

UPM EUCA FROM URUGUAY: SUSTAINABLE, CONSISTENT, SECURE

2020

UPM is building a 2.1 million tonne greenfield eucalyptus pulp mill near Paso de los Toros in central Uruguay, scheduled to start production by the end of March 2023.

Adding to the 1.3 million tonne capacity of our existing mill in Fray Bentos in south-western Uruguay, the new mill will more than double UPM's production of eucalyptus pulp. The consistent quality of UPM Euca pulp from both mills is established with state-of-the-art production technology, delivered by the same main supplier.

Backed by consistent raw material from well-known sources, and excellent mill availability, our strict process control along the entire production line helps to establish stable quality. With an exchangeable quality of pulp from two modern pulp mills with two drying machines in each, UPM's customers can rely on the security of supply.

July 23, 2019: investment decision & start of construction.





USD 2.7 billion

for a world-class pulp mill with an annual production capacity of 2.1 million tonnes of eucalyptus pulp



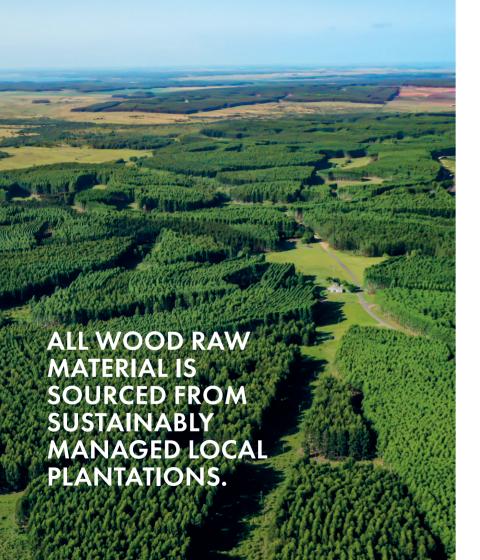
USD 280 million

for deep sea port terminal in Montevideo



USD 70 million

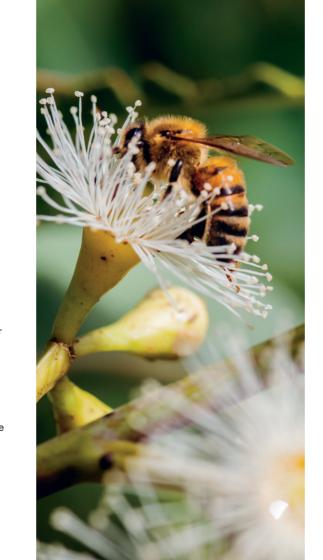
in the local community in Paso de los Toros



SUSTAINABLE PLANTATIONS

Operated by UPM since 1990, our plantations in Uruguay are carefully planned and planted commercial forests that produce high-quality eucalyptus wood. The plantations are managed by UPM Forestal Oriental on companyowned and leased land and established on grasslands that were formerly used for cattle grazing.

All wood is sourced from sustainably managed local plantations. UPM does not convert natural forests or fertile food production soils into plantations, and none of our actions result in any deforestation. All UPM plantations are certified according to the FSCTM (FSC-C020173) and PEFC (PEFC/36-22-002) forest management schemes.



RELIABLE DELIVERIES AND LOGISTICS

A professional and competitive logistics organisation is in place to handle pulp deliveries reliably from the Fray Bentos mill. The pulp is transported to the deep-sea port of Nueva Palmira by river barge to be loaded onto transatlantic vessels bound for global markets.

Major investments into the local infrastructure are being carried out to ensure supply security from the new Paso de los Toros mill. UPM is building a deep sea pulp terminal in Montevideo port with direct rail access from the mill, creating an efficient supply chain to world markets. Also, road improvements and an extensive railway modernisation project are underway.



UNIQUE PULP QUALITIES

UPM Euca is made from two main wood species – Eucalyptus grandis and Eucalyptus dunnii – that differ somewhat from the world's main sources of eucalyptus fibre in Brazil, Chile and the Iberian Peninsula. Eucalyptus grandis has a high growth rate and high fibre number, while Eucalyptus dunnii has good frost resistance and high wood basic density.

The ratio between the wood species determines the eucalyptus pulp properties to a large extent. When the qualities of the wood species used in UPM Euca are combined, the end result is a well-balanced pulp, providing excellent quality, stability and good runnability, high brightness with low reversion and quick refinability.



VARIOUS END USES

UPM Euca is a bleached hardwood kraft pulp used to produce soft and smooth tissue products, but it also provides good surface and optical properties for printing and writing end uses.

For tissue, UPM Euca provides good bulk when refined to required tensile strength, while for the printing and writing end-use segments, it offers good strength and dewatering, and balanced optical properties.

As a versatile product, UPM Euca is also suitable for specialty grades and board segments, providing both with high brightness qualities. Specialty grades benefit from its high cleanliness and balanced strength properties, while good refinability and smoothness are qualities required in the board end-use segment.

UPM Euca fit for various end-use segments

TISSU

- High initial tensile strengt
- Good bulk at given tensile leve
- Good softness

BOARD

- High brightness
- Good refinabilit
- Good smoothness

SPECIALTY GRADES

- High cleanline
- Hiah briahtne
- Balanced strength properties

PRINTING & WRITING

- Good strengtl
- Good dewatering
- Balanced optical properties

CONSTANT DEVELOPMENT

The development of UPM Euca has its roots in our tree breeding programme and our work on UPM's own nurseries, providing high-quality seedlings for plantations. The aim is to enhance wood yield and fibre quality, while ensuring that trees adapt to different forestry sites and climate conditions

The development of process efficiency is carried out at our UPM Fray Bentos R&D Lab. It covers the pulping, bleaching and drying phases as well as wood chemistry and fibre properties. The facilities are used for the evaluation and selection of clones (commercial deployment), evaluation of the wood supply to the mill and for mill process development studies.





