

UPM IS COMMITTED TO SUSTAINABLE FORESTRY

UPM actively develops and supports sustainable forestry – and has been doing so for over 100 years. We promote forest certification and all the wood we use is fully traceable and legal. We are strongly committed to ensuring the vitality and renewal of forests today and for future generations.

UPM'S SUSTAINABLE FORESTRY FACTS

<p>WE ALWAYS KNOW THE ORIGIN OF OUR WOOD</p> 	<p>ALL OUR WOOD IS LEGALLY LOGGED</p> 	<p>100% FSC® CONTROLLED WOOD AND PEFC™ CONTROLLED SOURCES</p> 	<p>ALL HARVESTED AREAS ARE REPLANTED</p> 	<p>84% OF OUR WOOD IS CERTIFIED (WORLD TOTAL IS ONLY 11%)</p> 
<p>WE VALUE BIODIVERSITY IN OUR OPERATIONS</p> 	<p>WE MANAGE FORESTS AS CARBON SINKS</p> 	<p>WE PROTECT WATER SYSTEMS</p> 	<p>WE DON'T USE WOOD FROM PROTECTED AREAS OR TROPICAL FORESTS</p> 	<p>WE SET STRICT REQUIREMENTS FOR ALL OUR SUPPLIERS GLOBALLY AND AUDIT THEM REGULARLY</p> 



WOOD FROM SEMI-NATURAL FORESTS IN FINLAND

In Finland, forests have been in use for centuries. The forests are managed with forestry methods that, in a way, mimic the natural course of life of a forest. This is why Finnish commercial forests are called semi-natural forests and they look like natural forests.



Finnish forest law requires that all harvested forested areas must be regenerated by planting, sowing or naturally. Only native tree species are used for regeneration.



All valuable biodiversity areas within commercial forests and protected areas are mapped and left untouched.

Did you know? The lifecycle of a commercial forest (80–100 years) includes three harvesting activities. At the ages of 30 and 60 years comes a thinning, in which every second tree is cut to make room for the remaining trees to grow. The thinning wood is used mainly for pulp production. The final felling is mainly to get timber wood. Most of the trees are cut and new ones are planted to replace them.



Finland's forests are managed so that they consist of smaller forested areas with different aged trees. Seen from the air this looks like a mosaic pattern.

UPM'S WOOD SOURCING AREAS FOR PULP PRODUCTION

UPM sources wood for its pulp production in Finland from forests in Finland, north-western Russia and Estonia (1). All these forests belong to the boreal vegetation zone that is dominated by conifer trees (pine and spruce) and some broadleaved trees (birch and aspen).

For its pulp production in Uruguay UPM sources its wood from eucalyptus plantations within the country (2). Uruguay belongs to the vegetation zone of temperate grasslands.



The world's forests

- Tropical seasonal forest and savanna
- Tropical rain forest
- Temperate rain forest
- Temperate deciduous forest
- **Boreal forest**
- Temperate grassland/desert
- Subtropical desert
- Woodland/shrubland
- Alpine
- Tundra
- Polar ice cap
- UPM wood sourcing areas

Most of the productive forest land in Finland is owned by private owners (60%) and is split into small forest estates (average 30 ha). There is a total of about 600,000 forest owners in Finland. Private forests are inherited from generation to generation.

UPM is one of the largest private forest owners in Finland with some 640,000 ha. This covers roughly 10% of UPM's total wood use in Finland. Taking care of biodiversity and protecting threatened species is a fundamental part of UPM's daily forestry operations and principles. UPM also promotes voluntary nature protection and has, for example, donated land for the creation of the Repovesi National Park.

In Finland, the trees harvested by UPM are primarily used in UPM's sawmills and plywood mills. The side streams from the mills – wood chips and sawn dust – are used in pulp production, and the residues such as branches and bark are used for energy generation.

Did you know? The Finns have a close relationship to the forest. There is plenty of forest everywhere and everyone has a public right of access to them. This means the right to walk, pick berries and mushrooms even in private forests.

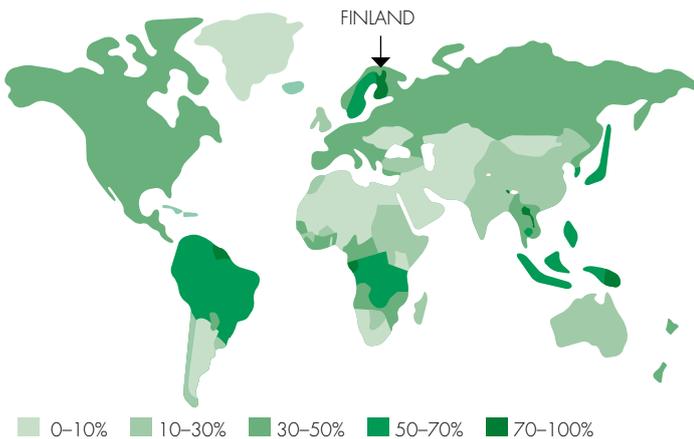


Did you know? Fourteen UPM-owned forested areas have been protected with WWF Heritage Forests status. There are also almost 39,000 protected sites in UPM's Finnish forests.



FOREST AREA AS A PERCENTAGE OF TOTAL LAND AREA

Finland is one of the world's most forested countries.



Source: FAO; Global Forest Resources Assessment 2015

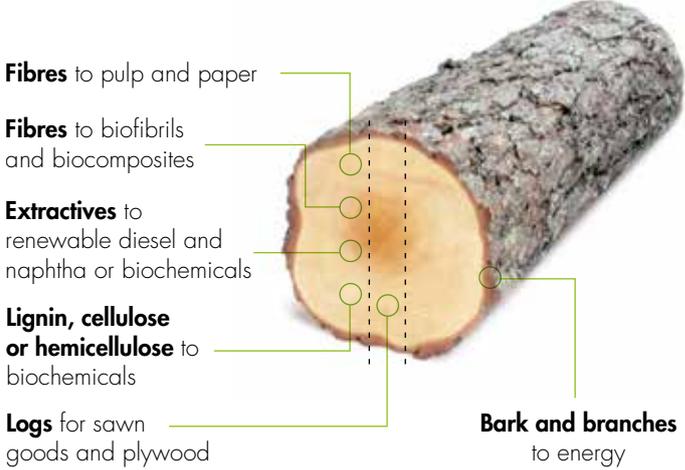
Did you know? The term 'boreal' refers to the climate and vegetation zone, not to the age or management history of the forest.




Did you know? Annually forests in Finland grow over 100 million m³, which is more than is harvested. Thanks to sustainable forest management practices, the volume of forests in Finland has increased by 60% during the last 40 years.

Source: Natural Resources Institute Finland (Luke)

RENEWABLE WOOD: THE BASIS FOR UPM'S BUSINESSES



WOOD FROM PLANTATIONS IN THE TEMPERATE GRASSLANDS OF URUGUAY



In Uruguay, UPM sources wood for its pulp mill from eucalyptus plantations within the country. Uruguay belongs to the vegetation zone of temperate grasslands.

In addition to vast grasslands there are also some minor areas with natural forests (6%) in Uruguay, but no rain forests. No forests have been felled to establish the plantations. These have been established on grasslands used for decades for cattle grazing.



UPM has 25 years of experience in plantation activities in Uruguay. UPM owns over 250,000 ha of land in Uruguay, approximately 60% of which is planted with eucalyptus. The rest of the land is protected or used for forestry-related infrastructure and roads, cattle grazing and other non-plantation operations. This is why also here the land has a mosaic pattern when seen from the air.



Did you know? UPM develops and grows its eucalyptus seedlings in the company's own nurseries. Once planted the eucalyptus trees can be harvested at the age of 10 years.

In plantation design it is essential to promote and maintain biodiversity, soil erosion control and water protection when choosing the area and throughout plantation activities. UPM has defined nearly 7,600 ha of company-owned land as protected areas. These areas include wetlands, dunes, sandy soils, marshlands and native forests. Protection decisions are mostly based on high biodiversity values and rare species but also on high scenic values.



Most of the wood used in UPM's pulp mill comes from the company's own plantations. The rest is procured from private landowners. UPM encourages local landowners to diversify the use of their farmland by establishing sustainable plantations alongside their grazing lands.

To learn more about UPM's forest management and wood sourcing, visit **OUR FORESTS** at: upm.com/ourforests



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