

Annual Report 2025

Sustainable Forestry Operations: Performance and Results





Content



EDITORIAL

In 2025, we strengthened our collaborative efforts, guided by a sustainability-driven vision that promotes continuous improvement across every stage of our operations. We made meaningful progress on our operational, environmental, and social commitments, backed by a team whose dedication and conviction are reflected in a constant drive to reach new goals and keep improving.

One of the year's most significant milestones was achieving the lowest recordable incident rate in our history in Occupational Health and Safety. This result reflects a safety culture that is actively practiced and promoted at every level of the organization. Safety is a core value shared by both UPM Forestal Oriental's own workforce and the more than 340 partners we work with on a daily basis.

In 2025, we celebrated the 20th anniversary of the Forestry Development Program, which has grown steadily since its launch in 2005 and now includes more than 900 land owners across Uruguay. For two decades, we have been partnering with producers who have chosen to integrate forestry into their land, using UPM's high-quality seedlings to diversify their operations and combine them with livestock production, all driven by a shared conviction that the future of agriculture also includes forestry.

Community engagement is a central part of our day-to-day operations. Over the course of the year, more than 4,600 people visited our operations, nurseries, and network of biodiversity reserves. These interactions—across more than 600 activities—reinforce our commitment to operating transparently, openly, and with genuine attention to community concerns. Through the UPM Foundation, we continued to advance a range of initiatives, with more than 8,000 people participating in activities throughout 2025.

In line with our commitment to biodiversity conservation, this year we expanded the scope of our FSC® Forest Management certification to include verification of the positive impacts generated by our network of conservation areas. We also launched the Biodiversity Fund, a competitive grant initiative open to specialists and institutions that contribute key scientific knowledge for the protection of Uruguay's flora and fauna. The fund supports research focused on the conservation, study, and management of ecosystems across our network of conservation areas.

In addition, we continued to expand our long-term forest base, reaching 34,000 hectares of plantations — including reforestation and regrowth — with our nurseries operating at full capacity and achieving record production levels. This reflects our long-term, sustainability-driven approach.

On the logistics front, we strengthened our infrastructure through sustained investments in road networks and operational improvements that support a more efficient supply chain to our mills. This reflects our long-term approach. We continue to focus on efficiency, driven by innovation, data-driven analysis, and continuous improvement. It has been a year of significant challenges and meaningful achievements. I invite you to explore this report and learn more about our company and our commitment to sustainable and responsible forestry development.

A handwritten signature in black ink, appearing to read 'Álvaro Fitipaldo'. The signature is stylized and written in a cursive-like font.

Álvaro Fitipaldo
Vice President of Forestry
Operations at UPM

UPM

A TRUSTED PARTNER IN RENEWABLE MATERIALS AND VALUE CHAINS

UPM contributes to the sustainable transformation of society through material solutions made from renewable raw materials. We create long-term value through our broad portfolio of renewable fibers, advanced materials, decarbonization solutions, and communication papers, partnering with industries and brands around the world.

UPM URUGUAY

UPM's operations in Uruguay include the pulp mills in Fray Bentos and Paso de los Toros, UPM Forestal Oriental — which supplies wood to the mills and operates three nurseries located in Paysandú and Durazno — the UPM Foundation, and a specialized pulp terminal at the Port of Montevideo.

UPM Forestal Oriental manages 332,000 hectares of land suitable for planting including both company-owned properties and third-party land through the Forestry Development Program.

UPM's plantations are certified under the international sustainable forest management standards FSC® (Forest Stewardship Council®) and PEFC. UPM's pulp mills in Uruguay produce eucalyptus pulp, which is sourced from sustainable plantations.

The Fray Bentos mill began operations in 2007 and remains one of the most modern and efficient facilities of its kind in the world, with an annual production capacity of 1.3 million tons. UPM Paso de los Toros, which began operations in April 2023, has a production capacity of 2.1 million tons. In addition to pulp, both mills generate baseload biomass energy—reliable

and predictable— to power their own production processes, while surplus energy is supplied to industrial users and the national grid, accounting for approximately 20% of Uruguay's total energy output.

Pulp produced at the Paso de los Toros mill is transported to Montevideo via the Central Railway — a modern, efficient rail system built to European standards and best practices.

Founded in 2006, the UPM Foundation works in coordination with local institutions and community stakeholders in the areas surrounding its operations, supporting long-term community development.

UPM Uruguay, together with its contractors, generates more than 7,000 direct jobs. The company's operations in Uruguay also support approximately 10,000 indirect and induced jobs throughout its value chain.



MORE THAN 35 YEARS OF HISTORY IN URUGUAY



BOTNIA
Botnia acquires Shell's stake
in Compañía Forestal
Oriental

2003



PULP MILL IN FRAY BENTOS
The pulp mill in Fray Bentos begins
operations

2007



1990
KYMMENE
(UPM since 2009) and Shell establish
Compañía Forestal Oriental S.A.
Begins plantations and genetic
improvement program.



2005
FORESTRY DEVELOPMENT PROGRAM
The Forestry Development Program
is launched, along with the Botnia
Foundation (now UPM Foundation)



2009
UPM
UPM acquires Botnia's
shareholding



PROTECTED AREAS
Esteros y Algarrobales del Río Uruguay
is incorporated into the National System
of Protected Areas

2015



FORESTRY RESEARCH CENTER
UPM inaugurates a specialized pulp terminal
at the Port of Montevideo. In Paysandú,
the first Forestry Research Center focused
on eucalyptus is opened

2022



2012
NURSERIES
The second nursery is inaugurated
in Paysandú, along with a Research
and Development laboratory
at the Fray Bentos mill



2016
RECOGNITION
The Food and Agriculture Organization
of the United Nations (FAO) recognizes UPM
as a benchmark for sustainability
in plantation management



2023
PASO DE LOS TOROS MILL
UPM inaugurates its third nursery
in Sarandí del Yí and its second pulp
mill in central Uruguay

OUR OBJECTIVES

The primary objective of forest management is the sustainable production of wood for pulp manufacturing, supplying the Fray Bentos and Paso de los Toros mills with wood sourced from both company-owned and third-party lands.



STRATEGIC OBJECTIVES

Creating value for society is a core part of UPM's strategy. We do this through sustainable products and responsible operations. Our strategy is based on the versatile use of timber, integrating the biological and forest industries to create a future free from fossil fuels, driven by innovation, resource efficiency, and responsibility. This strategy is a response to some of the most pressing challenges facing the world today, including resource scarcity, climate change, biodiversity loss, and water use.

To guide our responsibility efforts, we have defined a set of objectives and performance indicators for 2030 covering three areas: economic, social, and environmental responsibility. Progress against these objectives is reviewed annually, and the results are published in UPM's global Annual Report.

Our strategy, vision, and values guide and motivate us to achieve these ambitious goals, which are also aligned with the United Nations Sustainable Development Goals (SDGs).

AREAS OF RESPONSIBILITY:

At UPM Forestal Oriental, we frame our **strategic objectives** within these three areas of responsibility:

ECONOMIC RESPONSIBILITY

- Creating value for our shareholders through the efficient use of resources
- Ensuring supply chain competitiveness by promoting the continuous adoption of technological improvements
- Promoting responsible production and consumption
- Upholding strong business conduct in decision-making, management, and operations, as well as responsible commercial practices
- Building long-term relationships and open collaboration with suppliers, with a particular focus on those key to our operations
- Ensuring compliance with our Code of Conduct across our entire value chain



SOCIAL RESPONSIBILITY

- Developing a strong organizational culture and a workplace that ensures a diverse and inclusive environment
- Ensuring the safety and health of our employees, contractors, and local communities near our operations
- Supporting the continuous learning and development of skills and competencies across our teams
- Promoting responsible leadership grounded in values and integrity
- Ensuring active engagement with third parties and involvement in our operations, and supporting local development
- Ensuring fair working conditions in compliance with local regulations and applicable international standards



ENVIRONMENTAL RESPONSIBILITY

- Ensuring the sustainable and responsible use of natural resources
- Maintaining and enhancing biodiversity
- Promoting circular economy initiatives
- Supporting forest ecosystem services and climate-positive forestry
- Designing solutions that consider the full product life cycle



An aerial photograph showing a large-scale forest plantation. The left side of the image is dominated by neat, parallel rows of young, vibrant green trees. To the right, the terrain transitions into a more natural, undulating landscape with a winding stream, patches of lighter green vegetation, and some rocky outcrops. The overall scene is lush and green, illustrating the scale and organization of the forest management program.

FOREST ACTION PROGRAM

UPM operates the Forest Action Program – a comprehensive global forest responsibility initiative. Its purpose is to serve as a framework for forest responsibility efforts, drive further activity across all of UPM's wood sourcing regions worldwide, and build knowledge and awareness around the program's five focus areas: climate, biodiversity, water, soil, and social contribution.

THE FOUNDATION OF OUR SUSTAINABLE OPERATIONS



COMMITMENT

We respect people and the environment in which we operate. We act with integrity and build long-term relationships with local communities. Social development is part of our operations and focuses on supporting local communities.



MISSION

Ensure a sustainable supply of wood for pulp production through strong customer relationships and competitive cost efficiency.



VALUES

Our approach to work and people is guided by our core values:

Trust and be trustworthy

Achieve together

Innovate with courage

INTEGRATED MANAGEMENT SYSTEM

We operate through an Integrated Management System (IMS) that organizes internal processes and supports decision-making through data, measurements, and the integration with suppliers. This approach helps us implement a continuous improvement model.

The IMS brings together and consolidates – within a single working framework – the plans, methods, actions, and reviews of the following systems:



This ensures compliance with the highest standards of quality, occupational health and safety, and environmental management.

FORESTRY OPERATIONS ARE STRUCTURED AROUND **THREE CORE PROCESSES**



UPM CODE OF CONDUCT

We aspire to be a trusted business partner and believe that responsible and ethical practices create long-term value, both for the company and for all other stakeholders. We have formalized our commitment to integrity in our Code of Conduct. Our guiding principle is that we do not compromise our integrity standards under any circumstances, and we expect the same from our suppliers and external intermediaries.

All UPM suppliers and external intermediaries must comply with the standards set out in the UPM Supplier and Third-Party Code, or demonstrate compliance with equivalent standards defined in their own code of conduct or company policies. This code defines the minimum performance level UPM requires of all its suppliers and third parties. Additional requirements apply to certain materials and services.

The code is grounded in the ten principles of the United Nations Global Compact Initiative, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work:

PRINCIPLES

- 1** **Commitment to integrity** 
- 2** **Respect for people and human rights** 
- 3** **Care for environmental impact and product safety** 
- 4** **Zero tolerance for corruption and bribery** 
- 5** **Business transparency** 
- 6** **Compliance with antitrust legislation** 
- 7** **Protection of information and assets** 
- 8** **Knowing your business partners** 
- 9** **Engagement with stakeholders and society** 
- 10** **Compliance is everyone's responsibility** 



PROCEDURE FOR REPORTING INAPPROPRIATE BEHAVIOR

At UPM, we are all responsible for upholding the company's integrity and ethical standards. If we become aware of or suspect inappropriate conduct, we are expected to speak up and listen to the concerns of others. We are committed to addressing issues promptly in order to correct them and prevent them from recurring. All employees must immediately report any suspected or observed violations of the law, UPM's Code of Conduct, or other corporate policies, in accordance with established internal procedures.

Anyone can use UPM's Misconduct Reporting Channel, available online in more than 40 languages. Reports can also be made anonymously by calling 000-413-598-5762 using access code 109871.

UPM reviews all reports of misconduct carefully and handles them with strict confidentiality

CERTIFICATIONS

Achieving and maintaining long-term certification requires the implementation of policies, standards, and work procedures that support the protection, monitoring, and responsible management of all company resources and operations.

We publicly reaffirm our long-term commitment to the FSC® Principles and Criteria within the Management Unit, as well as to the related FSC® policies and standards.

We manage a group certification scheme (UPM Forestal Oriental Group Certification, SA-FM/COC-015476), which includes small and medium-sized producers in Maldonado, Lavalleja, Treinta y Tres, Río Negro, Durazno, Cerro Largo, and Paysandú.



La marca del manejo forestal responsable

The Forest Stewardship Council® (FSC®) is an international organization whose mission is to promote environmentally appropriate, socially beneficial, and economically viable forest management worldwide, through a globally recognized set of principles and criteria. Through our operations, and in line with FSC® Principles and Criteria, we support the maintenance of ecosystem functions and biodiversity, contribute to the country's scientific knowledge base, and promote education on environmental conservation.



The Programme for the Endorsement of Forest Certification (PEFC) is an international non-governmental organization dedicated to promoting sustainable forest management through independent certification based on rigorous environmental, social, and ethical standards. Unlike systems that apply a single global standard, PEFC operates as an umbrella framework that recognizes and endorses national forest certification systems. These systems must meet a set of international requirements regarding how standards are developed, as well as the key environmental, social, and legal compliance aspects they must address.

2009

Integrated certification across all processes: Quality (ISO 9001), Environmental (ISO 14001), and Occupational Health and Safety (OHSAS 18001)

2011

Forest Management certification under UNIT 1152, recognized by PEFC

2021

Fourth FSC® recertification for a five-year term, confirming the responsible management of environmental, social, and productive natural resources

2023

Fourth PEFC recertification (PEFC UY System) for a three-year term, and integrated recertification across all processes: Quality ISO 9001, Environmental ISO 14001, and Occupational Health and Safety ISO 45001

2025

- Fifth FSC® Forest Management recertification for a five-year term, confirming the responsible management of environmental, social, and productive natural resources.
- FSC® and PEFC Chain of Custody recertification, ensuring the traceability of wood throughout the entire value chain.
- Integrated recertification across all processes – Quality ISO 9001, Environmental ISO 14001, and Occupational Health and Safety ISO 45001 – consolidating a systematic approach to continuous improvement and risk management.
- FSC® Group Certification recertification, supporting our producers in responsible forest management.

UPM FORESTAL ORIENTAL GROUP CERTIFICATION: FSC® SA-FM/COC-015476

FSC®-C022008

MAP OF CERTIFIED AREAS

TOTAL AREA UNDER FSC® CERTIFICATION
(SGSCH-FM/COC-000606):

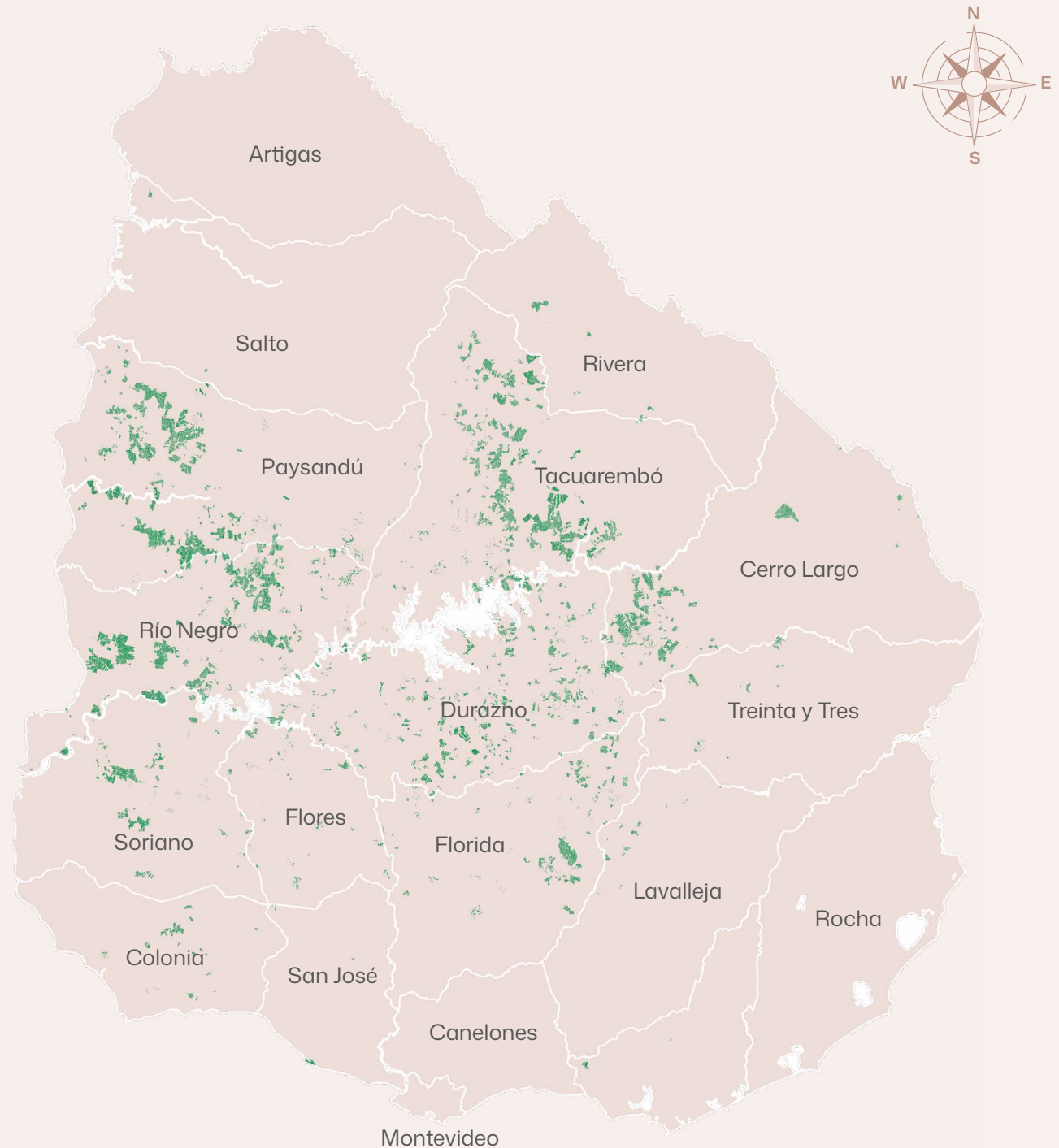
478,459 ha

TOTAL AREA UNDER PEFC CERTIFICATION
(UY11/20080091):

478,459 ha

TOTAL FSC®-CERTIFIED AREA UNDER
THE UPM FORESTAL ORIENTAL GROUP
CERTIFICATION
(SA-FM/COC-015476):

9,711 ha



ASSETS

Forestry assets are the foundation for the sustainability and competitiveness of the business, and form the basis on which the wood supply strategy for the pulp mills in Fray Bentos and Paso de los Toros is planned.

Across our sites, company specialists assess the biophysical environment as well as the surrounding social and cultural context. This allows us to evaluate the potential impacts of our activities. We then plan operations to respect and preserve environmental conditions.

The primary objective of this planning process is to determine the most appropriate land use while safeguarding biodiversity and maintaining soil and water quality—key factors for the long-term sustainability of forestry operations. At UPM Forestal Oriental, we do not convert indigenous woodlands into forest plantations.

AREAS DESIGNATED FOR FORESTRY PRODUCTION

Areas suitable for the growth of eucalyptus plantations, in line with the environmental and land-use planning criteria established by departmental and national regulations.

AREAS DESIGNATED FOR THE CONSERVATION OF SPECIES AND HABITATS

Areas that include natural ecosystems of significance for the conservation of habitats or species – including indigenous woodlands, natural grasslands, sandy areas, and reed beds, among others – as well as other areas of conservation importance such as riparian zones, buffer areas, ridgelines, and similar features. They also encompass sites of archaeological or historical and cultural value, viewsheds, and other relevant areas.

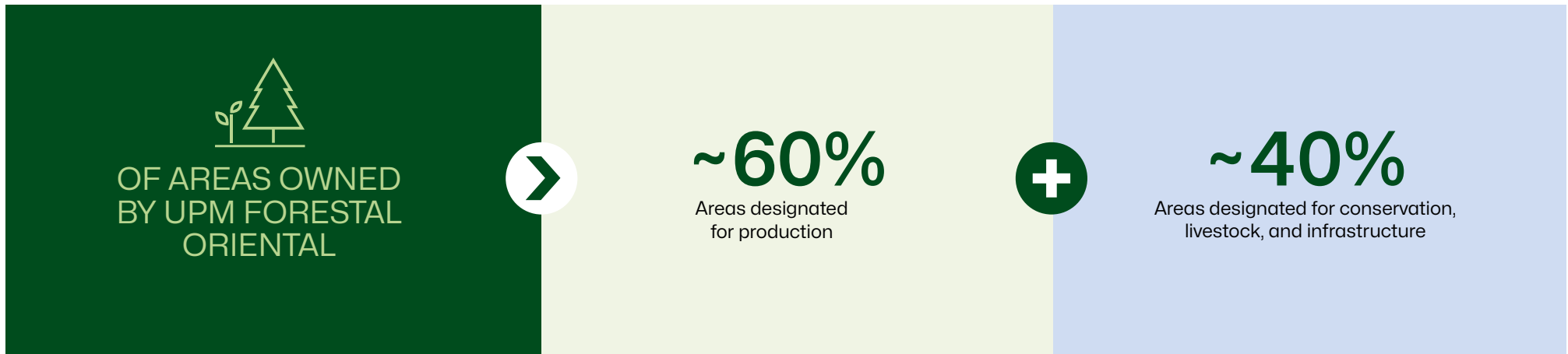
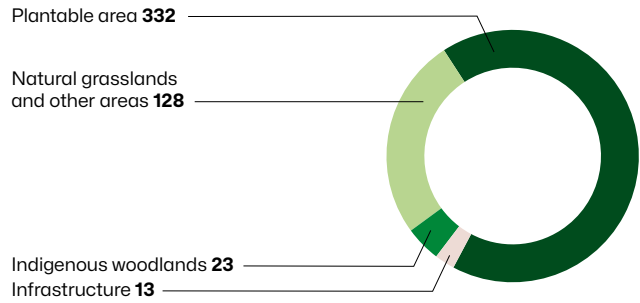
OTHER NON-PLANTED AREAS

Includes infrastructure areas such as roads and service areas, firebreaks, and other areas surrounding the plantations that serve a range of different functions.

Supervisors regularly patrol and monitor operations, with one of their key responsibilities being the control of illegal or unauthorized activities.

Area by ownership (Thousands of ha)		
Ownership Type	Total Area	Plantable Area
Owned	319	190
Forestry Development Program (leased)	177	142
Total	496	332

**Distribution of Total Area by Land Use
(thousand ha)**



KEY SPECIES FOR PLANTATIONS

Eucalyptus grandis and *Eucalyptus dunnii* have shown the highest adaptability to local conditions, including soil types and exposure to frost and drought. Their suitability to the region's soil and climate supports strong growth and overall plantation health. Other species are also planted in smaller areas. While they represent a limited share of the total area, they are still part of our operational plans.

Selecting tolerant and disease-resistant genotypes is a key focus of the Genetic Improvement Program. Materials that show higher susceptibility to pests and diseases are excluded, and only those with greater resistance are used in commercial plantations. Selected materials are monitored throughout their entire growth cycle—from nursery production through to harvest.

Integrated pest management and silvicultural practices are applied to minimize the use of chemical pesticides, while ensuring their efficient and responsible use in line with management objectives.

Plantations are continuously monitored for impacts caused by climatic factors, including frost, wind, fire, and drought.

Area by Species (thousand ha)

Our health monitoring program:

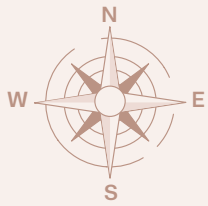
- Detecting and reporting new pests and diseases
- Tracking the incidence and progression of existing threats in the country and the region
- Testing alternative control methods and evaluating their effectiveness, in collaboration with relevant public and private organizations

The data collected is used to identify and report on the main biological, climatic, and other factors affecting plantations, providing a key input for management decisions and the planning of actions in affected areas.

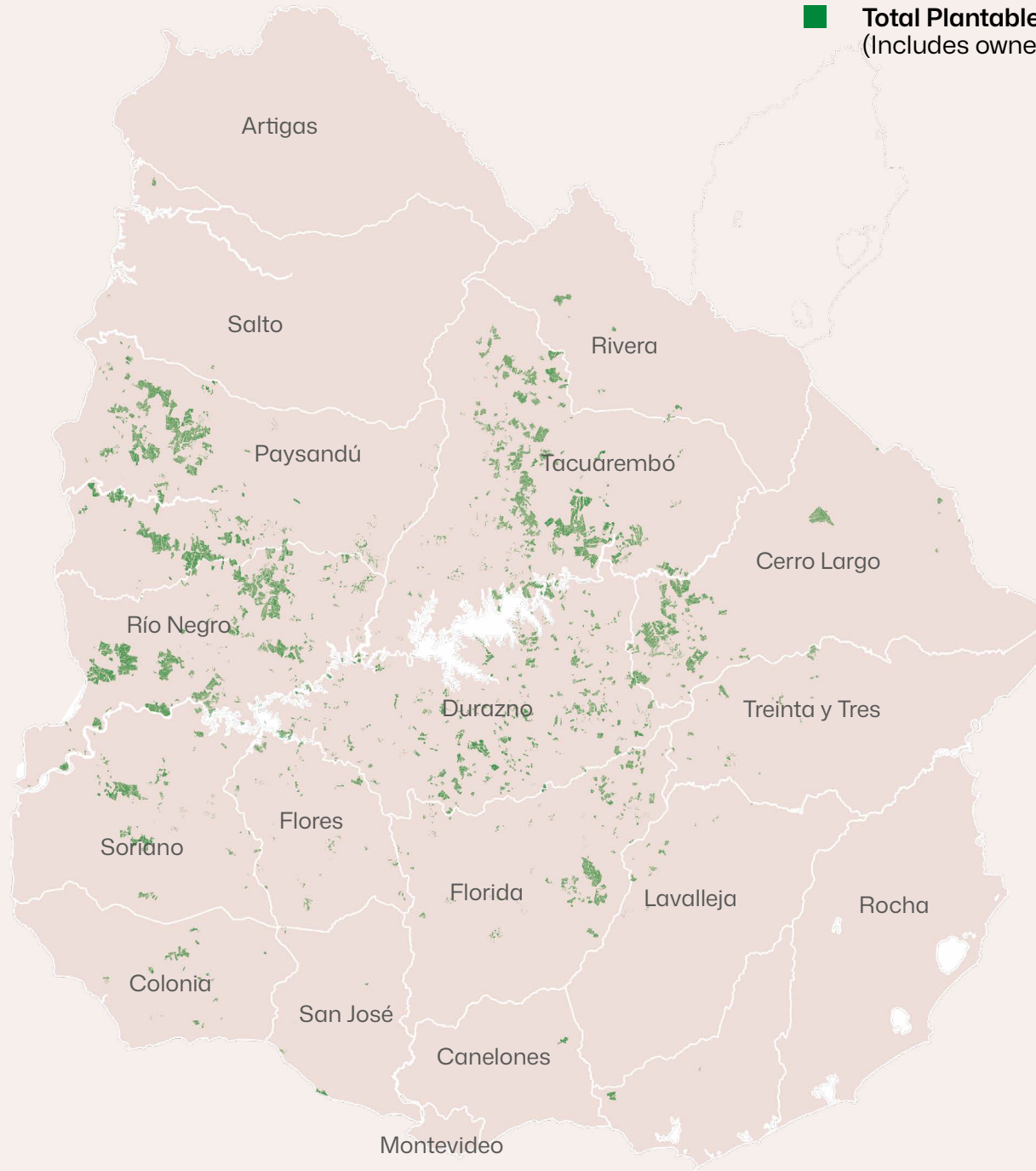
In 2025, replanting reached a record low, falling below historical averages. This performance was primarily driven by strong adherence to the planting plan, avoiding planting during periods of highest thermal stress. Lower frost incidence throughout the year also contributed to a reduced need for replanting.



	Eucalyptus and Pine	Other	TOTAL
Owned	187	3	190
Forestry Development Program (leased)	142	-	142
TOTAL	329	3	332



Total Plantable Area
(Includes owned and leased land)



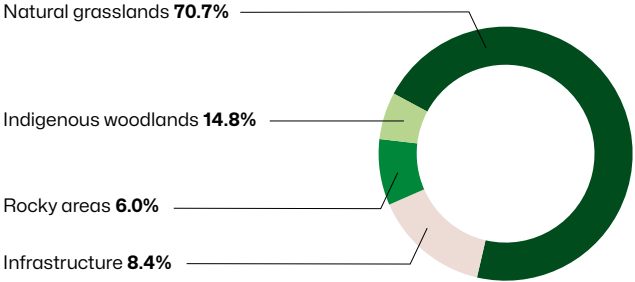
ENVIRONMENT

BIOLOGICAL DATA

Environments

Natural environments are shaped by factors such as climate, geology, soil, flora, and vegetation, and vary across regions and sites. We classify environments using a methodology that combines satellite imagery, soil data, and digital terrain models. They are categorized according to their level of vulnerability, supporting effective management and conservation. The analysis also considers connectivity between more natural environments, as well as the location and size of our reserve areas.

Distribution of Environment Types in Non-Planted Areas



GEOCLIMATIC DATA

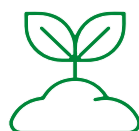
 **TEMPERATURE**
Daily average:
12°C to 25°C

 **PRECIPITATION**
Annual average: **1,200 to 1,500 mm**
depending on the area



GEOLOGY

Plantations in the western region are predominantly located on the Guichón, Mercedes, Asencio, Salto, and Fray Bentos geological formations. In the north-central region, they are mainly established on the Tacuarembó, Cuchilla del Ombú, San Gregorio, Melo, Yaguarí, and Tres Islas formations.



SOILS

Plantations are mainly established on the following soil groups (based on the CONEAT classification):

- **9.1** (*Argisols and Brunisols*)
- **9.3** (*Argisols, Planosols, and Brunisols*)
- **9.3** (*Argisols and Planosols*)
- **7.32** (*Luvisols and Acrisols*)
- **2.12** (*Brunisols and Lithosols*)
- **8.8** (*Luvisols and Acrisols*)
- **9.6** (*Brunisol and Argisol*)



HYDROLOGY

Watercourses within forest management units generally correspond to typical Uruguayan lotic systems, with levels largely driven by rainfall. During rainy periods, surface runoff increases flow levels, while in dry periods, flow depends primarily on groundwater baseflow. Under the current regulatory framework (Decree No. 226/025), water resources are managed to protect water quality, support ecosystem health, and ensure an integrated watershed approach.

COMMUNITY ENGAGEMENT

We operate across five forestry regions spanning 14 departments



Nursery Open House: children and families get a close look at UPM's tools and practices for forest management and wildfire response.

As part of our community engagement strategy, we implement a range of initiatives focused on dialogue, impact management, and supporting local development through the UPM Foundation.

Potential impacts include log transportation, road use, and dust, among others. We identify and classify these impacts in a matrix based on location and activity, with mitigation measures defined and implemented on a case-by-case basis in close coordination with stakeholders. For example, for log transportation, we communicate with local representatives and neighbors, and also use radio announcements. Additional actions are implemented under our Road Safety Program, as detailed in the Transport chapter.

We also conduct social impact monitoring to understand the perceptions of communities and employees. This analysis covers topics such as local economic conditions, forestry activity, environmental management, certification processes, awareness and use of reserve areas, trust in the company, job satisfaction, income levels, safety practices, access to training, and the working environment. This monitoring is conducted every three years, with the next cycle scheduled for 2026.

COMMUNITIES IN OUR AREA OF INFLUENCE

Our area of influence includes communities directly connected to our operations. The list is reviewed and updated annually, and priorities are established based on planned activities with communities to help prevent, mitigate, and address potential impacts.

SIZE

Communities within our area of influence are categorized based on population size:

85%

of our communities have fewer than 500 residents

9%

have 500 to 1,000 residents

4%

have 1,001 to 5,000 residents

2%

have 5,001 to 10,000 residents

Fray Bentos and Paso de los Toros are also included in our area of influence, with populations of more than 10,000 residents

FORESTRY ACTIVITY IN THE SURROUNDING AREA

This classification is updated annually based on forestry activity

Permanent: communities located near forestry operations on company-managed land and/or where operational activities are regularly present

Temporary: communities affected by nearby operations over a limited period of time

Ongoing engagement with communities, together with social impact assessment, provides essential input for annual planning and strategic decision-making.

To support this, we carry out a range of activities:

Stakeholder meetings

Roundtables with different stakeholders to exchange concerns, needs, and development opportunities



Technical sessions

Content is tailored to the specific concerns of each community



Site visits

Guided visits to forestry operations, industrial sites, and biodiversity reserves



Social impact monitoring

Triennial studies to assess impacts and perceptions among communities near operations



Community visits

Direct engagement with local communities to inform them about upcoming activities and gather feedback



Ongoing community engagement and communication

Continuous engagement between our team and local communities fosters open dialogue and provides feedback, including concerns, complaints, and suggestions, that support ongoing improvement.

All feedback related to our operations is recorded as part of management monitoring, in line with established standards.

In 2025, 125 complaints were recorded and categorized, including issues related to road conditions, dust, truck traffic, and fencing, among others. Each case was handled individually, with follow-up actions carried out in coordination with relevant stakeholders to reach a mutually satisfactory resolution. All reported cases have been resolved.

In addition to direct engagement during site visits, feedback can also be submitted through our offices and other communication channels.



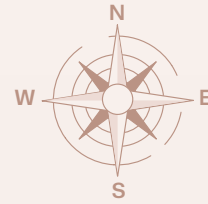
ACTIVITIES
IN 2025:

629

**COASTAL
REGION**

Colonia,
Paysandú,
Río Negro
and Soriano

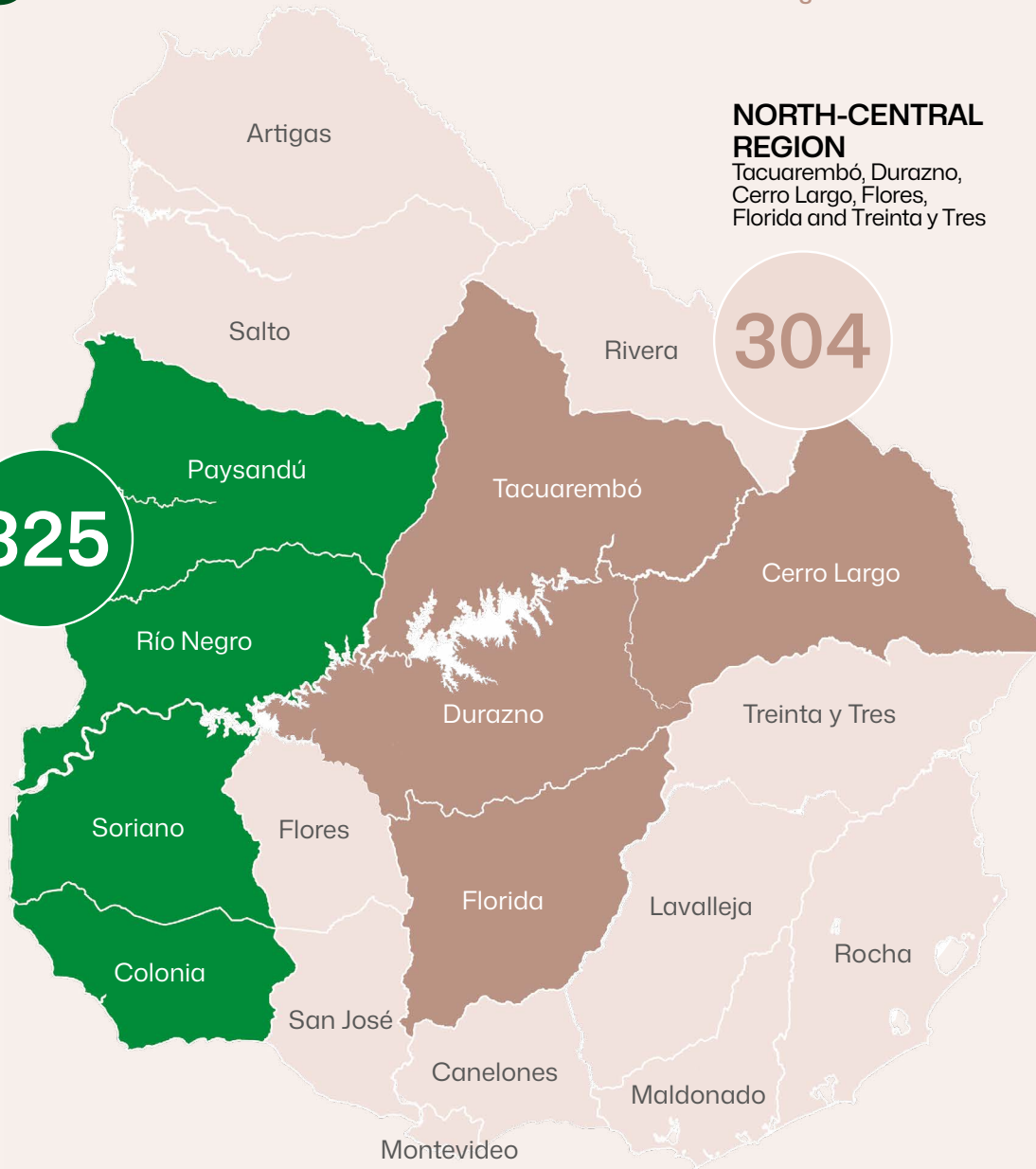
325



**NORTH-CENTRAL
REGION**

Tacuarembó, Durazno,
Cerro Largo, Flores,
Florida and Treinta y Tres

304

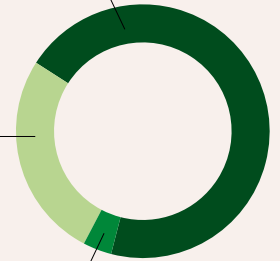


**Community
Activities**

Community outreach:
visits and notifications to local
communities, schools, biodiversity
reserves, and nurseries **440**

**UPM Foundation
programs: 166**

Dialogue: engagement
with key stakeholder
groups **23**



VISITS AND COMMUNITY ENGAGEMENT CONTINUE TO GROW: 4,600 PEOPLE VISITED US IN 2025

In 2025, we welcomed more than **4,600 visitors** across our forestry operations, nurseries, industrial facilities, biodiversity reserves, and port facilities. Approximately 80% were student groups from primary and secondary schools across the country, along with university students. Visitors also included public authorities, land owners, and other stakeholders.

Opening our operations to visitors helps us **demonstrate how we work** and share the principles that guide our activities. These visits help strengthen relationships with local communities and promote transparency by offering a direct view of our processes, standards, and practices. Visits are coordinated by

cross-functional teams who host groups, guide them through the facilities, and address their questions. Their involvement

ensures that each visit is a meaningful experience for learning, connection, and dialogue.





FUNDACIÓN UPM

For more than 15 years, the UPM Foundation has worked alongside communities across the country, helping drive meaningful and sustainable change. It works closely with local stakeholders, supporting initiatives that strengthen education and local development, and developing each project in partnership with organizations and educators.

Projects are implemented alongside educational training scholarships offered throughout the country. All initiatives are led by organizations with recognized expertise in their fields. A five-member Board meets every two months to review new proposals and monitor the progress of ongoing projects.

Submitting proposals

We accept proposals year-round for education and community development initiatives. Individuals and organizations can submit their proposals by email at fundacion@upm.com



A STRONG COMMITMENT TO EDUCATION:

UPM'S FOUNDATION TEACHER SCHOLARSHIP PROGRAM SURPASSED 1,200 SPOTS IN 2025

We believe that professional development opportunities should not depend on distance, cost, or travel. That's why the UPM Foundation brings training, workshops, and learning opportunities closer to communities near its operations. Over the past four years, this strategic focus has significantly expanded both the geographic reach and academic impact of its initiatives.

"It is remarkable that 47% of teachers in our nearby communities—Tacuarembó, Durazno, Paysandú, and Río Negro—have received a UPM Foundation scholarship to date," said Magdalena Ibáñez, President of the organization.

Results for 2025 reflect this progress: 175 communities reached, 20 active projects, and

around 8,000 participants, strengthening local networks among schools, families, and community organizations.

Scholarship recipients are present in more than 140 communities, extending access to specialized training in areas that have historically had fewer opportunities.

Through partnerships with universities and expert organizations, teacher training initiatives combine evidence-based approaches, hands-on practice, and opportunities for reflection on the teaching role. Programs cover key areas such as early literacy, assessment, mental health, and socio-emotional well-being, among other priorities for professional development.



IN 2025, WE DELIVERED
20 PROJECTS IN PARTNERSHIP
WITH **16 SOCIAL ORGANIZATIONS**

14

TEACHER TRAINING
PROJECTS

6

COMMUNITY
DEVELOPMENT
PROJECTS

OUR PROJECTS
REACHED:

~8,000

People participated in activities
throughout the year

1,260

Teacher training scholarships
awarded

144

Communities reached

OUR TEAM

Our people and their capabilities are central to achieving UPM's objectives.

We use tools to identify development needs across our workforce, considering economic, operational, and social sustainability. These tools are designed for both UPM employees and contractor personnel, as well as members of communities near our operations.

We trust our people and take pride in a team that is dedicated, capable, and driven by shared values. These qualities are reflected in the goals we pursue and in the care we bring to our work.

We provide an environment for those who value continuous learning and want to be part of a growing industry. We foster innovation, openness, and collaboration, and we continuously create opportunities for personal and professional development.



EQUITY AND GENDER POLICIES

UPM Forestal Oriental operates in line with UPM's global equity and gender policies. In Uruguay, we promote a range of actions and mechanisms to ensure equity and inclusion across all operations.

Our Code of Conduct

Our Code of Conduct defines the values and ethical standards that guide how we operate. It supports a positive and inclusive work environment and provides a clear framework to navigate a dynamic business landscape and support our operations.

A strong culture of integrity depends on employees feeling confident to raise concerns and trusting that appropriate action will be taken. We are all responsible for upholding this culture through our actions and decisions. Employees are expected to understand and apply the Code of Conduct in their day-to-day work.

All employees participate regularly in Code of Conduct training, reinforcing that every choice matters. Through the Code, we promote an inclusive workplace and maintain zero tolerance for discrimination based on race, age, nationality, gender, or sexual orientation.

At UPM Forestal Oriental, we are committed to values-based leadership that fosters diversity and inclusion. We see diversity and inclusion as a key driver of better decision-making, recognizing that differences in perspectives, experience, and backgrounds strengthen our organization. More diverse and inclusive teams are better equipped to innovate and to build workplaces where everyone feels included and able to contribute.

In 2025, we continued to promote workshops on diversity, inclusion, and workplace harassment.



Equal access to job opportunities

Our recruitment processes are based on objective criteria, with a focus on skills, experience, and role fit, ensuring equal opportunities for all candidates. All vacancies are managed in compliance with Law No. 19,691, and we actively encourage applications from individuals registered in the National Registry of Persons with Disabilities.

CREATING STABLE, QUALITY JOBS ACROSS THE COUNTRY

IN 2025

+5,800

People working across UPM's forestry value chain in Uruguay

443

People joined UPM's forestry team

95%

Of our team lives and works in local communities across Cerro Largo, Durazno, Paysandú, Río Negro, Soriano, and Tacuarembó

54%

Of new hires were women

35

New team members

343

Uruguayan companies provided services in forestry operations

Forestry assets **71**

Nurseries **52**

Log transportation **49**

Contracted harvesting **39**

Silviculture **31**

IT **19**

Planning **15**

Road maintenance **15**

Planning & logistics **8**

R&D **7**

Environment **7**

Occupational Health & Safety **7**

Fire prevention & control **7**

Wood loading **5**

Central offices & facilities **4**

In-house harvesting **3**

Quality **2**

Certifications **1**

Contractor management **1**

71 companies provided services as subcontractors during the year



+5,400

People across the country working in contractor companies



358

Field audits conducted with contractor companies to verify labor, legal, certification, and safety standards. Audit reports are shared with contractors upon completion



TRAINING, WELL-BEING AND COMMUNITY: 2025 HIGHLIGHTS

In 2025, we continued to bring people together around learning and connection. One key milestone was the launch of the tenth edition of our **Forestry Academy**, an induction program for more than 40 new team members.

The program continues into 2026. Through five sessions, participants engage in talks, workshops, and field visits covering all forestry operations, led by experts from across UPM's value chain. In addition to strengthening technical

knowledge, the Academy fosters connections across teams and regions—one of its most valued outcomes.

We also promoted volunteer initiatives around Children's Day, continuing to strengthen our connection with local communities.

Team well-being and sports were another key focus in 2025, with mental health sessions, an internal padel tournament, and two new editions of our Leadership Program for team representatives.

SAFETY AS A CORE VALUE

Our strategic vision reinforces UPM's commitment to occupational health and safety across all operations.



Safety is a core part of how we operate every day. We reinforce this through strong leadership, active participation, and visible engagement from senior management.

We focus on strengthening safety awareness among employees and contractors, fostering a sense of ownership, encouraging teamwork and engagement, and recognizing strong safety performance.

Health and safety are managed through effective communication and capability-building between UPM and its contractors, supporting consistent, high performance across all operations. Continuous improvement remains a key priority.

The management system is continuously updated and strengthened through preventive tools such as operational standards, risk assessments, safety walks, and safety meetings, enabling operations to maintain high standards and strong safety outcomes.



SAFETY

2025 HIGHLIGHTS

+2,800

Safety walks across forestry operations

+1,000

Participants in training sessions and workshops

100%

Of transport companies audited

70

Safety audits conducted with contractor companies

3

Safety meetings with company leaders and HSE specialists

3

Safety bulletins with key updates and results shared with employees and contractors

OCCUPATIONAL HEALTH

We take a multidisciplinary approach to occupational health, focused on managing risks and reducing workplace illnesses and injuries.

2025
PERFORMANCE

+1,500

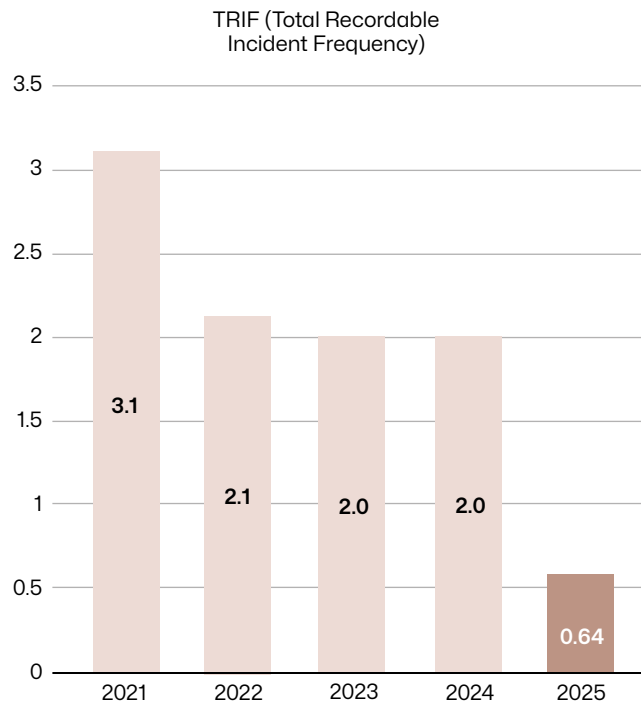
Hours of training on first aid, healthy habits, nutrition, CPR, and more

+120

Employees received flu vaccinations as part of the Annual Vaccination Plan

11

Virtual nutrition sessions led by specialists for all UPM employees



TRIF represents the overall rate of recordable incidents, including those requiring medical treatment, modified duties, and lost-time injuries. In UPM Uruguay's forestry operations, all injury-related incidents are included in the TRIF calculation.

According to ISO 45001, an incident is any work-related event that could result in, or does result in, injury or ill health.

$$\text{TRIF} = \frac{\text{Modified duties} + \text{Medical treatment} + \text{Lost-time}}{\text{Hours worked}} \times 1,000,000$$

* Total recordable incident frequency

TEAMS WITH ZERO RECORDABLE INCIDENTS IN 2025

4

Years - **San Francisco Nursery** and **Sarandí del Yí Nursery**

1

Year - **Santana Nursery, Road Maintenance, Silviculture, and Forestry Assets**



2025: A RECORD YEAR FOR SAFETY IN OUR FORESTRY OPERATIONS

In 2025, we achieved the lowest recordable incident rate in the history of our forestry operations, marking a significant milestone in safety performance. This result includes incidents requiring medical treatment, modified duties, or lost time, and reflects the consistent efforts of all teams involved.

More than 20 contractor companies were recognized for their sustained safety performance over the past three years, highlighting their commitment and operational discipline. These recognitions reflect continuous improvement, consistent application of standards, and strong preventive practices in daily operations.

This achievement reflects a shared commitment to safety as a core value across all teams and contractor companies. Throughout the year, teams strengthened

capabilities through training, knowledge-sharing, and consistent field follow-up.

This milestone reinforces our safety culture while also setting

a clear path forward: to keep improving. We remain committed to strengthening collaboration, advancing preventive practices, and continuing to improve safety across all operations.



INTEGRATED FOREST FIRE MANAGEMENT: A GROWING COMMITMENT

UPM continues to strengthen its forest fire management capabilities, with a strong focus on prevention, supported by early detection, planned resource allocation, and trained response teams.

We conduct annual reviews to ensure compliance with applicable regulations. As part of this process, firebreak and pruning management plans are updated in line with Law 20,238, and UPM participates in inspections conducted by the Forestry Directorate of the Ministry of Livestock, Agriculture and Fisheries.



Key focus areas

- › Prevention 
- › Detection 
- › Suppression 
- › Information analysis 

Annual action plan

- › Ongoing training and development for personnel in prevention, early response, suppression, and restoration of affected areas
- › Strategic planning and allocation of resources for forest fire management
- › Monitoring and ensuring the availability of equipment, tools, and assigned resources

- › Protection of company assets
- › Fire management systems supporting early detection and effective response
- › Safe and coordinated fire response
- › Fire incident analysis and monitoring of affected areas



PREVENTION

Prevention comes first: fire risk is considered across all our activities

We train our teams, contractors, and local communities

We run awareness campaigns across regional media

We promote the use of bee smokers

We regulate high-risk activities based on the INUMET (Uruguay's national meteorological institute) Fire Weather Index and strengthen response measures when these activities take place



OUR ANNUAL TRAINING PLAN COVERS:

- Basic fire response
- Operation of heavy machinery during fire operations
- Investigation of fire causes
- Training for fire truck drivers
- Incident Command System (ICS)
- Training for mid-level supervisors in fire management
- Fire prevention training for beekeepers
- Use of bee smokers

In 2025, we expanded our training programs. Participation increased by 30% compared to 2023, reaching more than 1,000 people, including UPM employees, contractor personnel, beekeepers, and members of local communities.

DETECTION

As part of the O-PAIF (Forest Fire Protection Operation), five new detection cameras were added in 2025, bringing the total to 65 strategically deployed units. The system uses AI to monitor forested areas. The cameras operate year-round and are monitored from a Central Monitoring and Dispatch Center in Durazno. This enables early detection, which is critical to limiting the spread and impact of forest fires. During the summer season, and in areas without camera coverage, up to three daily surveillance flights are conducted to detect smoke or fire, particularly in the southern and eastern regions of the country.

THE SPF FOREST FIRE PROTECTION PROGRAM INCLUDES:

65

AI-powered detection and monitoring cameras for smoke detection

4

Firefighting aircraft equipped for forest wildfire operations

3

Helicopter-deployed brigades

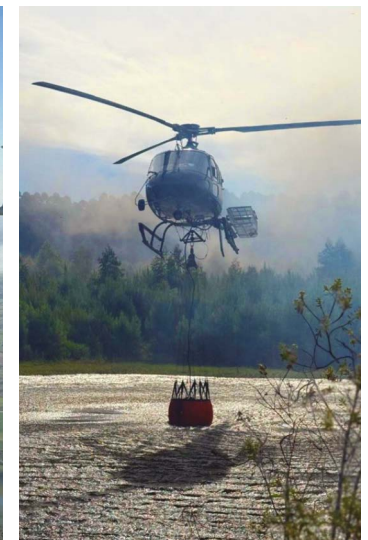
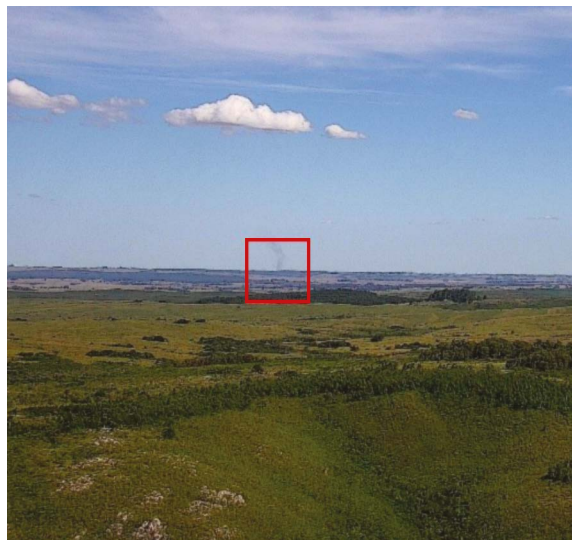
3

Aerial coordination aircraft for command, coordination, and logistics at refueling bases

2

Detection flight routes, with three daily flights depending on fire risk

All of this equipment is monitored and coordinated from the Monitoring and Dispatch Center in Durazno.





RESPONSE

Each season, we strengthen the availability and strategic deployment of firefighting equipment and resources to respond effectively to forest fires and other potential threats to company assets. We conduct emergency drills to improve response capacity and reduce response times, helping to identify corrective actions and opportunities for improvement, while strengthening team readiness.

UPM as a partner in SPF'S Forest Fire Protection Program

UPM Forestal Oriental plays an active role in the Forest Fire Protection Program (O-PAIF) led by the Sociedad de Productores Forestales (SPF - Forest Producers Association), which brings together most of the country's forestry companies. The Monitoring and Dispatch Center

operates year-round, while three helicopter-deployed brigades operate during the fire season from December through March. Additional shared resources—such as firefighting aircraft and water tanker trucks—are deployed based on fire risk.

1

Protects the assets of member companies, focusing on fire prevention, detection, and response



2

All activities are coordinated with the National Fire Department and other national authorities



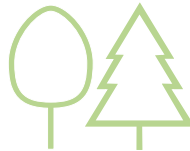
3

Operates year-round



4

In 2025, nearly 90% of the country's forest plantations were protected under this program



5

UPM Forestal Oriental contributes 331,395 hectares of owned and leased land under the Forestry Development Program



6

Seasonal media campaigns promote fire prevention, reinforce fire bans, and share emergency contacts

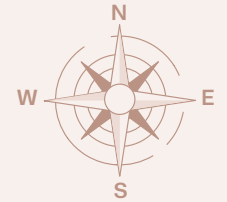



7

The emergency line 098-BOSQUE (098 267 783) enables the public to report fires or smoke sightings, including photos and location details. Reports are quickly assessed, triggering alerts and response actions when needed

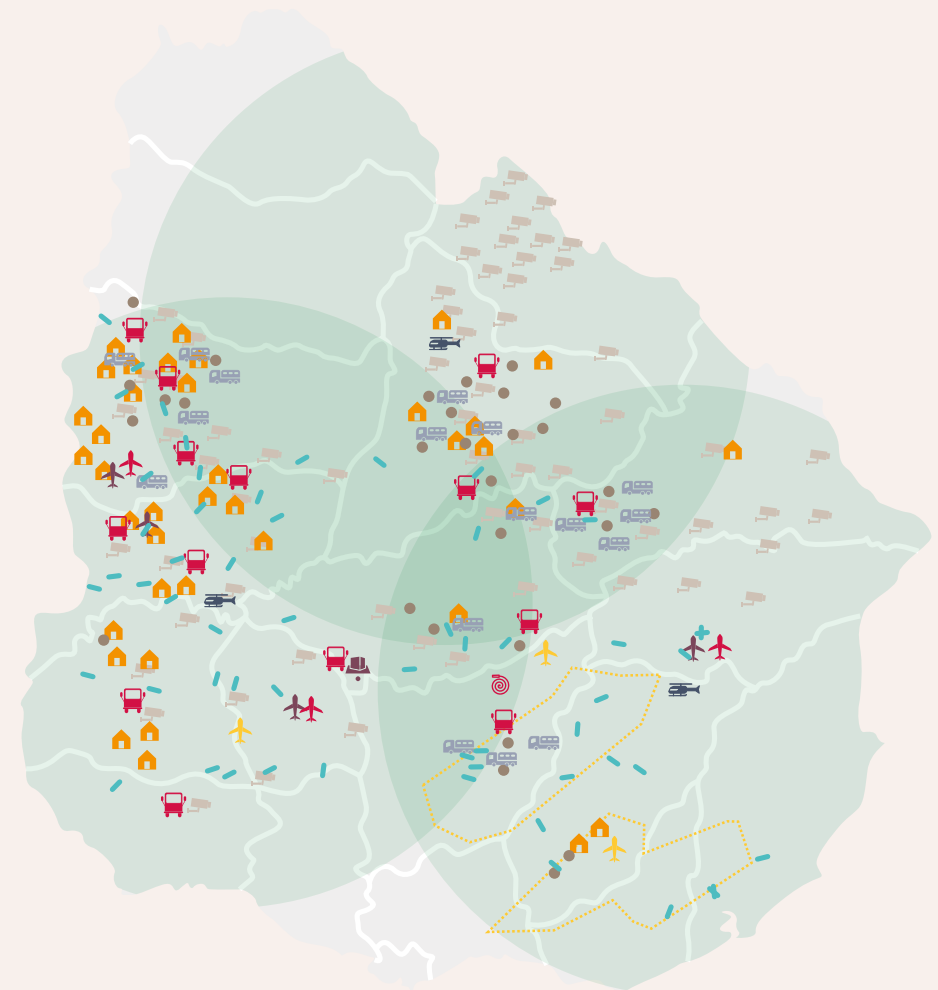


UPM AND SPF EQUIPMENT MAP FOR WILDFIRE DETECTION AND RESPONSE



-  **105** LIGHT FIREFIGHTING VEHICLES/UPM
-  **65** DETECTION AND MONITORING CAMERAS/SFP
-  **47** EQUIPMENT STORAGE SITES WITH FIREFIGHTING TOOLS/UPM
-  **44** AIRSTRIPS EQUIPPED WITH WATER SUPPLY FOR AERIAL FIREFIGHTING/SFP
-  **29** LIGHT FIREFIGHTING WATER TANKERS/UPM
-  **17** SUPPORT WATER TANKERS FOR EXTENDED RESPONSE/UPM
-  **14** WILDLAND FIRE ENGINES/UPM
-  **4** FIREFIGHTING AIRCRAFT/MDP & UPM
-  **3** HELICOPTER-DEPLOYED BRIGADES/SFP
-  **3** COORDINATION AIRCRAFT/MDP & UPM
-  **2** AERIAL DETECTION ROUTES/SFP
-  **1** HEAVY-DUTY FIREFIGHTING VEHICLE FOR HARD-TO-REACH AREAS/UPM
-  **MONITORING AND DISPATCH CENTER IN DURAZNO/SFP**

WATER INTAKE NETWORK MAPPED AND ACCESSIBLE VIA MOBILE DEVICES





PREVENTION THROUGH EDUCATION

We believe that preventing and responding to forest fires is a shared responsibility, and that every action counts.

That's why our prevention talks and firefighting training extend beyond our own teams to reach local communities and other stakeholders across the territory.

In 2025, more than 1,000 people, including children from different communities, participated in the fire prevention sessions we organized. These sessions combined theory with hands-on learning, covering topics such as fire safety at home and forest fires, and included demonstrations of the equipment used in the Sociedad de Productores Forestales (SPF - Forest Producers Association) operation.

PRODUCTION PROCESS

1 PLANNING

Assessing the land for planting, and defining road layouts and conservation areas. All activities are carried out with a focus on protecting environmental attributes.

3 NURSERIES

Production of seedlings from seeds or vegetative propagation

4 SILVICULTURE

Planting in designated areas, based on planning and environmental criteria

5 HARVESTING

Forestry machinery carries out felling, delimiting, debarking, and cutting of trees, leaving logs at the roadside for loading and transport

7 LOADING AND TRANSPORT

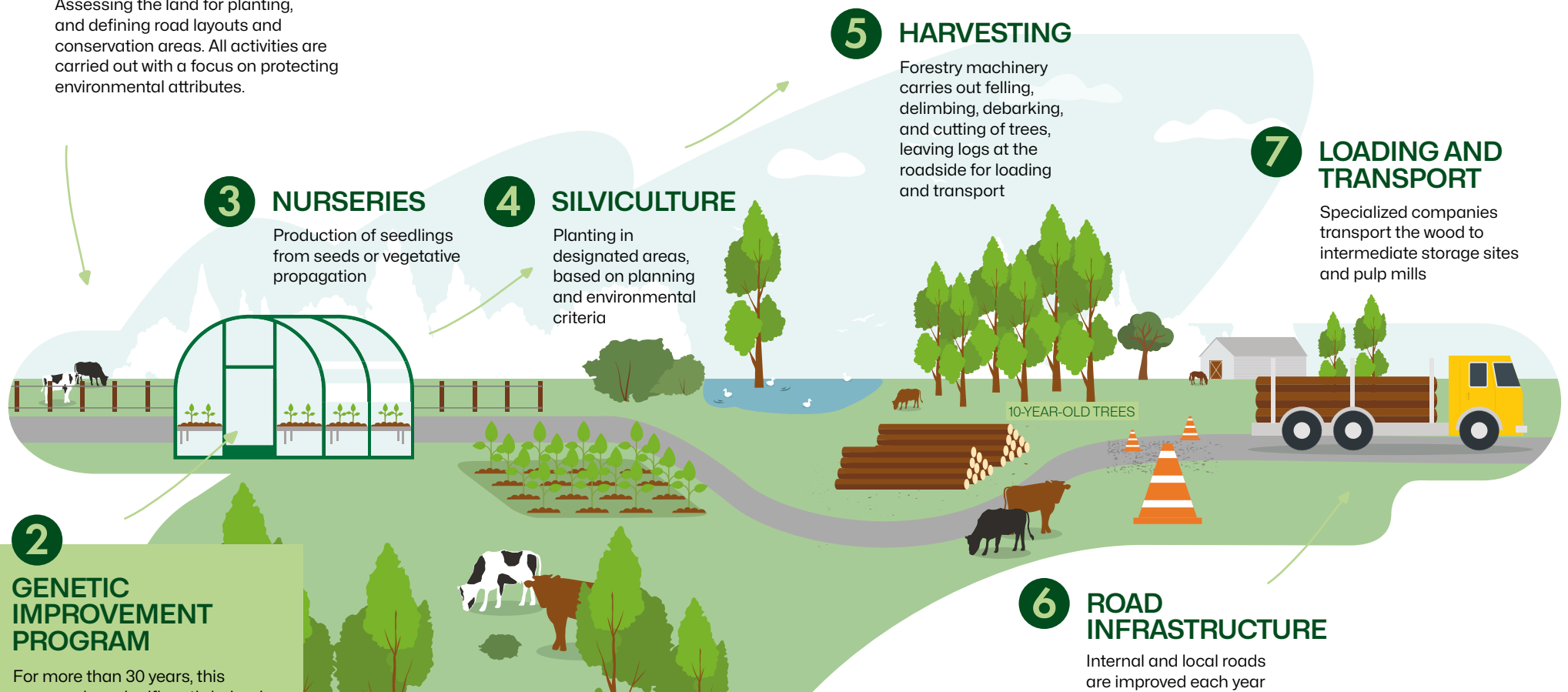
Specialized companies transport the wood to intermediate storage sites and pulp mills

2 GENETIC IMPROVEMENT PROGRAM

For more than 30 years, this program has significantly helped increase yield per hectare

6 ROAD INFRASTRUCTURE

Internal and local roads are improved each year



GENETIC IMPROVEMENT PROGRAM

The program develops and supplies improved genetic material to both UPM and its partner growers, adding value across the value chain.

The program evaluates thousands of trees and selects those with the highest productivity. They are then vegetatively propagated to produce more uniform, higher-performing plantations.

The program does not use genetically modified organisms (GMOs). The main species used are *E. grandis*, *E. dunnii*, and their hybrids. Other species, such as *E. globulus*, *E. maidenii*, and *E. benthamii*, are also used on a smaller scale to improve pulp productivity, reduce wood costs, and enhance adaptability to different site conditions.





NURSERIES

We operate three nurseries with an annual production capacity of over 40 million clonal seedlings. These facilities use advanced technology for eucalyptus propagation, including state-of-the-art greenhouses, computerized climate control, and high-precision irrigation systems. In 2025, more than 80% of plants met high-quality standards, and 85% fell within the target height range.

IN 2025

48M

Seedlings were delivered
for planting



FAMILY DAY AT THE NURSERIES: CONNECTION AND COMMUNITY

Over the year, we held a Family Day at each of our three nurseries—an initiative designed to bring families closer to our day-to-day work and strengthen a sense of belonging.

More than 400 family members participated in these events, which included games, recreational activities, and opportunities to connect in a relaxed setting.

The events helped us to open our nurseries to families, showcase the work carried out there, and create a shared space for teams and their families.





SILVICULTURE

A sustainable wood supply depends on maintaining a stable forest base, built on the right match between site conditions and species.

To support this, we develop and adopt state-of-the-art machinery to simplify operations and improve efficiency.

100%

Of activities monitored via GPS



29k ha

Planted



5k ha

Regrowth



34k ha

Total planted



IDEAL CONDITIONS AND OPERATIONAL EFFICIENCY DRIVE A RECORD YEAR IN PLANTING

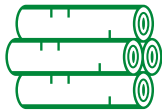
In 2025, silviculture delivered strong results, with 34,000 hectares planted—a milestone driven by a combination of favorable factors.

Weather conditions were exceptionally favorable, both during the autumn planting season and throughout spring and summer. This allowed work to progress with minimal disruption while maintaining quality

At the same time, improved operational efficiency and collaborative strategies

developed with our contractor companies, enabled faster execution in the field. This collaboration helped optimize timelines, improve productivity, and deliver an overall strong year for silviculture.

The year also began with the 'Rosario Pou' Forestry Innovation Award for Forestry Innovation for the ELF 24 project developed together with J. Hartwich, recognizing joint work, continuous improvement, and a commitment to innovative solutions within the sector.



HARVESTING

Harvesting is carefully planned to meet the operational needs of our mills efficiently. This includes factors such as species, plantation age, and growth patterns.

We also assess site-specific conditions, including the presence of protected flora and fauna and proximity to rivers or watercourses, to ensure environmentally responsible operations.

We promote a culture of continuous improvement, focused on optimizing productivity, strengthening competitiveness, and ensuring safe working conditions.

We continuously monitor operations to ensure compliance with environmental standards, minimize waste, and prevent impacts on other wood and non-wood products, as well as ecosystem services.

We also track the time between harvesting and replanting on a monthly basis. In 2025, temporarily unplanted land accounted for 2.3% of total productive area, reflecting our commitment to sustainable forest management.



Eucalyptus

IN 2025

8M

Of m³ harvested

8.49%

Harvest rate

Average yield
(m³/ha)

	Coastal Region	Northern Region	Central-Southern Region
E.grandis	24-32	26-34	22-28
E.dunnii	20-28	24-30	22-26
E.maidenii	15-20	16-20	16-20
E.globulus	07-12	07-11	11-16
E.viminalis	20-28	15-20	18-24
E.benthamii	22-28	24-30	22-26
Pinus sp.	12-16	15-20	12-18

3

In-house harvesting crews

19

Contracted harvesting crews

100%

Mechanized harvesting



LOG TRANSPORTATION

Supplying wood to pulp mills requires careful planning and close coordination across the forestry value chain. Specialized companies handle transportation using operating High-Performance Vehicles (HPVs), including tractor-semi-trailer and multi-trailer configurations.

These vehicles are equipped with advanced safety technology and are designed to optimize load distribution and reduce wear on road infrastructure. Their efficiency also helps reduce carbon emissions and, thanks to their higher transport capacity, cuts the number of trips needed to maintain a steady supply to the mills.



IN 2025

+69M

Of km covered supplying wood to our mills in Fray Bentos and Paso de los Toros

~700

Trucks per day traveled to UPM Fray Bentos and Paso de los Toros on average

350

Trucks in operation

49

Contracted transport companies

ROAD SAFETY IN WOOD TRANSPORTATION

Our program promotes responsible driving, road safety, and awareness of traffic regulations. It is intended for transport company workers, rural communities, public and private institutions, and UPM employees.

UPM-led initiatives



Vehicle scoring system

Aims to improve driving behavior. Each unit starts the month with a maximum score, which is reduced based on deviations from traffic regulations or UPM operational standards. Units may be temporarily restricted from assignments if performance falls below defined thresholds.



GPS monitoring

Speed monitoring, convoy incidents, and route zones



Driver fitness assessments

BTW driving course and on-road monitoring



Quarterly road safety sessions for drivers



Unit checklists



Inspections, incident reports, and monthly road safety guidance from the Accident Prevention Center (CEPA)



Biannual meetings with transport companies



Quarterly safety bulletins



"Cómo Manejo" 24-hour driver hotline (4562 7710)



Accident and fire response drills



Convoy incident tracking

IN 2025

100%

Of transport companies audited under the Road Safety Management System, in line with ISO 39001

9,000

On-road monitoring of fleet performance

+4,500

Vehicle checklists completed across the fleet

+3,600

Drivers trained in road safety sessions

1,100

BTW driving assessments conducted

+800

Driver fitness assessments completed





ROAD INFRASTRUCTURE

IN 2025

+12M

Invested in over 900 km of roads built on owned and third-party land for log transportation to our mills

+1,150

Km of local roads maintained and upgraded in coordination with regional governments

COMPLEMENTARY PRODUCTS FROM FORESTRY OPERATIONS

With the goal of making full use of eucalyptus plantations, UPM promotes the multiple use of resources in coordination with producers and nearby communities.



620

Uruguayan farmers

98,000 ha

Under third-party grazing

158 ha

Average area per farmer

GRAZING

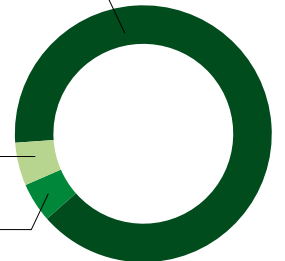
Grazing, carried out by third parties, integrates traditional farming activities with forestry operations. Producers make use of pastures, as well as the shade and shelter provided by forested areas.

Livestock by type (headcount)

Cattle 71,214

Sheep 4,417

Horses 3,631



BEEKEEPING

Institutions and private beekeepers from across the country manage hives within the sustainable environments of our forest plantations—an ideal, certified setting for this activity, supported by the eucalyptus flowering cycle. All beekeepers harvesting honey on company land are required to follow the Good Beekeeping Practices established by the Ministry of Livestock, Agriculture and Fisheries (MGAP). By strengthening professional practices, beekeepers are able to maximize the use of available land and increase productivity. This approach also supports community development and strengthens local institutions through active participation in beekeeping. These institutions are responsible for managing and assigning hive locations within our forest areas.

Participating local institutions

- Calagui Cooperativa Agraria Ltda.
- Coapikol
- Cooperativa Agraria Ltda. Apicultores de Young
- Cooperativa Agraria Sierras del Olimar (CASDO)
- Cooperativa Apicola Conchillas (C.A.C.)
- Liga del Trabajo de Molles (Molles Labor League)
- Sociedad Agraria del Yí Ltda.
- Sociedad de Fomento de Apicultores de Tacuarembó (Tacuarembó Beekeeping Promotion Society)
- Sociedad Fomento Chacras de Porongos (Chacras de Porongos Promotion Society)
- Sociedad de Fomento Rural de Nuevo Berlín (Nuevo Berlín Rural Development Society)



120

Beekeepers

13,268 beekeeping units

On company fields



MUSHROOM HARVESTING

We enable residents from communities near our plantations to harvest mushrooms during autumn and spring. To support this activity, we use a system to identify and train collectors and track their activities. This system ensures safe and organized harvesting and provides local producers with an additional source of income.

FORESTRY DEVELOPMENT PROGRAM

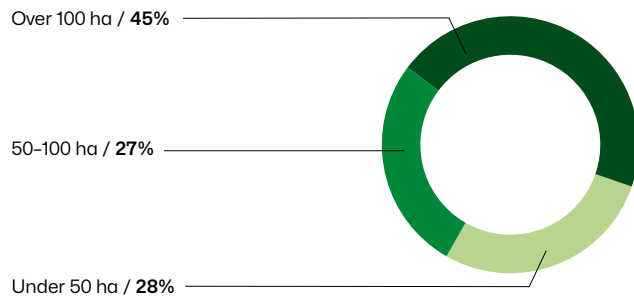


Since 2005, the Forestry Development Program has grown alongside land owners, sharing knowledge and providing access to the technology and genetic material needed to support the successful integration of forestry into their operations.

This partnership offers producers an additional source of income diversification, while also delivering benefits to their farms, such as shade and shelter for livestock.

Each project is assessed individually to design plantations that meet both producer and company needs, in compliance with national environmental regulations, high quality standards, and international certification requirements.

Our objective is to supply a significant share of the wood required by the Fray Bentos and Paso de los Toros mills through participating landowners.



Partner institutions under cooperation and production agreements:

- Asociación Civil Servicio Mutuo de Bienestar Social de Funcionarios y ex Funcionarios IMM (Mutual Service of Social Welfare for employees and former employees of Montevideo's Municipal Administration)
- Asociación Rural de Soriano (Soriano Rural Association)
- Caja de Jubilaciones y Pensiones Bancarias (Bank retirement and pension fund)
- Caja de Jubilaciones y Pensiones de Profesionales Universitarios (Bank retirement and pension fund for university professionals)
- Caja Notarial de Seguridad Social (Social Security Notarial Savings Bank)
- Federación Uruguaya de los Grupos Crea (FUCREA) (Uruguayan Federation of Crea Groups)
- Sociedad Fomento de Flores (Flores Development Partnership)
- Unión Rural de Flores (Flores Rural Union)



+900

Partner Producers

173 mil ha

Suitable for planting

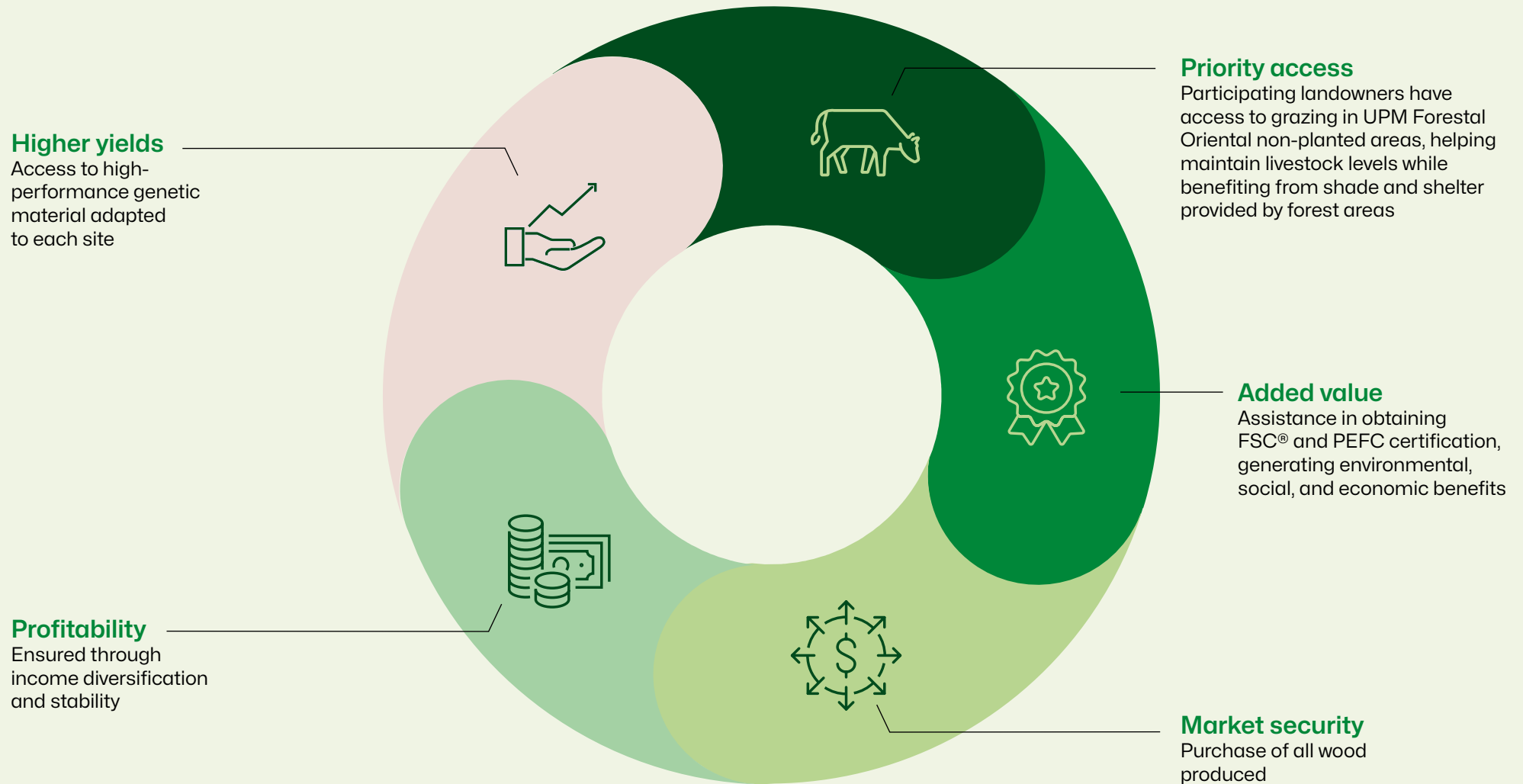
142 mil ha

Forestry Development Program (leased)

31 mil ha

Forestry Development Program (owned)

WHAT OTHER BENEFITS DOES THE FORESTRY DEVELOPMENT PROGRAM OFFER LAND OWNERS?



20 YEARS WORKING WITH LAND OWNERS TO DRIVE DIVERSIFICATION IN URUGUAY

In 2025, our Forestry Development Program marked 20 years since its creation—a significant milestone that reflects its ongoing role as a trusted partner for land owners in diversifying their production. The year also marked the

appointment of Rodrigo Soto as the new Commercial Manager, bringing a strategic perspective shaped by his experience within the company and the sector. His appointment signals the beginning of a new phase, strengthening the program's trajectory with a continued

focus on close relationships with producers and on expanding the network of producers who trust UPM for their business. Ahead of the harvest season in some participating landowners' fields, the program held its traditional pre-harvest sessions, which each year bring together

producers and UPM's technical teams.

These sessions provided an opportunity to update key information, share insights, and reinforce a shared commitment to responsible, well-managed, and long-term production.



RESPONSIBLE ENVIRONMENTAL MANAGEMENT

At UPM Forestal Oriental, we are committed to respecting people and the environment as part of an integrated approach, building long-term, mutually beneficial relationships with communities. We work to maintain strong environmental performance across all operations and contribute meaningfully to biodiversity conservation. We continuously manage the environmental aspects of our operations, using them as the basis for setting annual objectives and developing detailed environmental programs with defined measures, timelines, and responsibilities. Progress toward these objectives is regularly monitored.



Objectives

Our main environmental objectives are:

1

Ensure forestry practices deliver positive impacts while minimizing environmental impacts



2

Ensure full compliance with environmental requirements



3

Contribute to the conservation of sensitive ecosystems and biodiversity



4

Maintain our leadership in environmental management at the national level



To achieve these objectives, we implement a range of targeted actions, including:

- Maintaining a network of biodiversity reserves
- Monitoring key environmental values through structured programs
- Adopting technologies that enhance environmental performance
- Identifying, assessing, and managing significant environmental aspects
- Strengthening environmental management capabilities across the organization
- Building partnerships and cooperation agreements with local key institutions (UDELAR, CENUR, Vida Silvestre Uruguay, IPEF-PROMAB, independent experts, among others)
- Further integrating environmental management and indicators into decision-making



HOW WE WORK

Before starting operations, we assess each area to identify key environmental and social values within our managed areas, as well as other aspects that may be affected by our activities.

These assessments are conducted at appropriate levels of detail and frequency to identify potential impacts—both positive and negative, current and future—across scales ranging from stand level to the broader landscape, while ensuring culturally appropriate engagement with affected and interested communities.

Based on these assessments, we plan and implement actions to prevent and mitigate potential impacts on environmental and social values, taking into account their scale, intensity, likelihood, and potential exposure to natural events.

IN 2025

77,281

Ha of natural areas under UPM management and protection

+4,000

Employees and contractors trained in spill response, chemical handling, wildfire prevention and response, operational procedures, and certification requirements

+3,200

Ha treated to control invasive woody species

160

Environmental monitoring rounds conducted to verify compliance with environmental requirements





FSC® ECOSYSTEM SERVICES CERTIFICATION STRENGTHENS OUR COMMITMENT TO BIODIVERSITY IN URUGUAY

In 2025, we achieved a new milestone in the recognition of responsible forest management across our operations in Uruguay, expanding the scope of our FSC® Forest Management Standard certification to include the “Maintenance of an ecologically sufficient network of conservation areas” as an ecosystem service.

What does this certification mean?

It confirms that UPM’s biodiversity conservation strategy has a verified, documented, and reported positive impact, as demonstrated through an independent audit in line with FSC Ecosystem Services procedures.

“Biodiversity is not only part of our environment—it is central to UPM’s sustainability strategy. This achievement reflects our long-term

commitment to responsible management and conservation,” said Iván Grela, Biodiversity Coordinator at UPM in Uruguay.

“The concept of Biodiversity Reserve Network has transformed how we manage these areas, both individually and as a whole. We currently manage 35 biodiversity reserves across the country, representing a significant share of Uruguay’s biodiversity in both species and ecosystems,” he added.

What is an ecosystem service? Ecosystem services are the benefits that nature provides to society, such as water regulation, carbon capture, food provision, pollination, soil protection, and access to nature. This certification recognizes UPM’s contribution to biodiversity conservation through its network of conservation areas.

This milestone reinforces UPM’s role in advancing sustainable forestry practices that integrate production with ecosystem protection.

ENVIRONMENTAL PROTECTION AND IMPACT MANAGEMENT

We conduct site-specific assessments of potential environmental impacts from forestry operations and document them when they are considered significant.

Based on these assessments, we develop programs and procedures that define best operational practices, including measures to prevent, mitigate, and offset potential negative impacts. These incorporate legal, corporate, and key certification requirements. For higher-impact activities, we also carry out site-specific microplanning.

To ensure compliance with environmental standards, we implement continuous and proactive monitoring of operations. This enables us to assess adherence to plans, working methods, and available resources, while also identifying deviations early and taking corrective action.

This approach allows us to systematically evaluate the environmental performance of our operations.

Environmental rounds are a key internal management tool. They are used to verify compliance during operations and to proactively identify any deviations or opportunities for improvement.

Key environmental aspects of our operations include:



Plantation footprint



Soil operations



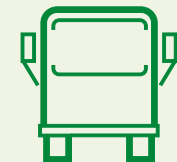
Chemical use



Solid waste



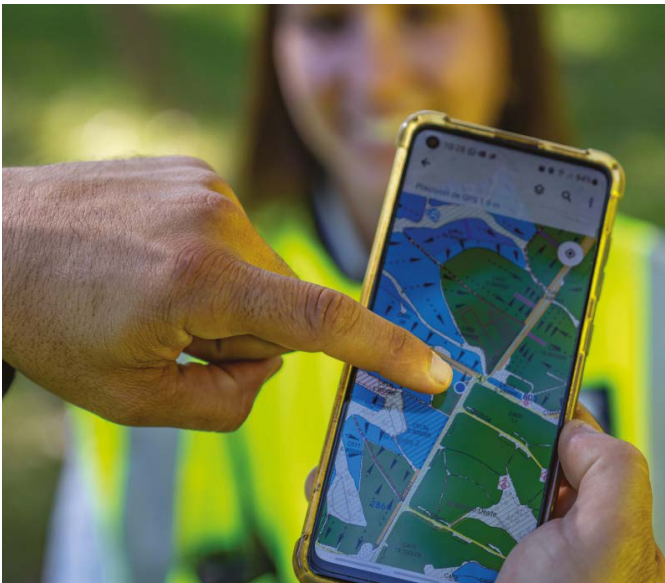
Particulate emissions



Transport activities

Examples of actions to minimize potential operational impacts:

- Identification of areas for biodiversity conservation and integration into the Biodiversity Reserves Network
- Careful plantation design, including the delineation of sensitive areas and proper placement of roads, quarries, ponds, and other infrastructure
- Identification of landscape features of interest and consideration of viewsheds in plantation design
- Coordination with operations to ensure activities follow established standards and minimize environmental impacts
- Implementation of measures to prevent erosion and soil compaction and to maintain soil fertility
- Minimization of traffic in sensitive areas such as drainage zones, lowlands, streams, flood-prone areas, and habitats of key species
- Cleaning of machinery, workwear, and equipment in designated areas
- Implementation of spill prevention and control procedures
- Waste management through specialized companies authorized by government institutions
- Minimization of the time between harvesting and replanting to protect environmental assets, particularly soil
- Responsible use of approved agrochemicals and fertilizers





ENVIRONMENTAL VALUES AND ECOSYSTEM SERVICES

SOIL

The soil monitoring program covers the main CONEAT groups (Uruguay's national soil classification system) and the most relevant soil types within each group. New monitoring sites are incorporated annually, as needed, to ensure comprehensive coverage.

At each site, samples are collected from both planted areas and adjacent unplanted areas. Measurements are repeated every five years (approximately twice per forest cycle).

As of the end of 2025, the program included more than 105 paired sampling sites, with over 80 having two or more measurement records.

Plantations are established primarily on soils classified as “forestry priority” land. Since 2010, we have implemented a soil monitoring program for planted areas, with the following objectives:

- Identify potential changes in the physicochemical properties of soils resulting from changes in land use
- Evaluate the relevance of corrective measures to ensure productive and environmental sustainability
- Use the findings as an additional tool when reviewing procedures

IN 2025

105

Paired sampling sites with over 80 having two or more measurement records

Results indicate that soils under forestry use, similar to other land uses, experience changes in some chemical properties over time. These changes do not lead to significant environmental impacts and are easily reversible through conventional agronomic practices.



LANDSCAPE STEWARDSHIP



Landscape is a social value, and we manage it responsibly through active engagement with communities, especially in areas where forestry is still developing. Plantation design considers landscape characteristics, including the mosaic of species, sizes, ages, spatial scales, and regeneration cycles.

We aim to balance production with conservation by assessing the landscape as a whole, beyond property boundaries, and adjusting plantation design as needed, based on scale, intensity, and potential risks.

ECOSYSTEM SERVICES



Ecosystem services are the benefits ecosystems provide to society, contributing to health, economic activity, and quality of life. By conserving biodiversity and functional diversity, we contribute to maintaining the structure and functioning of ecosystems. Carbon sequestration is a key ecosystem service generated by forestry activities.

ATMOSPHERE



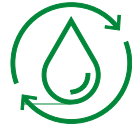
As part of UPM's commitment to the 2030 Sustainable Development Goals, forestry plays an important role in carbon sequestration, contributing to climate change mitigation.

At UPM Forestal Oriental, we implement a range of initiatives to measure and manage emissions, including:

- Identifying, managing, and tracking emissions and carbon capture
- Contributing data to UPM's global annual emissions and carbon reporting
- Monitoring trends in soil organic carbon

Further information is available through our communication channels listed in the Contacts section of this report.

WATER RESOURCES



The hydrological monitoring program aims to understand and quantify the influence of forest plantations on water resources, assess the hydrological cycle and water quality, and provide information to support long-term management and conservation.

Results indicate that mature forest plantations use water efficiently, with slightly higher consumption than previous land uses (mainly natural grasslands), while maintaining positive water balances (precipitation exceeds water use). As a result, water availability for other uses is not affected.

No changes were observed in the trends of the parameters analyzed as forest cover increased across the river basins studied, whether at low, medium, or high levels of forest coverage. In general, the results for the physicochemical parameters analyzed fall within the water quality objectives established for surface water under current regulations.

No quantifiable concentrations of agrochemicals were detected in the samples analyzed. The limit of quantification represents the lowest concentration measurable with acceptable accuracy and precision, ensuring the reliability of the results.



ACTIVIDADES DE MONITOREO HIDROLÓGICO

RESUMEN DE LOS PRINCIPALES PROYECTOS EN MARCHA

Project	Objective	Location	Start Date	Duration
Paired Catchment Study	Understand the influence of eucalyptus plantations on water balance at a local and regional scale, as well as on surface water quality	“La Nueva Esperanza” (near the town of Paso de los Mellizos, Río Negro) and “El Viraró” (near the town of Los Cuadrados, Tacuarembó)	“La Nueva Esperanza” 2007–2010: Calibration 2011: Planting and monitoring begins “Viraró” 2011–2015: Calibration 2016: Planting and monitoring begins	Long-term project (20 years)
Surface Water Quality Monitoring	Assess changes in the physicochemical properties of watercourses in catchments near eucalyptus plantations	8 sub-catchments 10 watercourses 26 monitoring points	2011: Monitoring begins in five Order 3 catchments 2018: Program expanded in line with DINACEA requirements (Uruguay’s National Directorate for Environmental Quality and Assessment) under Environmental Management Plans, including additional monitoring points	Long-term project (20 years)
Water Quality and Suitability for Use	Assess water quality at facilities with wells used for human supply and classify water according to suitability for use	All wells on properties under UPM Forestal Oriental management	2010: Systematic monitoring begins	Annual indicator
Water monitoring in the Santana nursery area	Establish a baseline for water quality prior to nursery installation and track its long-term evolution	Three monitoring points on tributary streams of Arroyo Santana and four monitoring points on Arroyo Santana itself. Two piezometers for groundwater monitoring on nursery property.	2011: Baseline characterization and definition Monitoring begins in Arroyo Santana Piezometer monitoring begins 2012: Full monitoring underway	Long-term project (20 years)
Water monitoring in the San Francisco nursery area	Monitor the evolution of water quality in watercourses adjacent to the nursery and track the performance of the wastewater treatment plant (WWTP)	Five sampling points, two of which are located on Arroyo San Francisco	2016: Monitoring begins	Long-term project (20 years)
Water monitoring in the Sarandí del Yí nursery area	Establish a baseline for water quality prior to nursery installation and track its long-term evolution	Four monitoring points: one on a tributary stream, one at the reservoir outlet, and two on the Yí River	2020/2021: Baseline characterization and definition 2022: Monitoring begins	Long-term project (20 years)

HABITATS AND BIODIVERSITY



Biodiversity conservation is central to our environmental management strategy.

When planning our activities, we consider four key dimensions:

Managing diverse landscapes that provide multiple ecosystem services



Identifying and conserving valuable habitats



Identifying and conserving priority flora and fauna, particularly species not represented in Uruguay's National System of Protected Areas (SNAP)

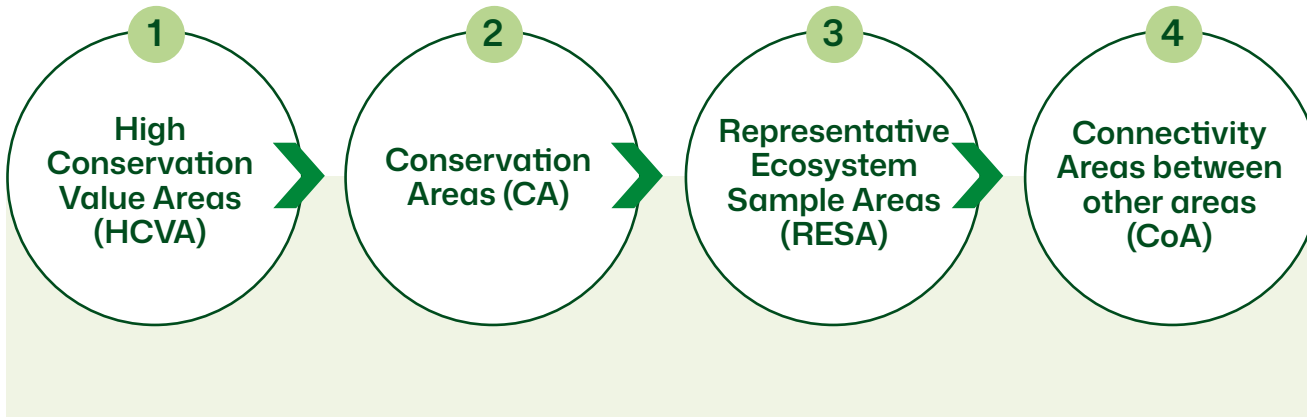


Controlling invasive species—especially woody species—to protect the environmental value of natural ecosystems



HOW DO WE APPROACH BIODIVERSITY CONSERVATION AND RESTORATION?

We manage more than 75,000 hectares of natural areas for conservation. Based on their attributes, these are classified into four categories of non-planted areas dedicated to conservation:



We maintain a network of biodiversity reserve areas – comprising High Conservation Value Areas and Conservation Areas – that contributes significantly to biodiversity conservation at the landscape, ecosystem, and species level. Our internal standards and operational guidelines include specific requirements for the protection of native species and ecosystems, particularly those that are threatened or at risk. The network operates under defined and measurable management objectives, both at the network level and for each individual area. This approach has made a meaningful contribution to biodiversity conservation in Uruguay.

Natural areas for conservation	
Category	TOTAL (ha)
HCVA	7,659
CA	7,969
RESA	8,354
CoA	46,852
Total	77,281

HCVA: High Conservation Value Areas
CA: Conservation Areas
RESA: Representative Ecosystem Sample Areas
CoA: Connectivity Areas between other areas

Since 1991, we have identified areas of high value that require conservation. New sites are regularly added as our operations expand into new ecoregions.



ONGOING BIODIVERSITY MONITORING

We have conducted biodiversity surveys across different forest sites since the beginning of our operations. Specific indicators have been established for High Conservation Value Areas (HCVA) and are evaluated annually in line with FSC® requirements.

Since 2019, additional indicators required by environmental authorities have been incorporated to assess the condition of ecosystems.



IN 2025 WE RECORDED



1,197
Plant species



212
Bird species



106
Fish species



27
Amphibian species



21
Mammal species

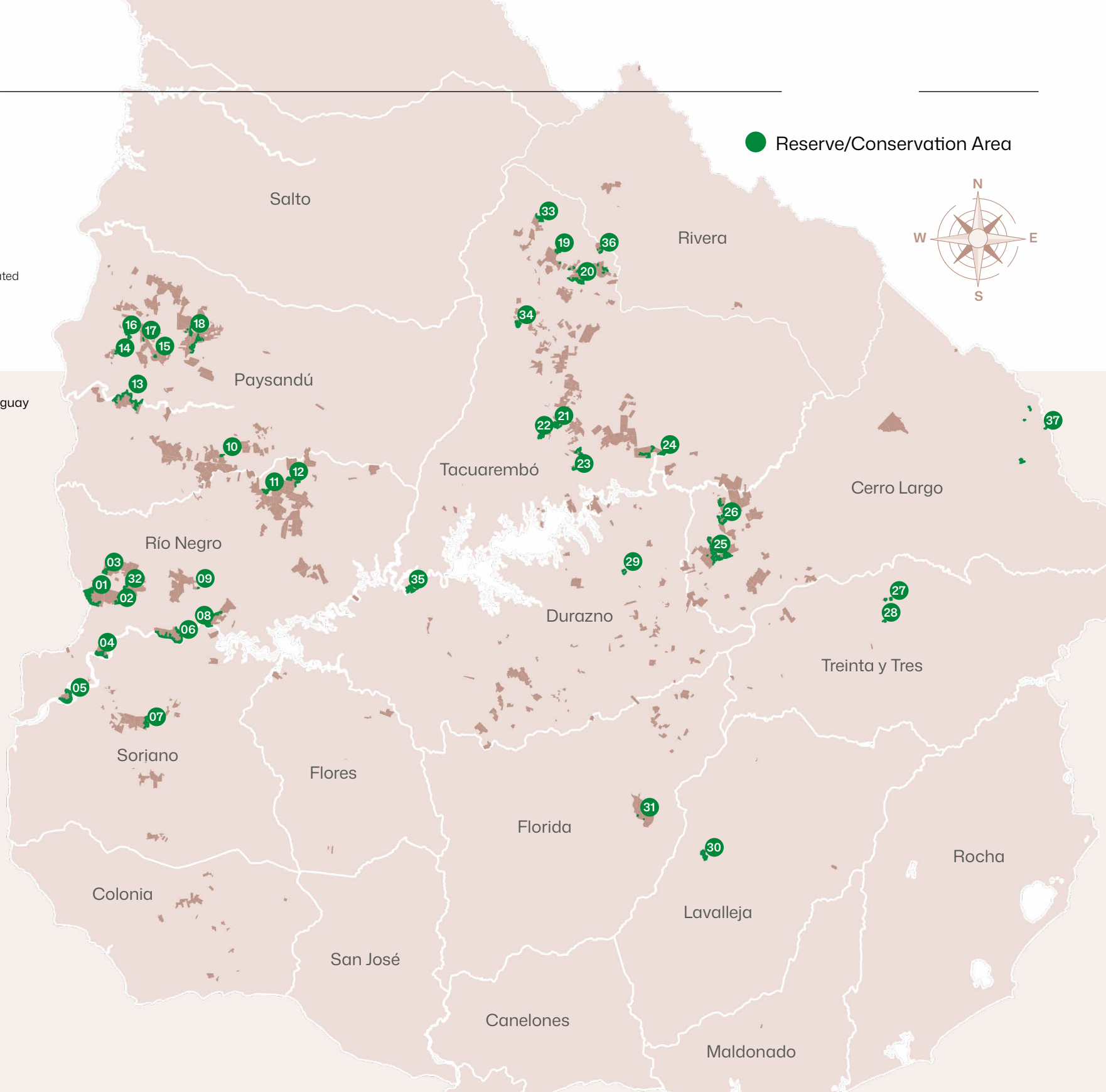


17
Reptile species

UPM'S BIODIVERSITY RESERVES IN URUGUAY

A total of 35 reserves are primarily dedicated to biodiversity conservation (Biodiversity Reserves). Two additional reserves focus on preserving paleontological and historical-cultural values.

01. Esteros y Algarrobales del Río Uruguay
02. Mafalda Este
03. El Rosario
04. Barrancas Negras
05. El Cerro
06. Bloque Jabalí
07. Coquimbo
08. La Trinidad
09. Viraroes
10. El Refugio
11. Las Tunas
12. El Ombú
13. El Retiro
14. El Pucará
15. Santa Carolina
16. Chasicó
17. El Carretón
18. San Pedro
19. El Retorno 2
20. Cerro Agudo
21. Arroyo Malo
22. El Alero III
23. Lambaré
24. La Rinconada
25. La Palma
26. Peñarrosa
27. Quiebrayugos 2
28. Quiebrayugos
29. Palmares de las Cañas
30. Los Gauchos
31. CJPP-Arteaga
32. Coladeras
33. El Tala 2
34. Porto Veloso
35. El Cencerro
36. La Corona/La Tuna
37. Sierra de los Ríos



FAUNA

Through field surveys, we assess the composition of wildlife across company-managed areas. We have identified tetrapods from the following classes: amphibians, reptiles, birds, and mammals. Notable species recorded include the tamandua and the margay.



IDENTIFIED ON OUR LANDS:

64%

Of Uruguay's tetrapod species

75%

Of priority conservation species in SNAP* areas (excluding marine species)

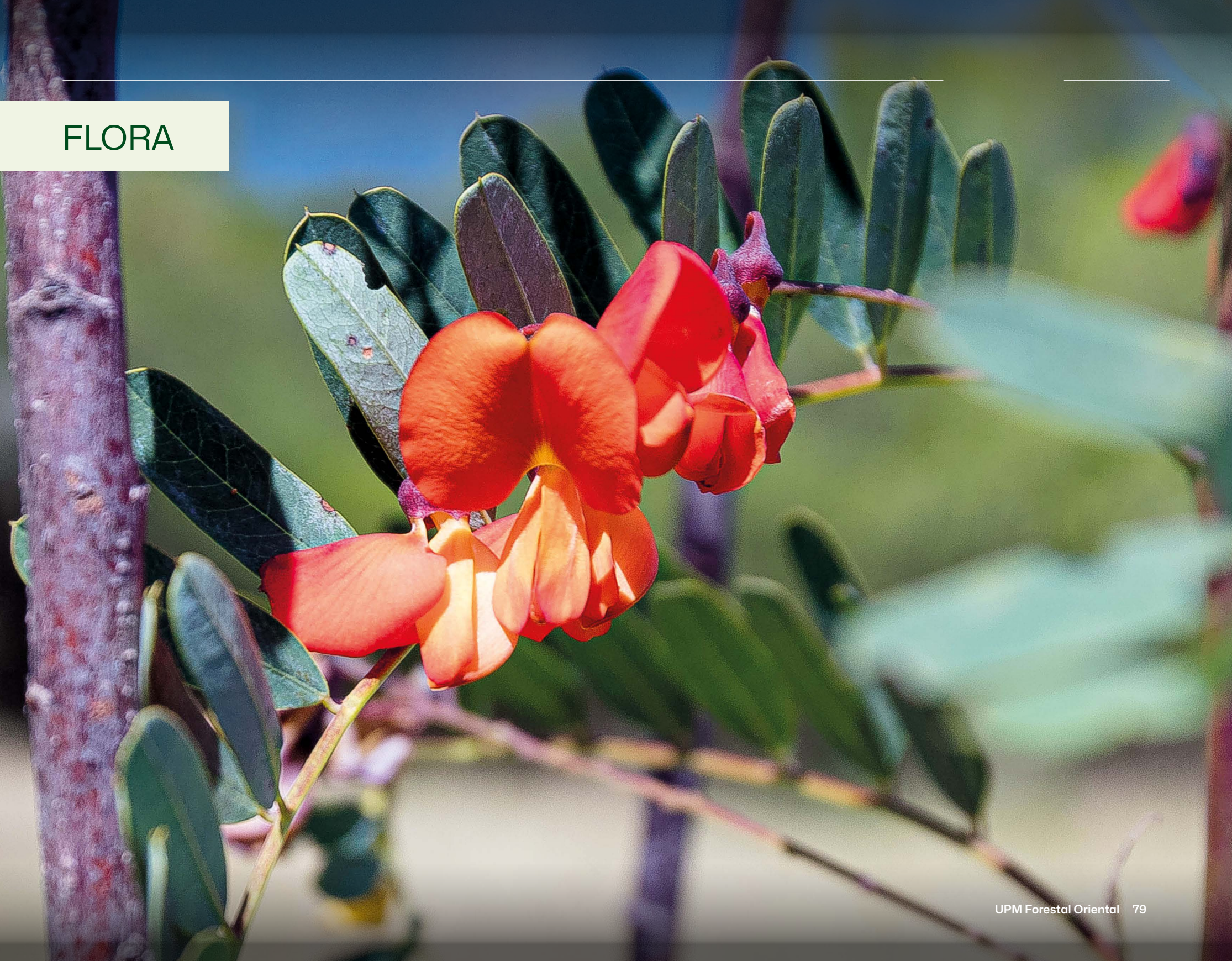


Tetrapod species identified since 1992



	Non-marine birds	Terrestrial mammals	Reptiles	Amphibians	TOTAL
Total species in Uruguay	410	89	72	47	618
Recorded in UPM Forestal Oriental areas	276	49	37	36	398

FLORA



IDENTIFIED ON OUR LANDS:

71%

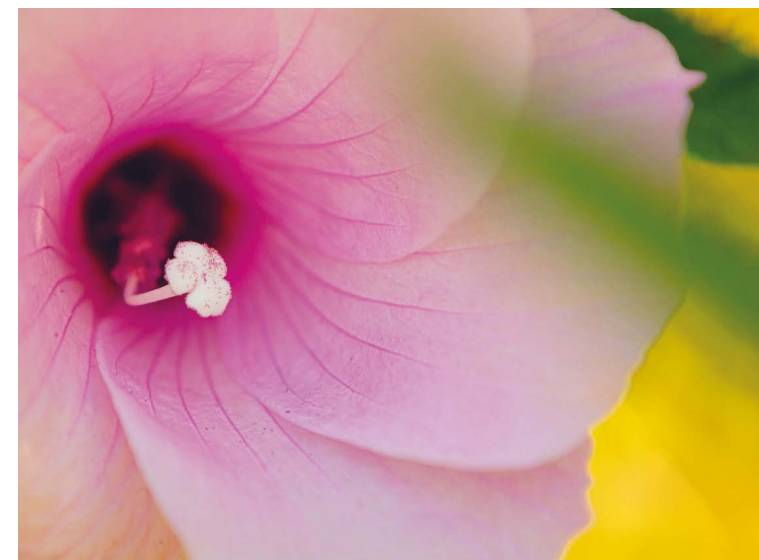
Of Uruguay's plant species

33%

Of priority plant species for conservation

33

33 plant species were recorded for the first time in Uruguay on UPM-managed lands, increasing the country's known plant diversity. These include *Chloraea bella* (Orchidaceae), *Conyza lorentzii* (Asteraceae), *Leptochloa chloridiformis* (Poaceae), and *Ipheion tweedianum* (Alliaceae). In addition, a new species for science was discovered on our lands: *Antiphytum charruasorum* (Boraginaceae).



Over the past five years, we have recorded 61% of Uruguay's native plant species, demonstrating the effectiveness of conservation management.

	TOTAL	Priority plant species requiring protection in SNAP areas (Soutullo et al., 2013)	Endemic species (Soutullo et al., 2013)
Total species in Uruguay	2,657	687	237
Recorded in UPM Forestal Oriental areas	1,886	257	101

RESERVE AREA MANAGEMENT: CONSERVATION VALUES AND MANAGEMENT ACTIONS

High Conservation Value Areas					
Department	Name	Area (ha)	Conservation attributes	Area type (ha)	Examples of Management Measures Implemented
Cerro Largo	Peñarrosa	328	Swamp forests, priority flora species for conservation	HCVA I, III	Flora monitoring and surveying
	Sierra de los Ríos	227	Ravine vegetation, rocky natural grassland, priority species for conservation	HCVA I, III	Flora monitoring, adjustment of buffer distances between existing plantations and native forest
Durazno	Palmares de las Cañas	63	Swamp forests, populations of species new to Uruguay (<i>Screptidium sp.</i>)	HCVA III	Grazing management. Endemic species monitoring. Control of pre-existing invasive species regeneration
Florida	Arteaga	5	Site of historical and cultural significance: traditional estancia homestead and Puente de las Cadenas	HCVA VI	Park maintenance and native species conservation
Paysandú	El Retiro	997	Ecosystems representative of nearby protected areas or sites of national or regional significance for conservation, including indigenous woodlands, natural grasslands, and rocky ridgelines. Conservation of Capuchino seedeaters (<i>Sporophila spp.</i>) and White-bellied Seedeater (<i>Xalmis dominicanus</i>) through tall grassland management. High scenic value and priority species	HCVA III	Control of invasive exotic species Flora monitoring in native grasslands and indigenous woodlands
Río Negro	Barrancas Negras	580	Areas of scenic value, important habitat for endangered birds (<i>Sporophila cinnamomea</i>) and endemic rodents (<i>Ctenomys rionegrensis</i>), priority flora and fauna species for conservation	HCVA III	Monitoring and invasive species management (primarily <i>Gleditsia triacanthos</i>). Flora and fauna monitoring
	El Cerro	915	Wetlands, indigenous woodlands, areas of significance for birds and threatened rodents	HCVA II	Control of illegal activities and livestock pressure. Flora monitoring
	El Jabalí	856	High biodiversity of flora and fauna. High diversity of priority species for conservation. Sites of historical, cultural, and archaeological significance.	HCVA I, VI	Flora and fauna monitoring. Invasive species management. Poaching control. Grazing management. Historical and archaeological heritage maintenance.
	Esteros y Algarrobales del Río Uruguay	1.550	Part of the Esteros de Farrapos Ramsar site (wetlands). Native forest (riparian and Chaco woodland). High flora and fauna diversity. High diversity of priority species for conservation.	HCVA I, III	Flora monitoring. Poaching and illegal activity control, including perimeter fencing improvements. Degraded habitat restoration (grazing management, flora and fauna monitoring). Educational and recreational activities including public access to the area (interpretive trail). Invasive species management. Rotational grazing management across different habitat types.

High Conservation Value Areas

Departament	Name	Area (ha)	Conservation attributes	Area type (ha)	Examples of Management Measures Implemented
Tacuarembó	El Alero III	156	Critically endangered endemic species, high scenic value	HCVA III	Grazing management. Endemic species monitoring. Enhancement of natural habitat connectivity
	El Retorno II	180	Sandstone ridgelines and flat-topped hills. Ravine forest. Populations of endemic and threatened species	HCVA III	Invasive species management, particularly pines, and expansion of natural area connectivity through removal of existing pine stands
	La Rinconada	722	Continental dunes and surrounding habitat. Priority flora and fauna species for conservation. Natural grasslands. Sites of historical, cultural, and archaeological significance	HCVA III, VI	Invasive species management, primarily pines. Flora and fauna monitoring via camera traps. Historical and archaeological heritage maintenance
	El Tala II	374	Populations of priority species for conservation. Ecosystems representative of the grassland ecosystem unit	HCVA III	Flora and fauna monitoring. Invasive species management and removal of pre-existing pine stands on flat-topped hills. Grazing management
	Porto Veloso	429	Populations of priority species for conservation. Ecosystems representative of the Landscape Unit. Grasslands with flat-topped hills. Sites of historical and cultural significance	CA VI, III	Grazing management. Flora and fauna monitoring. Invasive exotic species control. Assessment of potential visitor trail and evaluation of historical significance
	La Corona /La Tuna	195	Ravine and ridgeline forests, priority species for conservation	HCVA I, III	Control of invasive exotic species. Flora monitoring, adjustment of buffer distances between existing plantations and native forest
Treinta y Tres	Quiebrayugos II	82	Richness of flora and fauna, including endangered and endemic species. Straight-billed Reedhaunter (<i>Limnocitites rectirostris</i>) habitat – a threatened bird species	HCVA III	Conservation of Straight-billed Reedhaunter (<i>Limnocitites rectirostris</i>) habitat, including <i>Eryngium pandanifolium</i> reedbed management. Flora monitoring
TOTAL		7,659 ha.			

Conservation Areas			
Department	Name	Area (ha)	Conservation attributes
Cerro Largo	La Palma	1,424	Threatened grasslands and prairies, native forest
Durazno	El Cencerro	309	Natural grasslands
Lavalleja	Los Gauchos	564	Highland forest, rocky natural grasslands, priority flora and fauna species for conservation
Paysandú	Chasicó	279	Butia yatay palm grove regeneration area
	El Pucará y El Carretón III	45	Special management sites for the conservation of Chestnut Seedeater (<i>Sporophila cinamomea</i>) and species new to science (<i>Antyphythum charruasorum</i>)
	El Refugio	45	Ravine native forest associated with a permanent watercourse. Priority flora and fauna species for conservation
	San Pedro / Cerro de los Chivos	534	Butia yatay palm grove conservation area, natural grasslands, and indigenous woodlands
	Santa Carolina	67	Site of paleontological significance
Río Negro	El Ombú	345	Butia yatay palm groves, natural grasslands, rocky ridgelines, parkland forest
	El Rosario	290	Wetlands, native woodland, and grasslands. High biodiversity value
	La Trinidad	1,000	Legally protected species (Butia yatay). Threatened grasslands and prairies, high scenic value
	Las Tunas	178	Priority species for conservation, including herbaceous and cactus vegetation, rocky ridgeline vegetation, and natural grasslands
	Mafalda Este	282	“Blanqueales” grasslands, degraded habitat restoration
	Viraroes	29	Native woodland associated with a permanent watercourse
	Coladeras	445	Blanqueales” grassland and algarrobo woodland vegetation.
			Atta vollenweiderii ant colonies.
			Protection of livestock-sensitive areas from trampling (“blaqueales” grasslands).
			Livestock pressure monitoring.
		Flora and fauna monitoring.	
		Invasive exotic species control	
Soriano	Coquimbo	370	Natural grassland conservation area, parkland forest associated with “blaqueales” grasslands and reed beds
Tacuarembó	Arroyo Malo	530	Native forest, wet and sandy grasslands; rare species
	Cerro Agudo	533	Wetlands, priority species for conservation
	Lambaré I, II & III	670	Threatened ecosystems, populations of endangered species
Treinta y Tres	Quiebrayugos I	30	Straight-billed Reedhaunter (<i>Limnocites rectirostris</i>) habitat – a threatened bird species. Ravine forests, endemic cactus populations, and priority native fauna
TOTAL		7,969 ha.	

HCVA MONITORING RESULTS

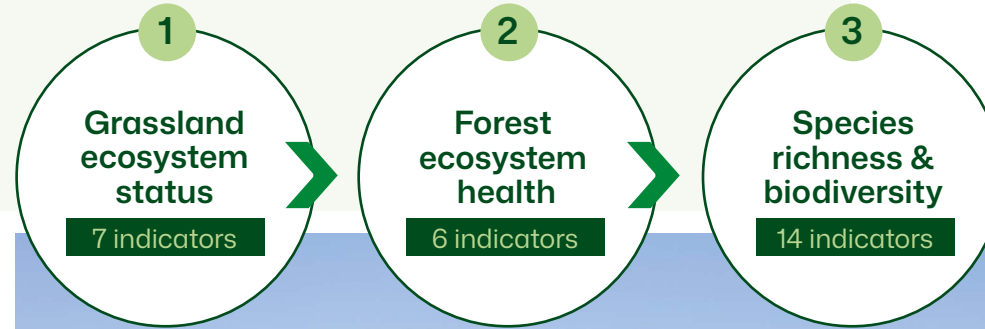
The biodiversity monitoring plan encompasses all High Conservation Value Areas (HCVAs) within the Biodiversity Reserves Network. A total of 27 indicators are evaluated and grouped into three categories:

Each indicator is assigned a status based on defined thresholds: Poor, Fair, Good, or Very Good. We use these indicators to assess the effectiveness of conservation measures related to biodiversity.

Some indicators are specific to certain areas. For example, populations of *Ctenomys rionegrensis* (Río Negro tuco-tuco) are assessed only in HCVAs where the species has been recorded.

As a general criterion, at least 70% of the evaluated indicators are expected to reach a status of Good or Very Good. Where this threshold is not met, management actions are implemented to improve performance. In 2025, more than half of the HCVAs met this target, while improvement measures are being implemented in the remaining areas.

In the same year, natural areas for conservation totaled 77,281 hectares. Key vegetation types include natural grasslands, dune vegetation, riparian forests, Chaco park forests, flat-topped hill forests, “blanqueales” grasslands, palm groves, wetlands, and tall grasslands. Some of these ecosystems are subject to special management due to their decline, relict nature, or because of the presence of rare or geographically restricted species in Uruguay.



The Management Plan for the Esteros y Algarrobales del Río Uruguay (EARU) was developed in collaboration with Vida Silvestre Uruguay and approved by the Ministry of Environment. Vida Silvestre Uruguay leads the implementation of the plan.



OUR BIODIVERSITY INDICATORS

Indicators	Target	Metric	2025	2024
Biodiversity conservation areas on UPM land	Ensure that areas designated for conservation account for at least 20% of UPM's total land	Conservation area as a proportion of total UPM land (%)	20.7%	19.6%
Coverage of UPM's Biodiversity Reserve Network	Cover at least 85% of the landscape units present on UPM land	Proportion of landscape units present on UPM land included in the Biodiversity Reserve Network (%)	75%	75%
Conservation status index of UPM's biodiversity reserves*	The quality index must be at least 0.75 in High Conservation Value Areas	Average quality index in High Conservation Value Areas	0.76	0.77
Invasive species management**	Reduce the active area of invasive species	Change in the active area of invasive species between the baseline and final year (%)	23.7%	-
Endemic and threatened species	Species by 8% every year Maintain or improve populations of endemic and threatened species	No. of endemic and threatened species recorded over the last 5 years / No. of endemic and threatened species recorded during the accumulated baseline period (%)	-5.5%	2.8%

* Correction of the 2024 indicator value (0.82).

**Measurement of this indicator began in 2025. The total area of active invasive species encroachment at the end of 2024 was 9,400 ha. This figure serves as the baseline for reporting the reduction to be achieved in 2025.

AGROCHEMICAL MANAGEMENT

Our use of agrochemicals in forestry operations is guided by Integrated Pest Management (IPM) principles for the control of pests, diseases, and weeds.

NURSERIES

In nurseries, Integrated Pest Management (IPM) focuses first on controlling temperature and humidity in greenhouses through ventilation, which helps minimize the development of pests and diseases. Light and sticky traps are also used to reduce insect populations. Agrochemicals are considered a last resort and are only applied when pest and disease monitoring confirms their necessity.

PLANTATIONS

In plantations, the IPM strategy focuses on promoting rapid early growth to reduce the period during which weed and ant control is required. This early growth is achieved by planting at the appropriate time, ensuring proper site preparation, and using high-quality genetic material and seedlings. In 2025, the time to the final application was limited to six months after planting. Considering a forest rotation of 10–11 years, this represents approximately 5% of the total cycle.

General guidelines for agrochemical use include:

- Determining minimum effective doses through rigorously analyzed trials
- Applying agrochemicals only when necessary, avoiding calendar-based applications
- Rotating active ingredients to minimize resistance in weeds, pests, and diseases
- Using products authorized in Uruguay and registered for forestry use by the Ministry of Livestock, Agriculture and Fisheries (MGAP)
- Excluding products listed as prohibited under international Responsible Forest Management standards
- Conducting an Environmental and Social Risk Assessment (ESRA) prior to use, in line with international Responsible Forest Management standards and national regulations, and implementing measures to mitigate risks

In 2025, ten herbicides and one insecticide (used for ant control) were applied in plantations to manage weeds and leaf-cutting ants. In UPM's nurseries, nine fungicides were used to control diseases and seven insecticides to control pests.

WASTE MANAGEMENT

We implement a waste management plan to ensure compliance with national regulations and alignment with international best practices.

Waste is classified and managed according to its type, prioritizing reduction, reuse, and recycling. We work with local recyclers to manage non-contaminated and recyclable materials such as plastics, glass, paper, and cardboard.

Specific waste segregation procedures are implemented across all operational areas and are subject to ongoing approval and monitoring.

Waste generated from the use of chemical products is managed in accordance with national environmental regulations. Empty agrochemical containers are treated in the

field following established triple-rinsing and puncturing procedures and are then transferred to designated internal storage facilities.

Whenever possible, containers are returned to suppliers. Alternatively, they are managed through Campo Limpio, in compliance with Decree 152/13 (authorized by DINACEA and supported by a management system for empty containers and obsolete stock).

We are also part of Uruguay's NFU Master Recycling Plan for end-of-life tires, ensuring their proper recycling.

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