

UPM & Human Rights Responsibility



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1 Introduction

UPM is committed to respecting human rights in line with the United Nations Guiding Principles on Business and Human Rights. UPM respects the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. We also promote the human rights related principles of the UN Global Compact. Additionally, UPM's Biofore strategy guides us in achieving our responsibility targets for 2030 and contributing to the UN Sustainability Development Goals (SDGs).

The purpose of this report is to provide an overview of how we at UPM have implemented human rights responsibility in our work. This report describes human rights due diligence practises at UPM, highlighting the work done and the lessons learned, while also describing the work ahead of us. The report has been compiled by Responsibility team of UPM Marketing, Sustainability and Communications function.

The following pages contain information related to our governance and policy commitments; the human rights due diligence practises we apply in our own operations as well as in our value chains. This report also includes an overview of our salient human rights issues, risk assessment, our reporting and monitoring systems. More information about our commitments and work for human rights responsibility can be explored in our [Annual Report 2025](#) and on our [website](#).

2 Governance and Policy Commitments

2.1 Governance

Compliance is an integral part of UPM's responsibility and an important asset in our decision-making management and operations. UPM's compliance system is embedded in the company's governance model, and it is the risk management system used to manage UPM's human rights and environment-related risks.

Our compliance system is designed to support company performance and a culture of integrity at all levels. The main emphasis of the system is on preventive actions that are based on the annual risk management cycle and risk assessments conducted in all businesses and operations.

Our compliance monitoring model is presented in our Annual Report 2025 (pages 76-79, 242-243) and on our website UPM's governance structure description:

[UPM Annual report 2025](#)
[Governance | A material solutions company](#)

2.2 Board level accountability

The Board of Directors is responsible for the oversight and control of UPM's operations, including compliance with legal and regulatory requirements. The Audit Committee supports the Board by overseeing financial and statutory sustainability reporting, internal control, risk management, internal audit, audit processes, and compliance procedures, including those related to the UPM Code of Conduct. As part of the Audit Committee's compliance review, the Committee receives a quarterly

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report from the Company's Chief Compliance Officer and a report from the SVP of Internal Audit on the submissions made through the UPM Report Misconduct channel.

The President and CEO's duty is to manage and oversee UPM'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, including the management of corporate responsibility, the President and CEO is assisted by the Group Executive Team, which consists of executives leading the business areas and global functions, the Business Area Boards, the Strategy Team, the Disclosure Committee, and the Ethics Advisory Committee.

A description of our board level accountability is available here:

[Compliance and ethics | A material solutions company](#)
[UPM Annual report 2025 \(Pages 93-99, 139-142\)](#)

2.3 Policy level commitment

Our human rights work is based on the UN Guiding Principles on Business and Human Rights (“UNGPs”) and is guided by our Code of Conduct and its associated policies, rules and guidelines. We expect a similar commitment from our suppliers and third parties, as defined in our Supplier and Third-Party Code. We respect international agreements such as the UN Declaration of Human Rights, the ILO declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

UPM has been a signatory to the UN Global Compact since 2003.

Our social responsibility targets underline our commitment to ensure fair, equitable and competitive rewarding for employees and introduce targets for living wage and gender pay equity. Our target on diversity further demonstrates our drive in building diversity and inclusion into the workplace. All our targets for social responsibility are founded on the principle of respect for human rights. We constantly strive for better understanding of our impacts across our operations and business relationships, and we prioritize our efforts accordingly.

[Sustainability targets | A material solutions company](#)

Our policy level commitments for respecting and promoting human rights are detailed here:

- **UPM [Annual Report 2025](#)**: (pages 46, 50-51, 74-75, 76-77, 80-81, 139, 210-211, 221, 224-225, 231) UPM's commitment to human rights in accordance with internationally accepted standards is referred to several times in our latest Annual Report, including details on actions and procedures we undertake to meet our commitments and requirements applicable both to UPM and our business partners.
- **UPM [Code of Conduct](#)**: UPM's Code of Conduct states UPM's commitment to respect human rights covering our own operations as well as our suppliers and other business partners.
- **UPM [Supplier and Third-Party Code](#)**: The UPM Supplier and Third-Party Code complements our UPM Code of Conduct and states UPM's requirements regarding respect for human rights for suppliers and other third parties. In addition, UPM has a “[Practical Guide for everyday decisions](#)” that summarizes The Code framework and our position, gives examples and describes good practices for the implementation of The Code.
- **UPM [Sustainability Policy Statement](#)**: The Sustainability Policy Statement complements the UPM Code of Conduct, describing in more detail our responsible business practices and defining the principles and commitments to be applied. The statement also defines how

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sustainability issues will be governed and how UPM's environmental and social performance will be assessed, managed and continuously improved.

- **UPM Human Resources Rules**: The UPM Code of Conduct forms the basis for respecting and promoting decent and fair working conditions at UPM. It is complemented by a more comprehensive set of global Human Resources Rules that defines in more detail the principles of working conditions, labor practices and decent work as described by the International Labor Organization (ILO) what UPM is committed to and what is expected of our employees. Wherever we operate, we comply with international, national and local laws and regulations, and respect the principles of internationally recognized human rights
- **UPM Safety Rules**: UPM's objective is zero fatal and serious accidents. We actively work on reducing and eliminating accidents under our control through continuous improvement and effective risk management. We comply with international, national and local safety laws, regulations and rules. We do this through the implementation and compliance with the UPM Safety Standards and local procedures.

In addition to corporate level commitments, there are business area specific statements on human rights related topics, such as the UPM Slavery and Human trafficking statement (applicable to UK entities) and UPM's policy statement on the Act on Corporate Due Diligence Obligations in Supply Chains of 16 July 2021 (applicable to German entities) available on UPM's certificate finder.

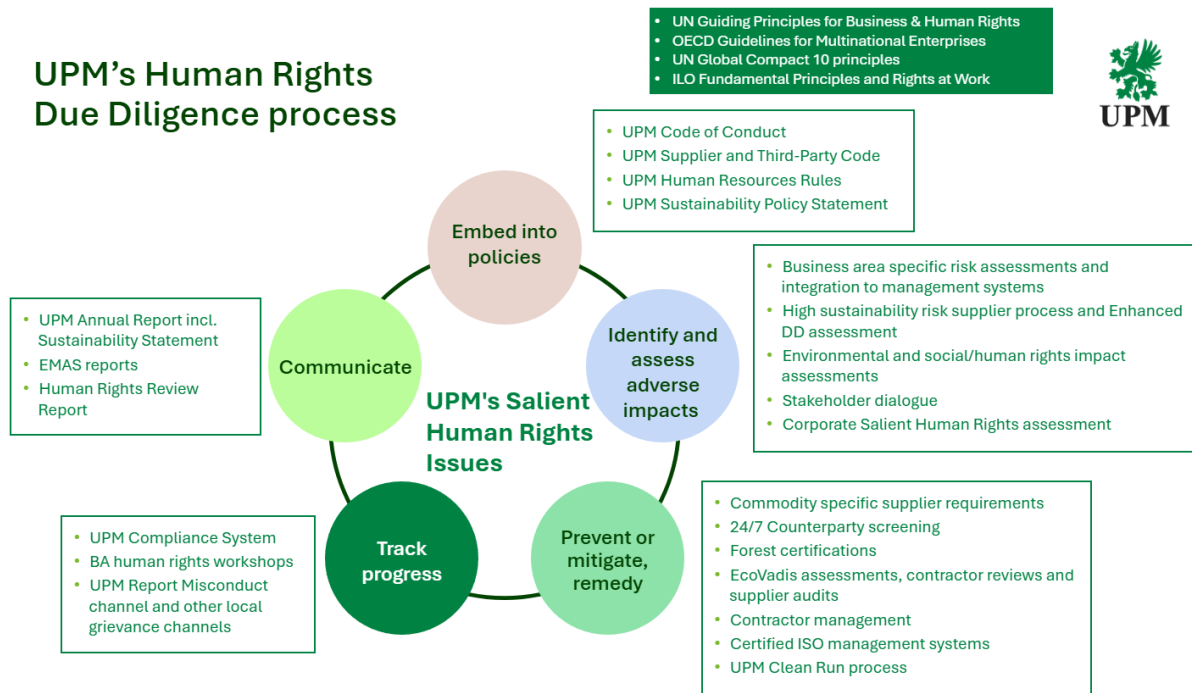
[UPM Certificate Finder | UPM.COM](#)

3 Embedding Respect and Human Rights Due Diligence

Our human rights due diligence (HRDD) is an ongoing risk management process to identify and mitigate human rights related risks, track the effectiveness of our actions, and communicate our efforts internally and externally. Through ongoing HRDD process, we work to ensure our operations and products do not contribute to human rights violations, and that we purchase all materials and services from responsible sources. The issues we cover, as set out in our Code of Conduct, include fair working conditions, freedom of association and the right to collective bargaining, modern slavery, child labour, forced labour or human trafficking, discrimination and harassment, diversity and inclusion, health and safety, and engagement with stakeholders and society.

In our daily operations the accountability for continuous human rights due diligence lies with our businesses. UPM businesses utilize corporate expertise from Responsibility, HR, OHS, Internal audit, Sourcing and Procurement, and Compliance teams to guide and support their work. Our Responsibility team coordinates human rights related work globally to identify emerging human rights issues and develops tools and action plans to identify and address our human rights issues. This includes capacity building within our organization and collaborating with others to drive progress. As part of our on-going human rights due diligence, we have identified groups of people that are at a higher risk of experiencing potential adverse human rights impacts. The underlying reason for their vulnerability varies but based on our assessments and dialogue with various stakeholders we have defined migrant workers, women, young workers, and temporary and contractor workers as groups with a higher risk of potentially experiencing adverse human rights impacts across our value chain. We also recognize that indigenous peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.

UPM's Human Rights Due Diligence process



3.1 Salient human rights issues

We have identified occupational health and safety (OHS); land right and community engagement; terms and conditions of work; forced labor; and children's rights as our salient human rights issues. Both the severity and likelihood of any potential violations and their impacts are evaluated and finally validated together with our businesses and functions.

In 2025, we reviewed and updated our corporate salient human rights issues in connection with our double materiality analysis and related stakeholder input.

See more: [UPM Annual Report 2025](#) (pages 74-75)

[Salient human rights issues | A material solutions company](#)

Our salient human rights issues and respective reporting are detailed as follows:

- **Occupational health and safety:**

[Health and safety | A material solutions company](#)
[Sustainable supply chain | A material solutions company](#)

- **Land rights and community engagement:**

[Community involvement | A material solutions company](#)
[Social contribution | A material solutions company](#)
[UPM Annual report 2025 \(Pages 75, 231-232\)](#)

- **Terms and conditions of work:**

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[Sustainable supply chain | A material solutions company](#)

[Sustainable raw materials | A material solutions company](#)

- **Forced labor:**

[Sustainable raw materials | A material solutions company](#)

[Sustainable supply chain | A material solutions company](#)

[UPM GRI Content index 2025](#) (Page 7, GRI-409)

- **Children's rights:**

<https://www.upm.com/news-and-stories/blogs/2020/03/listening-to-workers-and-farmers-voice-in-tapioca-starch-supply-chain-in-thailand/>

[UPM GRI Content index 2025](#) (Page 6, GRI-408)

[Sustainable raw materials | A material solutions company](#)

[Sustainable supply chain | A material solutions company](#)

3.2 Responsible land tenure

UPM is one of the largest private forest owners in Europe and holds significant land holdings also in the US and Uruguay. At the end of 2025, UPM had 522,000 ha of own forest land in Finland; 319,000 hectares of eucalyptus plantations, grasslands and conservation areas in Uruguay; and 76,000 hectares of forest in the US. We also lease about 177,000 hectares in Uruguay and manage nearly 1.7 million hectares of private forests in Finland.

Land acquisition and possible restrictions on land and natural resource use can have adverse impacts on communities and individuals using the land, if not diligently managed. Responsible land tenure is at the core of UPM's operations and is evidenced by our third-party forest management certifications.

We also recognize that the most marginalized and vulnerable populations (e.g. indigenous and tribal peoples) may be disproportionately affected by land acquisition and/or use of wood and other natural resources and therefore require special safeguards. UPM adheres to the community engagement practices embedded in forest certification requirements, including Free, Prior, and Informed Consent (FPIC), where applicable. UPM recognizes and upholds the rights, customs and culture of indigenous peoples as defined in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). UPM has zero tolerance for land grabbing and fosters a respectful and mutually beneficial relationship with local communities in UPM's areas of influence.

Risk assessments, community consultations, including Free, Prior, and Informed Consent (FPIC) when applicable, and access to grievance channels are embedded in our forestry operations and certification requirements.

See more: [UPM Annual Report 2025](#) (pages 50-51)

[Forests | A material solutions company](#)

3.3 UPM's compliance system and monitoring

UPM's compliance system is embedded in UPM's governance model and is designed to support company performance and a culture of integrity at all levels. The compliance risk matrix, which is based on country risk assessments and the complexity and extent of our operations in each country,

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forms the basis for monitoring activities aimed at ensuring compliance at all levels of the organization.

Our compliance system is structured under the topics addressed in the UPM Code of Conduct. The UPM compliance system is the risk management system used to manage UPM's human rights and environment-related risks. Consequently, it covers human rights due diligence both in the supply chain and our own operations. Within this process a group of UPM experts and functions responsible for managing human rights risks discusses quarterly any identified human rights risks, assesses the preventive actions taken and reviews the remediation of the identified risks. The results of the assessment are summarized in a compliance dashboard and addressed to the UPM Board of Directors (Audit Committee) quarterly. Furthermore, UPM conducts compliance reviews within its local units regularly.

See more: UPM [Annual Report 2025](#) Compliance system (pages 76-79, 242-244), Tasks of Audit Committee (page 97).

Risk assessment

The main emphasis of our compliance system is on preventive actions, which are based on the annual risk management cycle and risk assessments conducted in all businesses and operations. Each UPM business area, function and unit is responsible for identifying, measuring and managing compliance risks related to its own operations. UPM has recognized potential human rights violations in supply chains as an operational risk in its corporate risk assessment process.

See more: [Annual Report 2025](#) (pages 31-33, 128-132).

3.4 HRDD in UPM's own operations

Our human rights due diligence defines an ongoing process for assessing our impacts on people and the potential risks in our own operations, with strong focus on our salient human rights issues. A salient human rights issue assessment practice on a business area level was first introduced in 2019 and it forms one of the core elements of UPM's human rights due diligence process. This procedure aims to ensure an analysis of actual and potential human rights risks and impacts specific to the business area and/or operating context and recognizes that the risks may change over time. In practical terms, this means that UPM business areas conduct regular identification of human rights risks and impacts, assess the severity and likelihood of these risks and impacts, and prioritize the most severe issues for further focus and action.

See more: UPM [Annual Report 2025](#) (pages 74-75, 139).

In September 2023, we joined the UN Global Compact Forward Faster initiative. It recognizes the critical role of living wages and gender equality in promoting respect for human rights and tackling inequality.

See more information on our Human Rights journey on our website:

[Human rights due diligence | A material solutions company](#)

[Our culture and values | A material solutions company](#)

[Rewarding | A material solutions company](#)

Management systems

Our mills use integrated, certified management systems as practical tools for identifying and mitigating their impacts. These systems cover quality management, environmental protection, energy efficiency and health and safety issues. They embrace the principle of continuous improvement through target setting and monitoring. The Chain of Custody system for monitoring the

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origin of wood and fibre forms part of our mills' integrated management systems (see more in the next section on supply chains).

[Managing sustainability | A material solutions company](#)

Investments

Legal compliance, safety, the environment and social and human rights are given due consideration in all investment decisions. Respective impacts must be evaluated according to agreed UPM internal criteria. For major investments, an environmental and social impact assessment must be carried out. Where relevant for the investment in question a more comprehensive safety risk assessment and an in-depth human rights assessment are conducted. Details are defined in UPM's investment manual. Respectively, in all mergers and acquisitions of businesses, UPM takes account of legal compliance, safety, environmental, social and human rights as part of the evaluation and decision making.

Example: Impact assessment process of UPM investment, Paso de Los Toros pulp mill in Uruguay:

[Responsibility | UPM Paso de los Toros](#)

Tracking our performance and addressing non-compliances

We utilize insights from our human rights due diligence and compliance system, grievance mechanisms, and stakeholder feedback to monitor and track our human rights performance and continuously develop our approach. Consequently, we are committed to maintaining an active dialogue with the communities around us. Understanding the impact that we have is an essential component of our business success. We apply several precautionary measures and safeguards to avoid and minimize potential adverse environmental and social impacts on our surrounding communities:

- Environmental and Social Impact Assessments
- Human rights due diligence in our own operations and supply chain
- Management Systems, such as ISO 14001 and 45001 for production units
- Sustainable forest management certification (FSC and/or PEFC) of our own forestry operations and suppliers
- Restructuring processes planned in co-operation with workers, their organizations, local authorities and other relevant stakeholders.

Example of environmental management systems: Clean Run

Clean Run is a global, holistic concept designed for managing the daily environmental performance throughout UPM. It defines processes, roles and responsibilities for every UPM employee as well as guidelines for managing environmental target setting, audits, incidents and deviations. It is also a tool for managing environmental risks and to continuously develop our monitoring systems.

[Environmental performance | A material solutions company](#)

Our reporting covers various environmental deviations and specifies the performance of each individual UPM mill. Other responsibility topics:

[Sustainability data | A material solutions company](#)

[EMAS | A material solutions company](#)

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3.5 HRDD in Supply Chains

UPM has a risk-based approach that consists of various elements applied before and during the onboarding of new suppliers and monitoring of business partners. These elements include Know Your Supplier screenings, third-party sustainability assessments by Ecovadis, and the high sustainability risk supplier framework and model.

UPM's high sustainability risk supplier framework and model has been established to identify and capture human rights and environmental risks in UPM's supply chain. The framework provides visibility of the sustainability aspects of UPM's supply base and offers insight for sourcing categories on human rights and environmental risks and UPM's focus areas for risk prevention. The high sustainability risk framework evaluates sustainability-related risk based on the sourced commodity and the geographic location of the supplier. Specific criteria have been set to analyze and identify suppliers that require risk-mitigation measures.

UPM's responsible sourcing principles cover all our sourcing categories, both direct and indirect spend and all suppliers. We also apply a risk management process that covers all our counterparties, including all supplying companies. These companies are automatically screened on a continuous basis and the screening scope includes human rights violations based on adverse media findings. Minimum requirements for all suppliers are set out in the UPM Supplier and Third-Party Code and related instructions are explained in the Practical Guide for Everyday Choices.

[UPM Supplier and Third-Party Code | A material solutions company](#)

Our responsible sourcing practices and priorities were formulated into a cohesive, over-arching sustainable supply chain program in 2023. Each element entails clear instructions regarding the relevant sourcing and supply chain management practices and implications at UPM, as well as tangible guidance, requirements, and expectations for UPM's suppliers. Effective implementation is managed and tracked through our 2030 responsibility targets and performance indicators.

See more: [Annual Report 2025](#) (pages 80-81, 239-241).

[Sustainability targets | A material solutions company](#)

Forestry and wood sourcing

All UPM-owned forests are certified, or in the process of being certified if the site is new. In Finland, UPM-owned forests are certified by the PEFC™ and by the FSC®, and in the USA (Minnesota) by the [Sustainable Forestry Initiative \(SFI\)](#), which is endorsed by the PEFC. Our eucalyptus plantations in Uruguay are certified by both the FSC and the PEFC. In addition, we manage FSC group certificates in Finland and Uruguay, which private forest owners are welcome to join. Independent third-party auditors verify annually that our operations meet the requirements of these standards. UPM [Annual Report 2025](#) (pages 50-51)

100% of the wood purchased by UPM is covered by a certified Chain of Custody system, meaning its origins are fully traceable. In 2025, a total of 90% of the wood purchased by UPM was from certified sources (target: 100% of fibre forest management certified by 2030). Both the Chain of Custody and forest certification systems are third party verified.

See more: [Wood sourcing | A material solutions company](#)

FSC Controlled Wood requirements are the minimum requirements that UPM applies to all its sourced wood (100% coverage). The requirements include wide criteria related to the legality of the wood, respecting traditional and civil rights (incl. indigenous and tribal peoples' rights) and protecting areas of high conservation values. The criteria also prohibits forest conversion to plantations or non-forest use and the use of genetically modified organisms.

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UPM's requirements for wood sourcing: [Wood Sourcing and Forestry | A material solutions company](#)

Principles applied in forests owned by UPM: [Forests and plantations | A material solutions company](#)

[UPM White Paper on deforestation | A material solutions company](#)

[UPM certification overview \(status of February 2026\)](#)

More about UPM's plantation forestry activities in Uruguay via the Annual Report of Forestal Oriental (available in [English](#) and [Spanish](#)) and the websites of UPM Pulp ([Responsible wood sourcing | UPM Pulp](#)) and UPM Uruguay ([Forestal | UPM Uruguay](#)) (in Spanish).

UPM's compliance with Chain of Custody, forest certification and ISO 14001 environmental management systems is annually inspected by an independent third-party auditor. The auditor verifies that the certification requirements and their implementation have been documented appropriately and visits the sites to ensure that forest and supply operations meet the requirements. In addition, the auditor also interviews employees, entrepreneurs and stakeholders. If any non-conformities are identified, corrective actions shall be taken without delay. For some of the certifications, summaries of audit findings are publicly available in online databases (e.g. FSC certificate database).

UPM also conducts its own audits. Auditing of wood suppliers is usually based on risk assessment and audits primarily focus on longer supply chains. Internal audits related to our quality and environmental systems and UPM's FSC group certification for private forest owners are also conducted annually. Corrective actions are initiated immediately if non-conformities are detected. Both external and internal audits include criteria related to workers' rights, occupational health and safety issues and rights of local communities.

Continuous stakeholder dialogue is an essential part of UPM's wood sourcing and forestry. UPM provides and promotes access to grievance mechanisms and complaints channels, including operational-level grievance mechanisms designed for individual projects and country contexts. For local community members affected by our operations, tailored and locally adapted avenues for raising grievances are provided in addition to our group-level grievance channels (see more in chapter 4 below).

The country of origin of certified wood used by UPM's production units is published annually. UPM also annually publishes the origin of wood used by its mills.

[UPM's Interactive Analyst tool | Certified wood supplied to UPM mills per country Certificate Finder | Origin of wood statement](#)

Sourcing of raw materials, indirect materials and services

UPM buys products, materials, and services from some 17,000 B2B suppliers globally. Our sourcing network includes suppliers from start-up companies to international corporations. We also buy wood from around 13,000 private forest owners. Overall, contractors perform a significant proportion of our activities, for example in maintenance at our production units, in construction work and in forestry operations. In 2025, we continued our efforts in contractor management, focusing on contractors operating at UPM's production sites and in forestry. Limitations on the use of subcontractors were introduced, and the contractual requirements related to social responsibility and labor rights, specifically for on-site work, were strengthened. Furthermore, the subcontractor approval and due diligence processes were developed and internal trainings were organized to identify and address social responsibility risks in subcontracting chains. Our sourcing network covers a broad range of suppliers ranging from private forest owners and local companies to large international corporations based in many different cultures. The heterogeneity in our partner network is a challenge.

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Nevertheless, we ensure that all our suppliers operate responsibly in line with our harmonized requirements.

UPM [Annual Report 2025](#) (pages 75, 80-81, 226)

[Sustainable supply chain | A material solutions company](#)

Requirements

In addition to the UPM Supplier and Third-Party Code, UPM also enforces further supplier requirements for specific sourcing categories. An overview of all these category-specific requirements is available here:

[General and category specific requirements | A material solutions company](#)

Many of UPM's production units comply with various ecolabel criteria, which imposes strict requirements also for the raw material suppliers (pulp, chemicals) of these units.

- **Requirements for pulp suppliers**

[Pulp | A material solutions company](#)

- **Requirements for wood suppliers**

[Wood Sourcing and Forestry | A material solutions company](#)

- **Requirements for chemical suppliers**

[Chemicals and pigments | A material solutions company](#)

- **Requirements for logistics suppliers**

[Transport | A material solutions company](#)

<https://www.upmcaraoandling.com/>

- **Safety requirements for contractors**

<https://www.upm.com/siteassets/for-suppliers/requirements/documents/upm-minimum-safety-requirements-for-contractors-6.8.2025.pdf>

- **Safety induction for contractors**

Safety is one of our salient human rights issues in the supply chain. Our suppliers and their employees on our sites are required to adopt our safe work practices and to comply with the rules and standards we have established. We expect them also to participate in hazard identification and proactive safety reporting.

Before accessing a UPM production site, contractors are required to attend UPM safety training demonstrating our basic safety requirements. They also require a job-specific safety induction, and a permit to work.

[Safety induction | A material solutions company](#)

Supplier risk assessment

We identify our suppliers with the greatest business relevance and supply chains with a high risk of potential negative environmental and social impacts. We have created risk management contingency plans for identified high sustainability risk suppliers. The evaluation is based on the country of origin, sourced material or service and the UPM supply chain ESG risk register, encompassing country-, commodity- and sector-specific sustainability risk insights.

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See more: [Annual Report 2025](#) (pages 80-81, 240-241).

Human rights violations have been identified as an operational risk for our supply chain.

See more: [Annual Report 2025](#) (page 131).

High risk suppliers are assessed either by a third party (Ecovadis) or UPM experts (for example pulp supplier questionnaire). These assessments include human rights topics. In 2025, UPM carried out some 715 risk assessments with Ecovadis.

<https://tfs-initiative.com/assessment-process/>

<https://ecovadis.com/>

[UPM Pulp supplier performance questionnaire 2025](#)

UPM [Annual Report 2025](#) (page 80-81, 240-241)

Based on the assessment results UPM identifies suppliers to be audited and we typically conduct typically 100-200 audits annually. In 2025 our own trained auditors and external auditors carried out 80 audits globally, based on identified risks related to social and environmental topics, including human rights. We identified approximately 347 findings in these audits. None of the findings were considered critical with regard to actual or potential significant environmental or social impacts
Read more: UPM [Annual Report 2025](#) (pages 240-241)

Supplier audits are conducted based on UPM's Supplier Assessment Criteria, either by trained UPM lead auditors or accredited external audits. UPM is a member in the Together for Sustainability initiative in which over 20 companies collaborate in order to scale up supplier assessments and audits.

[Requirements | A material solutions company](#)

<https://tfs-initiative.com/audit-process/#1472632625617-17956a92-ac80>

In addition to supplier audits, we carried out 2,000 contractor reviews in Uruguay focusing on working conditions. The number increased with the new pulp mill in Uruguay.

<https://www.upm.com/articles/responsibility/20/upm-in-uruguay-sets-a-great-example-of-the-extent-of-contractor-management/>

UPM actively looks for more effective ways to scale up supplier assessments and has piloted workers' voice technology in one high-risk value chain.

<https://www.upm.com/news-and-stories/blogs/2020/03/listening-to-workers-and-farmers-voice-in-tapioca-starch-supply-chain-in-thailand/>

Addressing non-compliances

We report on our audits on our website and annual report. Based on the audit findings we set up corrective action plans depending on the type and severity of the non-compliance. Sometimes this requires an additional on-site audit to verify that the corrective action has been completed. The most common findings in our supplier audits relate to occupational health and safety topics, environmental management and working conditions.

UPM supplier audit findings by region (Interactive Analyst Tool - Other responsibility topics - Supplier audits):

[Sustainability data | A material solutions company](#)

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Examples of supplier audits conducted, observed non-conformances and corrective actions taken.

Supplier description	Observed non-conformances during audit(s)	Corrective actions	Conclusions
Chemical supplier, Europe	Various environmental and occupational health and safety related non-conformances were observed during the first audit including altogether 1 major and 9 minor non-conformances.	The supplier made a corrective action plan but failed to address all identified non-conformances and the business relationship was terminated. Negotiations with the supplier were later resumed and the corrective action plan was revisited including a follow-up audit.	After the follow-up audit, all non-conformances were addressed, and the supplier was able to bring in improvements in the fields OHS and environmental protection in their operations.
Transportation equipment supplier, Asia	Several positive findings but also 1 major and 2 minor non-conformances in the area of supplier requirements, OHS and environmental protection.	The supplier provided a corrective action plan within in 30 days and implemented the agreed corrective actions. Implementation was verified by UPM.	All non-conformances were addressed, and the audit resulted in process developments at the supplier's site.
Second tier extractives supplier, Asia	Primary production and soil excavation/mining in Asia is considered as high-risk operation. A series of audits has been conducted in co-operation with the first-tier supplier. Major non-conformances were detected in the areas of work safety, waste management and decent work and working conditions.	Closing the corrective action plan has taken longer than usual due to second tier involvement and related capacity building.	The series of audits included extensive capacity building and joint development of the suppliers' performance to a level accepted by UPM.

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Using collaborative leverage

As many human rights risks are systemic in nature and cannot be solved by one company alone, UPM participates in several initiatives in order to foster collective action. UPM's experts have also been sharing lessons learned in different events and conferences in order to increase awareness of the importance of responsible sourcing and human rights risks in the supply chains.

- **Together for Sustainability**

<https://tfs-initiative.com/>

<https://www.upm.com/articles/supply-chain/20/scaling-up-the-supplier-evaluation-with-together-for-sustainability-network/>

- **UN Global Compact Action Platform on Decent Work in Global Supply Chains**

<https://unglobalcompact.org/what-is-gc/our-work/social/labour>

- **UN Global Compact Forward Faster Initiative**

<https://www.upm.com/articles/responsibility/23/joining-the-uns-forward-faster-initiative-creates-a-momentum-to-promote-gender-equality-the-living-wage-and-climate-change-mitigation/>

4 Stakeholder engagement, Grievance Channels and Remedy

Our engagement with communities has historically been founded on decades of close co-operation. Many communities have grown around our operations over the years, particularly in Finland and Uruguay.

UPM provides and promotes access to grievance mechanisms and complaints channels, including operational-level grievance mechanisms designed for individual projects and country contexts. For local community members affected by our operations, tailored and locally adapted avenues for raising grievances are provided in addition to our group-level grievance channels (see more below). Every year, we receive around 350 enquiries or concerns from the general public.

Information on stakeholder engagement and grievance channels can be found in our [Annual Report 2025](#) (page 62-65, 74-75, 76-79)

Case: Social monitoring in Uruguay

Regular social monitoring surveys are conducted at UPM's forestry operations and nurseries in Uruguay by an external service provider by interviewing affected community members and contractor employees. A summary of the 2023 social monitoring survey and its results can be found [here](#) (in Spanish).

Also, public opinion polls related to UPM's operations in Uruguay, including the Fray Bentos and Paso de los Toros pulp mills, are carried out regularly by a third-party service provider.

4.1 UPM Report Misconduct channel - SpeakUp

The UPM Report Misconduct channel is available on the corporate website for all stakeholders and on the UPM intranet for our employees. Stakeholders and employees may use this channel to report if they have any complaints or concerns in relation to violations of the UPM Code of Conduct, any

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policies or rules thereunder or any applicable laws or regulations. All reports coming in through the UPM's Report Misconduct channel will be made available to the Head of Internal Audit and the Chief Compliance Officer at UPM. They evaluate and assess the information received and determine the appropriate course of action. This will, in most cases, result in the responsibility for next steps being assigned to the most appropriate person.

The Head of Internal Audit and the Chief Compliance Officer will ensure that all reported cases are investigated and documented appropriately. Misconduct reports are reviewed carefully, personal data handled appropriately, and confidentiality of reports maintained to the extent possible.

Our employees can also report any suspected or observed breach or misconduct to either their managers or a representative of UPM Legal, HR or Internal Audit functions. We do not tolerate retaliation against any person who, in good faith, reports suspected misconduct or participates in an investigation to resolve suspected misconduct.

UPM Report Misconduct channel is operated in a system called SpeakUp provided by an external service provider People Intouch. The service is available in multiple languages, and it can be accessed 24 hours a day, 7 days a week. Submitting a report is fully confidential and provides full anonymity.

[Report misconduct | A material solutions company](#)

We report all cases brought to light through our misconduct channel under report misconduct channel as part of our Annual Report and in UPM's internal Integrity Report. In 2025, there were 47 reported cases falling under the category of "Respect people and human rights". More specifically, these related to e.g., alleged discrimination or harassment, inappropriate behavior, breach of safety rules and alleged breach of labor laws in connection with recruitment or termination of employment. In 2025, the number of alleged discrimination or harassment cases were approximately 7. Only minority relate to gender-based discrimination, with a few reported cases each year. Reported incidents of discrimination and harassment are reviewed quarterly by Human Resources as part of UPM's compliance review program.

We monitor and work to remediate adverse impacts on human rights that we are aware of and that our activities have caused or contributed to. Remediation is specified case-by-case based on verified impacts.

UPM [Annual Report 2025](#) (page 76-79)

[UPM's Integrity Report sets new transparency and misconduct benchmarks | UPM.COM](#)

4.2 Training and capacity building

We believe in collaboration, capacity building and peer learning. We have been active in training our own personnel in human rights topics (see 1 below). Additionally, we have been participating in collaboration forums like the United Nations Global Compact and its action platforms, and the Together for Sustainability (TfS) initiative to help us to manage human rights issues and ultimately make a difference.

1) Together for Sustainability

<https://tfs-initiative.com/>

https://www.upm.com/articles/supply-chain/20/scaling-up-the-supplier-evaluation-with-together-for-sustainability-network/?utm_content=1590562301&utm_medium=social&utm_source=facebook

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2) **UN Global Compact Action Platform on Decent Work in Global Supply Chains**

<https://unglobalcompact.org/what-is-ac/our-work/social/labour>

<https://livingwages.unglobalcompact.org/>

<https://unglobalcompact.org/take-action/sustainableprocurement>

5 Responses to Serious Allegations

UPM in Uruguay

UPM's operations in Uruguay and particularly our newly operational Paso de Los Toros pulp mill have raised concerns among some of our stakeholders. In 2023 we received a communication via the UN Special Procedures of the UN Human Rights Council requesting information about UPM's activities and their possible connection to the water scarcity that affected the metropolitan area in Uruguay.

Our response is publicly available online and details why the allegations are considered unfounded.

Frequently asked questions about UPM's operations in Uruguay can be accessed here: [FAQ | UPM Pulp](#).

More information on UPM's operations in Uruguay can be found here: [UPM Pulp | UPM Pulp](#) and [UPM Uy | UPM Uruguay](#) (in Spanish) websites.

Serious human rights allegations are reported annually in UPM's [Annual Report](#) (for 2025 see pages 75, 221, 227).