



Our commitment:

CLIMATE POSITIVE FORESTRY WITH BIODIVERSITY IMPROVEMENT

UPM **BIOFORE - BEYOND FOSSILS**



Climate crisis is the biggest challenge of our time. Human beings have lived on CO₂ credit for too long, releasing too much greenhouse gases for the planet to absorb in its natural cycle.

Global warming is also accelerating the loss of biodiversity – another challenge for our planet – and therefore, for all of us.

Our business relies on forests: we grow and harvest trees to produce renewable and sustainable materials and products. Innovations that offer alternatives to fossil materials are at the core of the UPM Biofore strategy. We are committed to limiting global warming to 1.5°C by taking decisive actions in our own operations: by further reducing our own CO₂ emissions by 65% and offering our customers more sustainable solutions and alternatives to fossil materials.

There can be no future beyond fossils without forests and sustainable forestry.

We are committed to climate positive forestry and promoting biodiversity. We challenge everyone in the industry to do the same.



This is where solutions grow

Forests are a precious resource. They are home to wildlife. They protect water systems. They are a source of wellbeing and a place for recreation.

Forests are the second biggest carbon absorber after oceans. That's why they are often called the lungs of our planet.

Forests also provide alternatives to fossil raw materials and offer renewable resources to make products ranging from everyday necessities to groundbreaking innovations.

For these and many other reasons, forests are more important than ever.



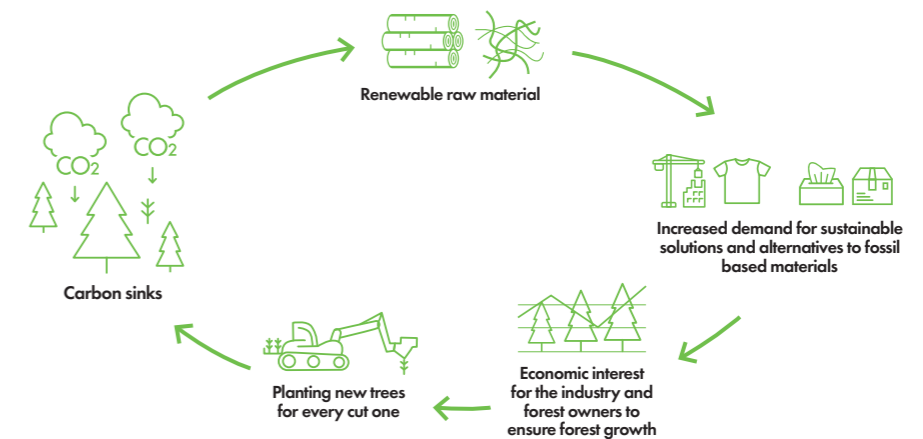
What hope looks like

We grow forests to harvest them. Then we repeat the cycle to develop renewable and recyclable products and sustainable solutions, for everyday life and cutting-edge innovations.

Compared to fossil-based materials, renewables significantly decrease a product's carbon footprint. Did you know, for instance, that using wood-based renewable diesel can cut fossil CO₂ emissions by 80%? Or that timber is the only carbon positive construction material? Forests continue to provide us with ever more renewable alternatives to fossil-based materials.

The growing need and demand for renewable, sustainable materials create a powerful incentive for forest owners and companies to ensure the continuous growth of forests through sustainable forestry practices.

An economic incentive for forest growth





For future generations

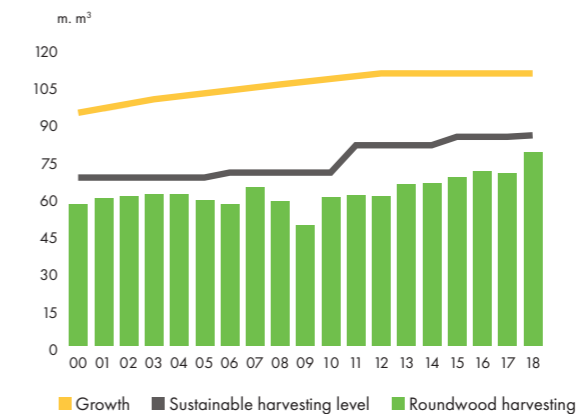
Our business is based on forests. This is a strong reason to ensure that forests grow for many generations to come. Forests must remain forests.

We have zero tolerance for deforestation and have strict processes in place to ensure that forests always grow more than they are used.

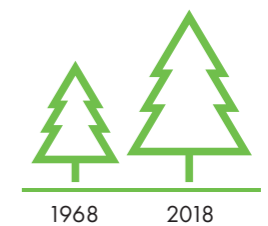
In Finland, where we source a large part of our wood supply, we have seen the concrete positive impact of modern, sustainable forest management methods. In the past 50 years, forest growth in Finland has doubled despite the increased production of wood-based products and multiplied forest conservation network.

Finnish forests represent only 0.6% of global forests. Imagine if sustainable forestry practices were to become the standard everywhere in commercial forests!

Forest growth in Finland

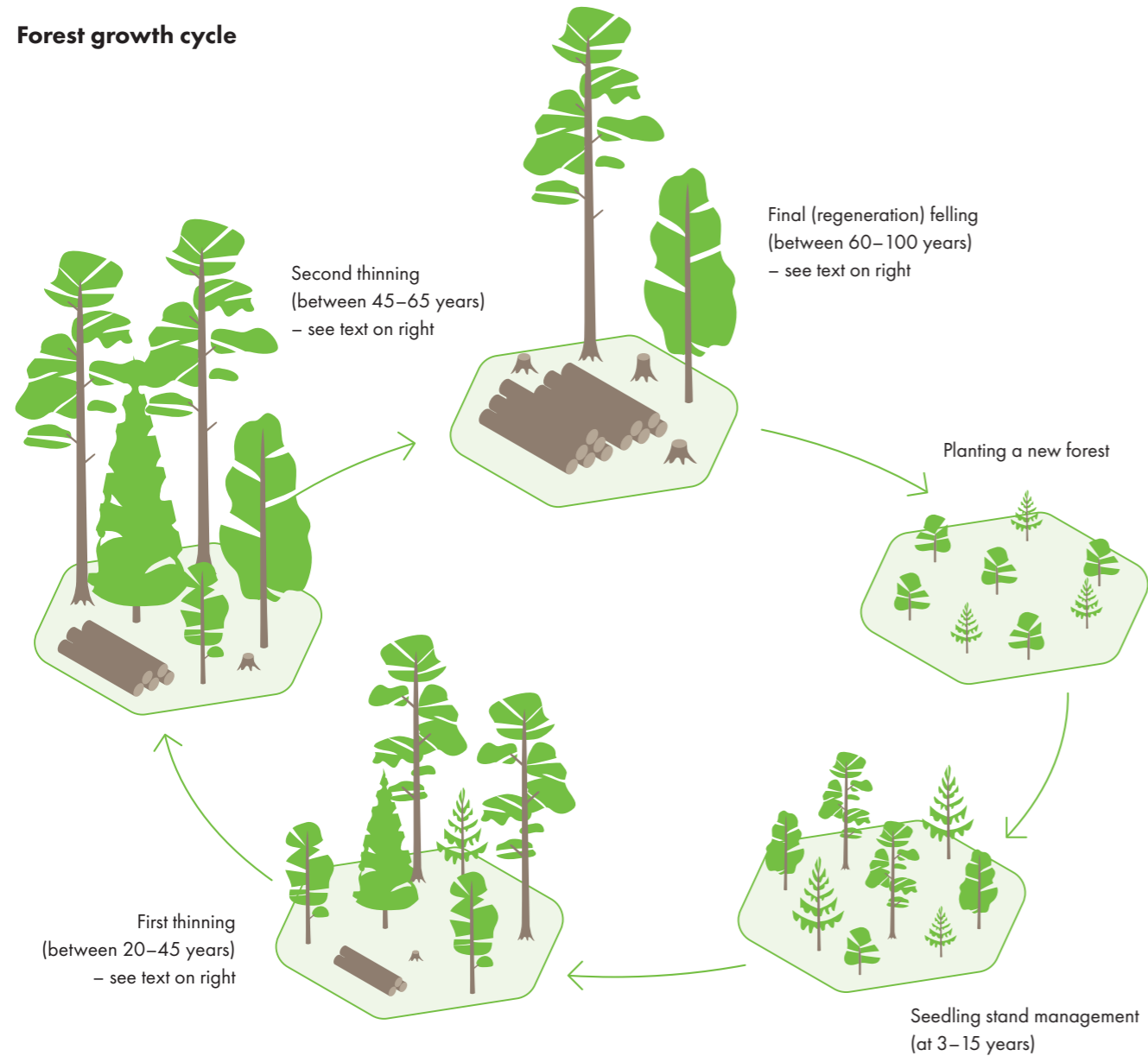


Data source: The Natural Resources Institute Finland, National forest inventory 12



Finnish forests growing more than ever
Despite increased use, Finnish forest growth has doubled in the last 50 years, thanks to a combination of modern sustainable forestry practices and conservation.

Forest growth cycle



Eternal renewal

Ensuring that forests are maintained as forested areas is a business priority for us, and the foundation of our operations. In the North, commercial forests have a growth cycle of between 60 to 100 years, so the forests we plant today will be harvested by our children and our children's children.

When a forest area is harvested, the forest is prepared for new growth. Seedlings are planted to start the growth of a new forest in the harvested area. During regeneration, four new trees are planted for every harvested tree.

The first thinning is made when the forest stand is around between 20 to 45 years old. Thinning promotes accelerated growth as the remaining trees have access to more light and to nutrients in the soil. Thinning is done to improve forest growth. Trees increase their ability to absorb carbon; they also grow thicker trunks, which maximizes the value for the forest owner.

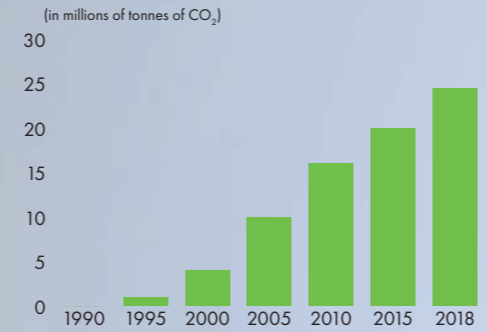
The second thinning takes place after 20 to 30 years from the first one. Approximately every other tree is taken away.

When the forest is between 60 to 100 years old, it's time for it to be renewed. Through regeneration felling, all trees – except retention trees, deadwood and other protected species – are harvested. The forest is then prepared for new growth and the cycle begins again.





Amount of new permanent carbon storage from tree plantations*



*does not affect food production or natural forests

Data source: UPM

Plantations: new carbon sinks and sources of fibre

Tree plantations offer a new, sustainable and efficient solution to meeting the growing need for renewable materials.

Our plantations are located in Uruguay and established on old grazing lands. We never convert natural forests into plantations. Our plantations are managed in a sustainable manner that also takes into account the development and welfare of local communities.

Tree plantations can positively contribute to water balance and quality by binding water, levelling peak and base flows, reducing surface runoffs and soil erosion to limit nutrient leaches to water courses.

While single species plantations don't increase biodiversity as such, they maintain natural vegetation in the area. We also preserve and promote biodiversity by protecting biodiversity hotspots and valuable habitats. In addition, UPM maintains over twenty conservation areas for specific species in Uruguay.

All UPM plantations are certified. Plantation operations are evaluated – including their environmental and social impact – annually by external auditors as part of the certification process.



Respecting the forest

UPM owns almost 0.6 million hectares of forests and over 0.3 million hectares of owned or leased plantations. Our approach to sustainability is holistic. Our team is composed of foresters, biologists and ecologists that care passionately about forests, who develop and monitor sustainable forestry practices that support our forests' critical role and importance in the ecosystem.

We work with our expert stakeholders on improving our plan of action and maintain a constant dialogue with local communities to understand their needs.

The key principles behind our forestry and wood-sourcing activities:

- 100% responsible and controlled sources
- Wood supply chain 100% certified with 3rd party verification
- All the wood we use certified by 2030
- 100% regeneration with 50 million new trees planted yearly, equivalent to 100 trees per minute
- No deforestation ever. Rainforests are off-limits.
- Protect biodiversity with a target of net positive impact
- Follow sustainable forestry practices
- Preserve all forest ecosystem services
- Nothing goes to waste, every part of the wood is used

Efficient use of wood: nothing goes to waste

Fibres to pulp and paper	_____○
Fibres to biofibrils and biocomposites	_____○
Logs for sawn goods and plywood	_____○
Lignin, cellulose and hemicellulose to biochemicals	_____○
Extractives to renewable diesel and naphtha or biochemicals	_____○
Bark and branches to energy	_____○



All creatures, big and small

We all depend on biodiversity: it forms the basis for life on earth. As a leader in the forest industry, it's our business to manage forests in a way that safeguards biodiversity.

Over twenty years ago, we became the first company in the forest industry to launch a global biodiversity program. We are the only company committed to improve the level of biodiversity in our own forests. We have set biodiversity indicators that we use to monitor and report our progress, and we develop better methods for biodiversity measurement.

In our daily operations, forest biodiversity is protected through:

- sustainable forestry practices that follow both legislation and best practices
- forest certifications that ensure the protection of water system buffer zones and the conservation of threatened ecosystems and species, among others
- actions that maintain and increase features critical to forest biodiversity, such as structural variation, deadwood and mixed tree species composition in boreal forests.

Our best practices are continuously improved through biodiversity projects undertaken with our expert stakeholders. Transplanting threatened wood-inhabiting fungi into forests to increase biodiversity is an example of our many groundbreaking initiatives.

A close-up photograph of vibrant green pine needles, filling the left side of the frame. The needles are sharp and layered, creating a sense of depth and texture. The background is a soft, out-of-focus green, matching the needles' color.

OUR COMMITMENT:

Climate positive forestry and biodiversity improvement

UPM is committed to climate positive forestry and to the improvement of biodiversity to mitigate climate change and safeguard the vitality of our planet.

This commitment is also the basis for a profitable business for us.

We will continue to ensure that our forests always grow more than we harvest and we will work harder to improve our forests' growth and their ability to absorb more carbon. As a leader in the forest industry, we are the first forest company in the world committed to improve the level of biodiversity in our own forests.

We look to the forests to create renewable solutions and alternatives to fossil-based materials. We take concrete actions every day to keep forests growing for future generations – and towards the future of beyond fossils.

This is our commitment to you and to generations to come.

We challenge the other players in the forest industry to do the same.



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