint members of senior management reporting directly to the President and CEO • Appoint the Chair and the Deputy Chair from among its members annually • Appoint Chairs and members of the Board Committees annually
Management remuneration	• Approve the service contracts for the President and CEO and other senior executives • Approve the remuneration, including salaries, incentives and other financial benefits, for the President and CEO and other senior executives
Succession planning	• Oversee the succession planning of the President and CEO and other senior executives
Governance principles	• Approve the Company's Code of Conduct and other corporate policies • Oversee the establishment of the Company's values to be applied to its operations • Periodically review and reassess the adequacy of the Board and Committee charters
Compliance	• Monitor compliance with the applicable legal and regulatory requirements • Monitor compliance with the corporate policies approved by the Board
Conflicts of interest	• Establish the principles concerning the monitoring and evaluation of related party transactions and review any potential conflicts of interest accordingly
Committees	• Establish specific Committees to assist the Board • Determine the size and composition of the Committees • Approve the Committee charters
Director independence	• Evaluate director independence and qualifications annually • Monitor compliance with independence criteria applicable to directors
Evaluation	• Conduct an annual evaluation of its performance and working methods • Conduct an annual evaluation of the committees' performance and working methods
Other	• Meet regularly without members of management present • Consider proposals submitted by shareholders for matters to be addressed at the general meeting

Attendance at meetings

There is no minimum attendance requirement for directors' attendance at meetings, but they are expected to attend all meetings unless there is a valid reason for non-attendance. In 2025, the Board held 14 meetings. The average rate of attendance at the meetings was 100% (100%).

Attendance at meetings 2025

Director	Board of Directors	Audit Committee	Nomination and Governance Committee	Remuneration Committee	Total attendance rate
Meetings held in 2025	14	6	5	5	
Henrik Ehrnrooth, Chair	14 (as chair) (100%)		5 (as chair) (100%)		100%
Kim Wahl, Deputy Chair	14 (100%)		5 (100%)		100%
Pia Aaltonen-Forsell	14 (100%)	6 (as chair) (100%)			100%
Jari Gustafsson	14 (100%)	6 (100%)			100%
Piia-Noora Kauppi	14 (100%)		5 (100%)		100%
Melanie Maas-Brunner	14 (100%)			5 (100%)	100%
Topi Manner	14 (100%)			5 (100%)	100%
Marjan Oudeman	14 (100%)	6 (100%)			100%
Martin à Porta	14 (100%)			5 (as chair) (100%)	100%

Performance evaluation of the Board of Directors

The Board of Directors conducts an annual evaluation of its performance and working methods, including an evaluation of the performance and working methods of its committees. In 2025, the evaluation was conducted as a self-evaluation, and the most recent performance evaluation conducted by an external facilitator was conducted in 2023. Its results were thoroughly discussed and analyzed in connection with the Board meeting. The Board members evaluated the performance of the Board and its committees in relation to their respective duties and responsibilities, the Board and Committee compositions and structure, the Board culture, the effectiveness of the Board and committee meetings, the individual performance of Board members, and the performance of the Chair of the Board.

The overall results of the 2025 self-evaluation were highly favorable, indicating that the Board, the Chair of the Board and the Board Committees were performing effectively, and that Board members were committed to their Board work. Identified areas for improvement are considered when planning Board-related work, and the Nomination and Governance Committee considers the results when preparing its proposals for the composition of the Board for the Annual General Meeting.

Board committees

The Board has established the following three committees to further improve the preparation of matters to be decided by the Board:

- Audit Committee
- Remuneration Committee and
- Nomination and Governance Committee

The Board appoints the members of each committee and its respective Chair from among its members annually during its constitutive meeting following the Annual General Meeting. Each committee has at least three members.

The Board remains responsible for the performance of any duties assigned to the committees. The committees do not have any independent decision-making power. Instead, the Board makes decisions based on the preparation and resolution proposals provided by the committees. The committees also assist the Board in its oversight and monitoring responsibilities.

All committee members are independent both of the Company and its significant shareholders, so the committees fulfill their respective independence criteria as set out in the Finnish CG Code. In the appointment of committee members, the respective qualification requirements have also been taken into account. The attendance rate of each committee member at committee meetings is available in the table above.

Committee charters

The written committee charters approved by the Board of Directors set forth the purpose, operations and duties of each committee, as well as the prerequisites of committee membership. Each committee is responsible for performing the duties assigned to it in its charter. The committee charters are available at upm.com/governance.

Committee-related work

The committees hold their meetings prior to Board meetings to prepare matters to be dis-

cussed and resolved by the Board. The chairs of each committee report on matters discussed and actions taken by the committees during the Board meetings. In addition, the minutes from the committee meetings are available to all Board members for information.

The committees periodically review and reassess the adequacy of their charters and propose any changes they consider necessary to the Board for approval.

Each year, the committees conduct a self-evaluation and evaluate the performance of their duties and responsibilities and working methods, the composition of the committee, and the effectiveness of committee meetings. The chairs of each committee report on the results of these evaluations to the Chair of the Nomination and Governance Committee. In 2025, the self-evaluation was conducted in November, and the results were discussed and analyzed in December.

In 2023, the performance evaluations of all committees were also facilitated by an external evaluator and were conducted in connection with the performance evaluation of the Board.

More information about committee duties and responsibilities according to their respective committee charters is available on the following pages.

Audit Committee	Nomination and Governance Committee	Remuneration Committee
Pia Aaltonen-Forsell, chair	Henrik Ehrnrooth, chair	Martin à Porta, chair
Jari Gustafsson	Piia-Noora Kauppi	Melanie Maas-Brunner
Marjan Oudeman	Kim Wahl	Topi Manner
• All members are independent of the Company and significant shareholders	• All members are independent of the Company and significant shareholders	• All members are independent of the Company and significant shareholders
• Held 6 meetings in 2025	• Held 5 meetings in 2025	• Held 5 meetings in 2025
• Average attendance rate of committee members was 100%	• Average attendance rate of committee members was 100%	• Average attendance rate of committee members was 100%

Audit Committee

The Audit Committee is responsible for overseeing the Company's financial and statutory sustainability reporting processes and financial and statutory sustainability reporting, internal control, internal audit and risk management, and for monitoring the Company's audit, statutory sustainability reporting assurance and compliance procedures.

Audit committee's duties and responsibilities	
Financial and statutory sustainability reporting	• Monitor and assess both the financial reporting processes and the statutory sustainability reporting processes • Submit recommendations or proposals to ensure the integrity of the financial and statutory sustainability reporting processes • Monitor the quality and integrity of the financial statements, other financial reports and statutory sustainability reporting • Review the Report of the Board of Directors, including information about statutory sustainability reporting
Financial performance	• Monitor the Company's financial performance • Review the Company's annual financial statements and half-year and interim financial reports • Generally discuss with management the nature of the financial information and earning guidance provided to the market
Internal control	• Monitor and assess the effectiveness of the Company's internal control
Internal audit	• Monitor and assess the effectiveness of the Company's internal audit • Review the Company's policies with respect to the internal audit • Review internal audit reports • Approve the annual internal audit plan and budget • Review the organization, responsibilities and staffing of the internal audit function periodically • Meet separately with the internal auditor at least twice a year
Sustainability	• Oversee the Company's key sustainability focus areas and targets • Oversee the double materiality assessment (DMA) process • Oversee the management of material sustainability impacts, risks and opportunities (IROs)
Risk management	• Monitor and assess the Company's risk management process • Monitor and assess the effectiveness of the Company's risk management systems • Review the Company's policies with respect to risk assessment and risk management • Oversee the alignment of risk management activities with these policies • Review the organization, responsibilities and staffing of the risk management function periodically
Audit of financial information and assurance of statutory sustainability reporting	• Monitor the statutory audit of the financial statements and consolidated financial statements, as well as the assurance of the statutory sustainability report, including the identification of reported items and digital reporting • Inform the Board of the outcome of the statutory audit and the assurance of the statutory sustainability reporting, and explain how it contributed to the integrity of the financial reporting and the statutory sustainability reporting • Oversee the arrangement of tendering processes for audit services and sustainability reporting assurance services • Approve annual audit fees and the fees of the sustainability report assurer under the guidance of the shareholders at the Annual General Meeting • Review the scope, planning and staffing of the annual audit plan and statutory sustainabilitiy reporting assurance plan • Evaluate the appropriateness of the auditor's provision of audit-related and non-audit services and the sustainability report assurer's assurance services, and approve related fees
Auditor of financial information and assurer of statutory sustainability reporting	• Be responsible for both the auditor's and the sustainability report assurer's selection procedures • Prepare the proposal for both the auditor's and the sustainability report assurer's remuneration • Prepare the proposal for the auditor's and the sustainability report assurer's election or re-election • Evaluate the auditor's and the sustainability report assurer's qualifications and performance • Monitor and assess the auditor's and statutory sustainability report assurer's independence • Review the experience, qualifications and performance of senior members of the audit engagement team • Ensure the rotation of the auditor's lead audit partner at least every seven years • Meet separately with the auditor and statutory sustainability report assurer at least twice a year
Compliance	• Monitor and assess the effectiveness of the Company's compliance system • Review compliance reports • Review the organization, responsibilities and staffing of the compliance function periodically • Review any legal matters that may have a significant impact on the Company's financial position • Review any material reports or inquiries from regulatory or governmental agencies • Review the Company's Code of Conduct • Review compliance with the Code of Conduct and other corporate policies approved by the Board • Oversee procedures for treatment of complaints and concerns submitted to the Company anonymously or otherwise • Review the Company's annual Corporate Governance Statement
Conflicts of interest	• Assist the Board in the establishment of principles concerning the monitoring and evaluation of related party transactions • Monitor and assess how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary course of business and market terms • Review any questions of potential conflicts of interest in contemplated transactions with the Company's related parties that require Board approval • Make recommendations to the Board for appropriate actions regarding contemplated related party transactions that require Board approval
Other	• Meet separately with representatives of management at least twice a year • Meet regularly without members of management present • Perform other duties and functions that may be assigned by the Board, or deemed necessary or appropriate by the committee for the performance of its oversight function

In addition to undertaking the assigned matters and regular reports listed above, the Audit Committee discussed and reviewed reports on ESG and cybersecurity.

Nomination and Governance Committee

The Nomination and Governance Committee is responsible for the composition, diversity and remuneration of the Board of Directors, succession planning for the President and CEO, and corporate governance. If necessary, the committee also makes recommendations to the Board concerning the President and CEO's terms of service agreement, and any severance arrangement or retention plan or agreement in addition to or in replacement of such agreements.

Nomination and Governance Committee's duties and responsibilities	
Board composition	• Develop and recommend a set of principles for the diversity of the Board and for corporate governance to the Board • Review the structure, size, composition, diversity and successional needs of the Board • Prepare a proposal for the election or re-election of members of the Board and present the said proposal to the general meeting • Identify candidates for election or re-election to the Board • Evaluate shareholders' potential proposals regarding Board candidates
Board remuneration	• Assist the Board in the preparation of the Remuneration Policy and annual remuneration reports with the Remuneration Committee • Review Board members' remuneration annually • Prepare a proposal to the general meeting for the remuneration of Board members in accordance with the Remuneration Policy • Present the proposal regarding Board members' remuneration to the general meeting
Director independence	• Assist the Board in the evaluation of the independence of the Board members and candidates • Assist the Board in monitoring compliance with the independence criteria applicable to directors of publicly listed companies in Finland • Assist the Board in the assessment of the directors' ability to devote the necessary time and attention to the Company
Board evaluation	• Establish criteria for the Board's evaluation of its performance and working methods • Assist the Board in the annual evaluation of its performance and working methods
Succession planning	• Review succession plan for the President and CEO at least annually and report to the Board on said succession plan
Appointments	• Recommend the appointment of the Chair and Deputy Chair of the Board for Board approval • Identify individuals qualified to serve as the President and CEO • Prepare for the appointment of the President and CEO • Recommend the appointment of the President and CEO to the Board
Service agreement and severance arrangement	• Recommend the terms of service agreement of the President and CEO for Board approval • If necessary, recommend a severance arrangement or retention plan or agreement in addition to or in replacement of such agreements for Board approval
Committees	• Review committee assignments and composition annually • Recommend committee members and chairs of the committees to the Board annually • Establish criteria for the committees' annual evaluation of their performance and working methods • Assist the committees in the annual evaluation of their performance and working methods
Charters	• Review and reassess the adequacy of the Board and committee charters periodically
Other	• Oversee skills and expertise in sustainability and business conduct matters • Assist the Board in connection with major management reorganization • Meet without members of management present as necessary • Perform any other duties or responsibilities delegated to the committee by the Board from time to time

In 2025, in addition to undertaking the assigned matters and regular reports listed above, the Nomination and Governance Committee discussed the skills and experience required in the Board in respect of the Company's strategy, focusing on Board composition and the Board's succession plan.

Remuneration Committee

The Remuneration Committee is responsible for preparing the Company's remuneration principles and practices, and for planning the remuneration of the President and CEO, as well as the remuneration and succession of other senior executives.

Remuneration Committee's duties and responsibilities	
Remuneration framework	• Review and make recommendations to the Board with respect to the Company's remuneration schemes and annually commencing plans • Prepare the Remuneration Policy for Board approval and review its appropriateness at least annually • Present the Remuneration Policy for governing bodies to shareholders at the Annual General Meeting
Service contracts	• Make recommendations to the Board concerning the terms and conditions of the service contracts with senior executives • Make recommendations to the Board concerning the terms and conditions of any severance arrangements or retention plans or agreements in addition to or in replacement of such agreements with senior executives
Management remuneration	• Make recommendations to the Board concerning salaries and other financial benefits for the President and CEO and other senior executives • Make recommendations to the Board for the payout of short- and long-term incentives to the President and CEO and other senior executives • Prepare the annual Remuneration Report for Board approval • Present the Remuneration Report to shareholders at the Annual General Meeting
Incentive schemes	• Review and make recommendations to the Board with respect to the Company's remuneration schemes and annually commencing plans, including short-term incentive plans, long-term incentive plans and pension plans • Review and make recommendations to the Board regarding short- and long-term performance measures and related targets and weightings relevant to the remuneration of the Company's President and CEO and other senior executives • Evaluate the performance of the President and CEO and review the performance of other senior executives in light of the set targets at least once a year • Oversee the administration of the Company's incentive plans approved by the Board
Sustainability	• Review how remuneration is linked to material sustainability topics • Review selected material social sustainability topics regarding the Company's own workforce
Succession planning	• Review procedures and development strategies for senior positions at least once a year • Review succession plans for senior executives and report to the Board on such matters at least once a year
Compliance	• Oversee regulatory compliance with respect to remuneration matters • Review the Company's share ownership recommendations and compliance therewith
Other	• Meet without members of executive management present at least once a year • Meet with the internal auditor as necessary • Meet with the auditor as necessary • Meet with the Company executives as necessary • Perform any other duties or responsibilities delegated to the committee by the Board from time to time

In addition to undertaking the assigned matters and regular reports listed above, the Remuneration Committee focused on the performance measures of the incentive plans in 2025. The Committee made recommendations to the Board concerning the remuneration of the President and CEO and other senior executives, and concerning the Terms of Service agreements of the new Executive Vice Presidents: EVP, UPM Plywood and EVP, General Counsel appointed in 2025.

President and CEO

Massimo Reynaudo has been the President and Chief Executive Officer of UPM-Kymmene Corporation since January 1, 2024. He was born in 1969 and holds a master's degree in engineering from Politecnico di Torino with a specialization in management and business administration. He is an Italian citizen.

The President and CEO's duty is to manage and oversee the Company's day-to-day business operations in accordance with the instructions and orders given by the Board of Directors. In the operative management of the Company, the President and CEO is assisted by the Group Executive Team, which consists of the executives leading the business areas and global functions, the Business Area Boards, and the Strategy Team. The President and CEO makes decisions on matters that are relevant to the Company's daily business operations. The President and CEO chairs the Group Executive Team.

The President and CEO is also responsible for arranging the Company's day-to-day administration, ensuring that the Company's accounts are in compliance with the law, and that the Company's financial affairs are reliably presented.

The President and CEO ensures that the Board receives adequate information about the Company's business operations, operating environment and financial position to facilitate informed decision-making. The President and CEO reports to the Board on the Company's business and financial performance and supervises the execution of Board resolutions.

Other executives

In the Company's operative management, the President and CEO is assisted by the Group Executive Team, the Business Area Boards and the Strategy Team. The duties of these management bodies are presented on the first page of this Statement in connection with the illustration of the Company's governance structure. The authority of these management bodies is not based on the Limited Liability Companies Act or the Company's Articles of Association, but their position in the Company's management system.

Composition of management bodies

Group Executive Team (GET)	Business Area Boards	Strategy Team
President and CEO (Chair)	President and CEO (Chair)	President and CEO (Chair)
CFO	CFO	CFO
EVP, General Counsel	EVP, General Counsel	EVP, General Counsel
Business Area EVPs	Business Area EVPs	EVPs of Global Functions [1)]
EVPs of Global Functions [1)]	EVPs of Global Functions [1)]	

[1)] EVP, Strategy; EVP, Technology, EVP Human Resources; and EVP, Marketing, Sustainability and Communications

Members of the Group Executive Team have primary responsibility for the business areas and global functions that they lead. Members of the Group Executive Team report directly to the President and CEO.

Composition of the Group Executive Team (GET), December 31, 2025

Massimo Reynaudo

President and CEO

GET member since	2021
Education	M.Sc (Eng.)
Nationality	Italian
Born	1969
Gender	male
UPM shares[1)]	23,321

Tapio Korpeinen

CFO, EVP, UPM Energy

GET member since	2008
Education	M.Sc (Tech.), MBA
Nationality	Finnish
Born	1963
Gender	male
UPM shares[1)]	242,540

Harald Dialer

EVP, Technology and UPM Biorefining*

GET member since	2025
Education	PhD (Chem.)
Nationality	German and Austrian
Born	1970
Gender	male
UPM shares[1)]	0

*Chief Technology Officer and EVP, UPM Next Generation Renewables as of January 1, 2026

Gunnar Eberhardt

EVP, UPM Communication Papers

GET member since	2024
Education	M.Sc (Eng.) and Executive Master's degree (Innovation and Technology Management)
Nationality	German
Born	1977
Gender	male
UPM shares[1)]	2,681

Mika Kekki

EVP, UPM Specialty Papers*

GET member since	2021
Education	B.Sc (Eng.)
Nationality	Finnish
Born	1969
Gender	male
UPM shares[1)]	15,458

*UPM Specialty Materials as of January 1, 2026

Tim Kirchen

EVP, UPM Adhesive Materials

GET member since	2024
Education	Diploma in Business Administration (FH), MBA and General Management Program (Harvard Business School)
Nationality	U.S. and German
Born	1980
Gender	male
UPM shares[1)]	20,433

Juha Mäkelä

General Counsel
(until December 31, 2025)

GET member since	2008–2025
Education	LLM
Nationality	Finnish
Born	1962
Gender	male
UPM shares[1)]	110,851

Riitta Savonlahti

EVP, Human Resources

GET member since	2004
Education	M.Sc (Econ.)
Nationality	Finnish
Born	1964
Gender	female
UPM shares[1)]	30,691

Tuija Suur-Hamari

EVP, UPM Plywood

GET member since	September 2025
Education	M.Sc (Eng.)
Nationality	Finnish
Born	1969
Gender	female
UPM shares[1)]	0

Kari Ståhlberg

EVP, Strategy

GET member since	2013
Education	M.Sc (Eng.)
Nationality	Finnish
Born	1971
Gender	male
UPM shares[1)]	84,970

Saara Tahvanainen

EVP, Marketing, Sustainability and Communications

GET member since	2024
Education	M.Sc (Soc.)
Nationality	Finnish
Born	1974
Gender	female
UPM shares[1)]	1,000

Aki Temmes

EVP, UPM Fibres

GET member since	2023
Education	M.Sc, EMBA
Nationality	Finnish
Born	1977
Gender	male
UPM shares[1)]	8,602

[1)] on December 31, 2025, and including shares held by the director's controlled entities if any.

New member of the Group Executive Team as of January 26, 2026

Sami Pauni

EVP, General Counsel

GET member since	January 26, 2026
Education	LLM, EMBA
Nationality	Finnish
Born	1974
Gender	male

Internal control, risk management and other control procedures

The purpose of the Company's internal control and risk management is to ensure that the Company's operations are effective, that financial and other information is reliable, and that the Company complies with the relevant regulations and operating principles. The Board of Directors, assisted by the Audit Committee, is responsible for monitoring and assessing the effectiveness of the Company's internal control and risk management systems. Internal audit assists the Board of Directors with monitoring by ensuring that the Group's control measures have been planned and set up effectively.

Risk management

UPM regards risk management as a systematic and proactive means to analyze and manage the opportunities and threats related to its business operations. It also includes careful planning and evaluation of future projects and business environments to mitigate risks and capture opportunities. The Board of Directors has approved the Company's Risk Management Policy, which sets out the operating principles, as well as the roles and responsibilities regarding risk management, and defines the Company's risk management objectives and risk management process.

Risk management is an integral part of UPM's management system, as risk-taking is a normal part of business operations. While executing strategies, UPM and its business areas, functions and production units are exposed to several uncertainties. Each business area, function and unit is responsible for identifying, measuring and managing risks related to its own operations and for reporting on risk exposures, risk management activities and results to its own management team and the Risk Management function.

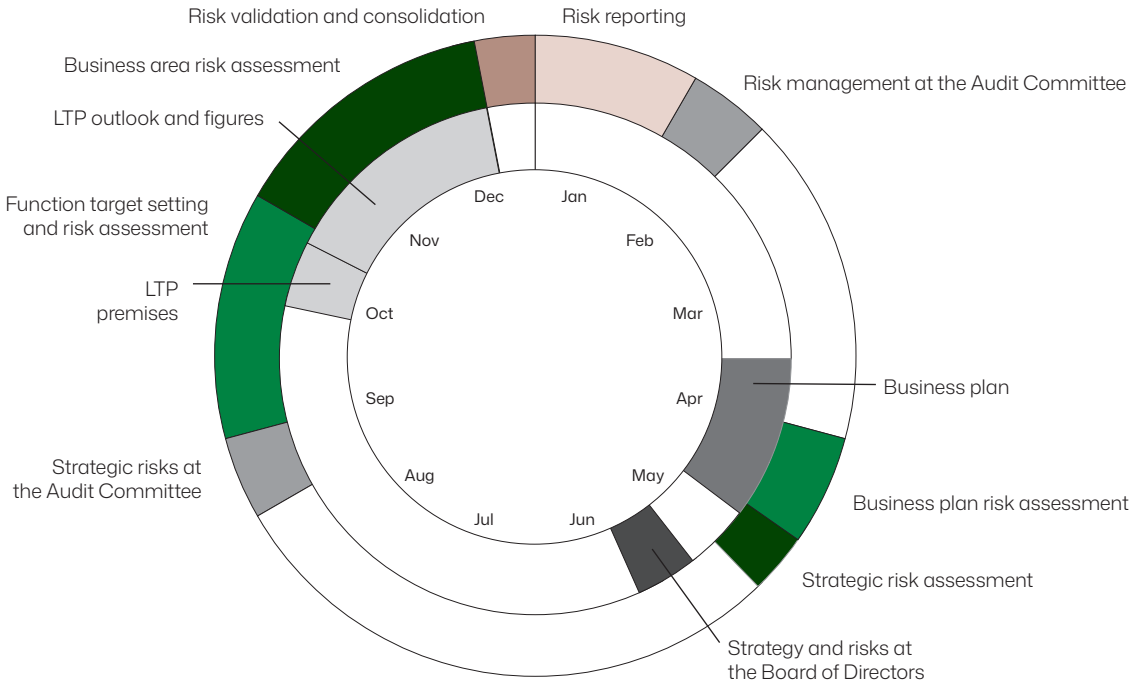
The Risk Management Committee, chaired by the CFO, is responsible for recommending risk tolerances and profiles to the President and CEO and the Strategy Team. The Strategy Team is responsible for aligning risk management priorities, business and risk management strategies, and policies.

The Board of Directors, assisted by the Audit Committee, monitors and assesses the effectiveness of the Company's risk management systems and oversees the assessment and management of risks related to the Company's strategy and operations. The Audit Committee oversees the alignment of risk management activities with the Risk Management Policy and the use of risk assessments to guide internal audit and compliance activities.

Annual risk management cycle

The Company's annual risk management process is linked to the Company's long-term planning process (LTP), presented in the illustration below.

Annual risk management cycle



Internal control

Internal control is embedded in UPM's management system, and it supports the systematic execution of the Group strategy. Internal control aims to ensure that the Company's operations are efficient, reliable and in compliance with statutory requirements, and that the Company's financial reporting is accurate, reliable and reflective of its operational results. The Board of Directors is responsible for ensuring that the Company has defined the operating principles of internal control and for monitoring and assessing the effectiveness of such control. The Audit Committee assists the Board in monitoring the internal control system's effectiveness.

Internal control system

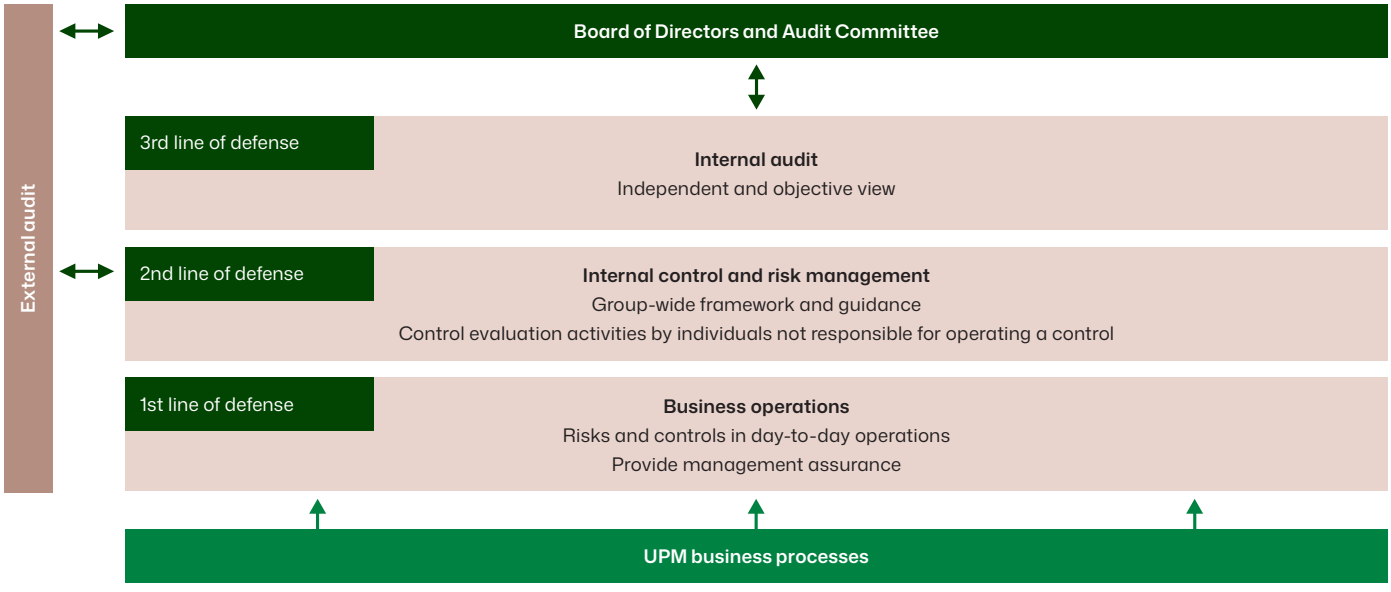
The Company has developed and implemented a comprehensive internal control system that covers business and financial reporting processes. UPM's internal control framework is based on the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The five components of UPM's internal control system are:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring activities

UPM's system of internal control can be described by the lines of defense model, which is reflected in UPM's risk management and control processes.

Lines of defence in UPM's risk management and internal control



Internal control pertaining to the financial reporting process

UPM's internal control framework is structured using a top-down, risk-based approach. The system of internal control pertaining to financial reporting is an integral part of UPM's overall internal control framework. The effectiveness of internal control is also ensured for outsourced services, as they follow UPM's internal control framework. The maturity level of internal controls at UPM is assessed every other year, and the results of the assessment are reported to the Audit Committee.

The five components of UPM's internal control system in relation to financial reporting are described above.

Control environment

The Company's values and the UPM Code of Conduct, as well as the Group policies and guidelines, form the basis and set the tone for the internal control framework at UPM. The framework consists of:

- A Group-level structure
- Group-level processes
- Group-level controls
- Business and support function controls

Internal control is part of the corporate culture, covering all levels and processes within the Group. The Company's management system enables effective monitoring of different parts of the Group. Internal control in its primary and most extensive form takes place at the operational level, where internal control is continuous and part of day-to-day management.

An essential part of the internal control

environment is the control of UPM's IT applications and IT infrastructure. A dedicated set of internal controls aims to ensure the reliability of UPM's IT systems and the segregation of duties in the IT environment.

Risk assessment

UPM's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks that affect internal control in financial reporting within the Group's companies, business areas and processes. Risk assessment is used to define control objectives to ensure that the fundamental demands placed on financial reporting are fulfilled and provide the basis for how risks are managed within the various control structures. Based on the assessment, the risk assessment is updated annually with the planned control actions and control targets.

Control activities

Internal control activities pertaining to the financial reporting process are led centrally by the Finance and Control function, which operates on an annual schedule and defined roles and responsibilities in the control process. The head of each unit or function organizes the internal control of their unit or organization. The Finance and Control function is responsible for monitoring business-, function- and unit-level control processes. Establishing control measures and uniform testing and monitoring processes helps ensure that potential errors or deviations are prevented or detected and corrected accordingly.

Controls in joint operations managed by UPM are performed and tested in the same way as in other UPM companies. Joint operations not managed by UPM are not under UPM internal control processes. Annual management certification is requested from all joint operations to ensure compliant accounting practices and proper financial reporting control processes.

Regarding financial reporting, the Group Accounting Manual sets out the instructions and guidelines for the preparation of consolidated financial statements. The Finance and Control function specifies the design of the control points for the business processes, and the internal controls are implemented in the financial reporting process. Periodic control procedures are an essential part of the monthly and interim reporting process, and they include the reconciliations and analytical reviews required to ensure the accuracy of reported data.

The results of the control risk assessment and testing of the process-level controls are analyzed and reported to the Audit Committee.

Information and communication

Internal controls pertaining to financial reporting are documented and filed in the internal control database. The internal control process is reviewed on an ongoing basis and includes any changes in internal controls due to process or organizational changes. Regular communication from internal control process owners ensures that controls are clearly defined, and that the minimum requirements for the relevant internal controls are communicated effectively.

Monitoring activities

The Board of Directors, the Audit Committee, the President and CEO, the Group Executive Team, the Finance and Control function, and the different business areas are responsible for monitoring and thus ensuring the effectiveness of internal controls. The effectiveness of the process for assessing risks and the execution of control activities is reviewed on an ongoing basis at various levels. Monitoring and reviewing include the review of monthly and quarterly financial reports and comparing them to budgets and targets, key performance indicators and other analytical procedures.

The internal audit monitors and utilizes the risk assessment and test results from management's control work.

Internal control planning procedures and results are documented and made available for the internal audit and auditors, as well as management, during the annual process. Results are reported to the Audit Committee, business management and the control owners.

The business areas and global functions are accountable for assessing the effectiveness of the internal controls for which they are responsible.

Self-assessment is a common practice at UPM. Key controls are also tested regularly by independent parties. The internal audit compares its audit work against control test results. Auditors evaluate and test UPM's internal controls as part of their audit work, and their recommendations and observations are considered when maintaining and developing the internal control system.

Internal audit

UPM's internal audit assists the Company in achieving its objectives by providing a systematic and disciplined approach to evaluating and improving the risk management, internal control and governance processes.

The internal audit follows the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The operating principles of internal auditing have been defined in the Internal Audit Charter approved by the Audit Committee, and the Board of Directors monitors and assesses the effectiveness of the internal audit with the Audit Committee. The Audit Committee annually approves the internal audit's plan and budget, which form the framework for internal audit operations.

Internal audit work is independent and objective. Strategic focus areas and the related risks of UPM's businesses and functions are the key inputs for audit engagements. The internal audit contributes to identifying synergies and sharing best practices and recommends improvements to operational efficiency. The scope of the internal audit covers all businesses, functions, units and processes within the UPM Group.

In addition, the internal audit manages the Report Misconduct channel and the related investigation process for alleged misconduct, and reports to the Audit Committee on submissions under this channel on a quarterly basis. To strengthen the speak-up culture and harmonize the Company's procedures, principles, roles and responsibilities regarding the reporting and investigation of misconduct and other concerns, the Company's misconduct investigation protocol was updated in 2018.

The internal audit operates administratively under the President and CEO and functionally under the Audit Committee. It reports on conducted audits and related findings and recommendations to the Audit Committee, President and CEO, CFO, the management of the audited operations, and the auditor. The Head of Internal Audit attends all Audit Committee meetings and has quarterly sessions with the Committee

members without other members of management present.

Related party transactions

The Company has identified its related parties, and it is regularly engaged in transactions with some of these parties. These transactions are related to the Company's normal business operations and must be in line with the purpose of the Company and executed on market or market-equivalent terms and practices generally observed and accepted within the industry in question (for example, the so-called Mankala companies in the energy industry).

The Company's Board of Directors has defined and approved principles for monitoring and assessing related party transactions. These principles are documented in the Company's Approval Policy. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and market terms. The Audit Committee also reviews any questions of potential conflicts of interest in contemplated transactions with the Company's related parties and makes recommendations to the Board for appropriate actions regarding these contemplated transactions. If the contemplated transaction deviates from the Company's normal business operations or would not be executed on market or market-equivalent terms, the transaction must either be cancelled or submitted to the Board of Directors for approval.

Related party transactions are monitored in cooperation with the Finance and Control, and Legal and Compliance functions as part of the Company's normal reporting and control procedures. Information about material transactions concluded between the Company and its related parties is disclosed annually in the notes to the Company's consolidated financial statements. When required under the applicable laws and regulations, material transactions conducted with related parties are also published via a stock exchange release.

Insider administration

UPM follows the Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki Ltd. The UPM Insider Policy has been approved by the Board of Directors and, with related rules and instructions, it complements applicable insider regulations and sets out guidelines for the Company's insider administration and persons involved in insider projects.

Organization of insider administration

The Company's Chief Compliance Officer is in charge of the overall organization of the Company's insider administration. UPM's Insider Administration comprises the General Counsel, the Chief Compliance Officer, the Director responsible for Group Legal and Legal Operations, and the Insider Administrator. UPM's Insider Administration is responsible for monitoring compliance with the Market Abuse Regulation (MAR), UPM Insider Policy, and other applicable insider regulations and guidelines. It is also responsible for the ongoing supervision, management and administration of insider and other MAR-related matters, including the maintenance of insider lists, managers' transactions, notifications to managers, the Finnish Financial Supervisory Authority and other relevant parties, as well as for providing training and advice.

List of managers and closely associated persons

As required by the MAR, UPM's Insider Administration maintains a list of persons discharging managerial responsibilities (MAR Managers) and their closely associated persons. Each MAR Manager and closely associated person is informed in writing of their position as such and the related obligations.

At UPM, MAR Managers include the members of the Board of Directors, the President and CEO, the Chief Financial Officer, and the Executive Vice Presidents of the business areas. Based on UPM's governance structure, the abovementioned executives are deemed to comprise the senior executives of the Company who have regular access to inside information related to UPM, as well as the power to make managerial decisions affecting the future developments and business prospects of the Company.

List of financial information recipients

The Company also maintains a list of Company employees and other persons who have regular access to the Company's unpublished consolidated financial information based on their position, duties or access rights. Persons entered on this list are called "financial information recipients." Each financial information recipient is informed in writing of their position as such and the related obligations.

Trading restriction

The Company's MAR Managers and financial information recipients are prohibited from trading (on their own account or on account of a third party), directly or indirectly, in the financial instruments linked to UPM during a closed period of 30 calendar days prior to the announcement and on the date of the actual announcement (30 + 1) of UPM's annual, half-year and quarterly financial reports.

Insider lists

UPM does not maintain a list of permanent insiders. Persons receiving inside information are included in project-specific insider lists. UPM's Insider Administration is responsible for establishing, maintaining and updating insider lists when a decision to delay disclosure or to establish an insider project is taken. Each person included on an insider list is notified in writing of their inclusion on the list, along with the obligations and sanctions related to them. Persons possessing inside information are not allowed to trade in the financial instruments linked to the Company. Persons entered on a project-specific insider list are also notified in writing of the termination of the insider project and related obligations.

Whistleblowing

Any potential violations against UPM's Insider Policy or suspected infringements of financial market regulations such as the MAR and the Securities Markets Act can be reported using UPM's Report Misconduct channel. This channel is available on the corporate website and in UPM's intranet.

Auditor and sustainability reporting assurer

In 2025, Ernst & Young Oy, a firm of authorized public accountants, acted as the Company's auditor (elected at AGM 2024) and was re-elected as the Company's auditor for the financial period 2026 (elected at AGM 2025), with Authorized Public Accountant (KHT) Heikki Ilkka as the lead audit partner for the financial period 2025.

Ernst & Young Oy, a firm of authorized sustainability audit, was also elected as the Company's sustainability reporting assurer for the financial period 2025, with Authorized Sustainability Auditor (KRT) Heikki Ilkka as the principally responsible sustainability reporting assurer for the financial period 2025.

Fees paid for the statutory sustainability reporting assurance are shown in the table on right.

Auditor's fees

According to the resolution of the AGM, the auditors' fees for the financial period are paid against invoices approved by the Board of Directors' Audit Committee. The amounts paid to the auditor, as approved by the Audit Committee, are shown in the table below.

Auditor's and sustainability reporting assurer's fees

€ million	2025	2024
Audit fee	4.7	4.5
Audit-related services		
Sustainability statement assurance	0.4	0.3
Other audit related services	0.1	0.3
Tax services	0.6	0.6
Other services	0.4	0.1
Total	**6.2**	**5.8**

In 2025, auditor's fees include €0.5 million (0.6) related to audit-related services, €0.6 million (0.4) related to tax services and €0.4 million (0.0) related to other services paid to Ernst & Young Oy.

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