

UPM listed as the most sustainable company

of the Paper and Forest Products industry in
the Dow Jones World Sustainability Index (DJSI) for 2020–2021

Dow Jones Sustainability Indices (DJSI) are a globally recognised family of best-in-class sustainability benchmarks for investors, researchers, NGOs and anyone else that wants to evaluate the economic, environmental and social performance of the world's leading stock listed companies from 61 different industry groups. This recognition verifies that responsibility is deeply integrated in UPM's everyday business activities and that the company is committed to continuous development.

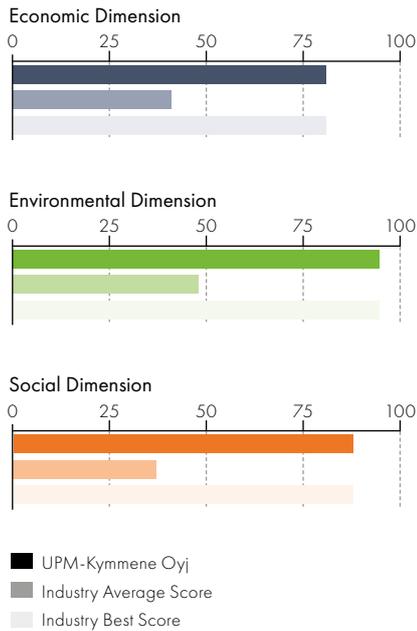
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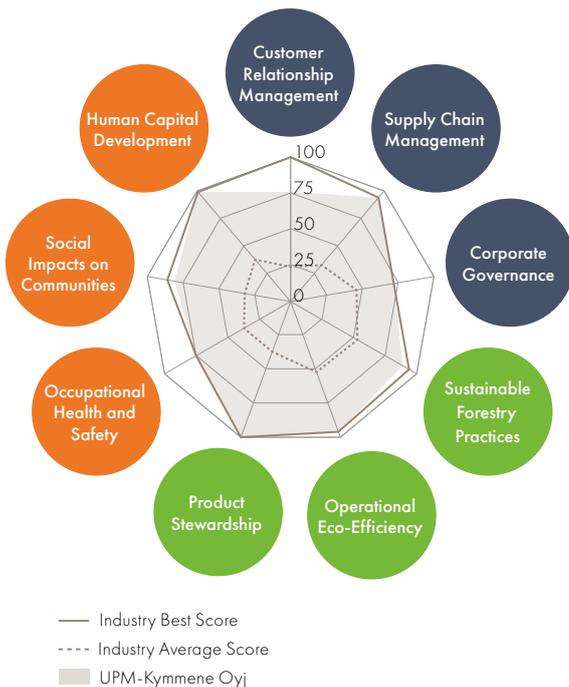
How are the leaders and members chosen?

Members of the DJSI are chosen annually based on a rigorous sustainability assessment by the sustainability investment specialist S & P SAM ESG rating services. This year 3,500 companies were invited to be assessed. The assessment includes around 100 industry-specific questions on the sustainability performance of the companies. Every year the criteria is adjusted to keep the questions significant and to raise the bar and challenge companies in their thinking about long term risks and opportunities. Each industry group is evaluated separately. Being the leader of an industry means that the company is assessed to be clearly ahead in sustainability performance and transparency.

UPM's score in DJSI 2020–2021 compared to industry peers:



Source: RobecoSAM AG



What is the assessment and scoring about?

The **ECONOMIC DIMENSION** measures for example the company's code of business conduct, customer relationship management and supply chain management.

UPM examples

- Our **Code of Conduct** implies to each UPM employee. Our leading principle is that we do not compromise our standards of integrity under any circumstances.
- The **UPM Supplier and Third Party Code** defines the minimum level of performance that UPM requires from all of its suppliers and third party intermediaries acting on behalf of UPM.
- UPM is one of the first companies to **link the margin of a financing arrangement to long-term biodiversity and climate targets**.

The **ENVIRONMENTAL DIMENSION** assesses among others sustainable forest management, biodiversity, sustainable fibre sourcing, environmental management systems, operational eco-efficiency, water related risks, climate strategy, product stewardship and environmental reporting.

UPM examples

- UPM is committed to UN Business Ambition for 1,5°C to mitigate climate change, by practicing **climate positive forestry**, by **65% reduction of CO₂ emissions** and by **innovative renewable products** like renewable diesel and naphtha made from tall oil which is a residue from the pulping process as well as biochemicals and biomedical.
- UPM is the first forest company with a **target to increase biodiversity** in its own forests. The measurement is developed together with experts from academia.

The **SOCIAL DIMENSION** rates the company's performance, for example, in occupational health and safety, social impacts on communities, corporate citizenship and philanthropy, human rights, and social reporting.

UPM examples

- UPM Paso de los Toros pulp mill in Uruguay has a **big positive social impact on the local community**. When operating, it will generate 10,000 new permanent jobs, 200 million USD in wages and salaries as well as 600 small and medium-size local companies.
- UPM **Human Rights Due Diligence programme** aims to mitigate human rights related risk, track the effectiveness of our actions and communicate about our efforts. UPM cooperates for example with the Uruguayan El Paso Civil Association to **prevent potential sexual exploitation of children and adolescents during the construction of the new pulp mill**, by developing community networks and social education.
- **Occupational Health and Safety** will be improved by further enhanced leadership and management.

