

UPM Timber – SUSTAINABILITY ACTIONS

Biodiversity

Forest Management

Low emissions

UPM TIMBER

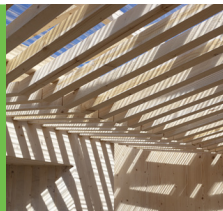
Sustainability actions

At UPM Timber we help our partners understand, develop and promote the positive impact of sustainable timber. We are committed to ambitious sustainability goals and concrete, measurable targets. As we are able to produce our timber in a fossil-free manner, the carbon footprint of our products is low. This, accompanied with our other sustainability actions, will also lower the carbon footprint of our customers' products and make it easier for them to reach their own sustainability targets.

In this brochure you will find listed together some of the actions UPM and UPM Timber have already accomplished in order to enhance biodiversity, sustainable forestry and fossil-freedom.

This is why we are good at sustainability.

www.upmtimber.com



UPM TIMBER

Setting the Standard

At UPM Timber, we are committed to ambitious sustainability goals and concrete, measurable targets. Our customer promise, Setting the Standard, reflects this commitment. It describes our culture of constant improvement: of challenging ourselves and striving for excellence. We want to set the bar high in sustainability, quality and reliability – for ourselves, and for the industry.

At UPM Timber, climate-positivity starts at the source. We use high-quality Finnish pine and spruce as a raw material for our products, and a 100% controlled chain of custody ensures a sustainable product. In our forests we are committed to sustainable forestry where forest growth always exceeds felling rates.

Our own wood sourcing ensures a continuous stream of raw material to our four mills, where talented personnel produce quality timber. With over 20,000 wood trades annually and more than 250 wood shipments every single day, we provide you with a steady supply of timber at all times. Our timber production runs entirely on renewables resulting to very low emissions from production.

Sustainably grown and high in quality, UPM's wide range of sawn timber products excels in even the most demanding joinery, packaging, furniture, construction, planing and distribution end-uses. Our sales and logistics networks in Europe, Asia and MENA ensure exceptional service. The key is personal service: we listen to our customers' needs and develop our operations accordingly. Spanning five decades, UPM Timber's longest partnerships are built on continuous dialogue and shared progress.

Thank you for Setting the Standard with us.

UPM Biodiversity actions

Biodiversity is instrumental to maintaining healthy forest growth. Only by safeguarding robust and diverse forest ecosystems we can provide sustainable alternatives to fossil-based materials. **Simply put: no biodiversity, no future beyond fossils.**

UPM actively works to improve biodiversity in its own forests in Finland. We develop our own operations, continuously monitor and measure the development of biodiversity in company-owned forests and transfer our expertise to private forests owners. Additionally, we have linked our stand-by credit margin and staff incentive bonuses to how well we perform on measurable biodiversity actions. In 2018, UPM established a biodiversity programme in Finland and made a commitment to having a net positive impact (NPI) on biodiversity by 2030.

UPM currently has **nine biodiversity indicators** in Finland, which are monitored and publicly reported annually. The indicators are:

- share of broadleaved trees (tree species),
- forest age classes,
- forest structural variation,
- protected areas,
- valuable habitats,
- habitat restoration,
- species and habitat projects,
- indicator development,
- and volume of deadwood.



UPM has set a target to **double the number of broadleaved trees** in its forests in Finland. Broadleaved trees improve forest growth and yield and increase the diversity of forest species, supporting adaptation due to changing climate conditions and resistance to pests and diseases. The number of broadleaved trees will be increased by planting birch and changing the guidelines for sapling stand management and forest thinning. UPM's own nursery in Joroinen has been preparing for this change for several years. In addition to birch, the nursery has been growing a small amount of oak and black alder saplings.

We maintain a **diverse age structure** in our forests.

Our forests contain several species of trees **in various stages of decay**.

We have significantly **increased the protected area** of the company's forests.

We are committed to **increasing continuous cover forestry** in spruce dominated, nutrient rich drained peatlands.

We leave living **retention trees** in our forests for future decay.

We drive numerous **cooperation, research and development projects** to enhance biodiversity.

In 2024 UPM has published a **new forest habitat programme** aimed at increasing biodiversity in UPM's own forests in Finland. Under the launched programme, we will restore a minimum of 3000 hectares of peatland habitats and carry out a management plan in at least 100 other sites.

In 2019 and 2020, UPM started cooperation with research institutes and **endangered decay fungi were planted** in the company's own forest deadwood concentrations.

In Finland over 20% of forest species are dependent on deadwood, and according to research the amount of deadwood is one of the clearest differences between natural forests and managed forests. **Increasing the amount of deadwood** in forests enhances biodiversity. UPM has set a target of 10 cubic metres of deadwood per hectare in its own forests, compared to the average of 5 cubic metres.

UPM's Forest Action Programme will run until 2030. This global program guides UPM's wood sourcing operations worldwide. The program focuses on increasing biodiversity and sustainable forestry practices. Through biodiversity projects, such as building artificial nests or removing migration barriers for fish, we contribute to the habitats of endangered species.



Read more about UPM's actions to enhance biodiversity.

UPM

Forest management actions

UPM is one of the largest private forest owners in Europe and holds significant land holdings in the United States (US) and Uruguay. Our forestry expertise is based on more than hundred years of professional management of the company forests.

UPM owns 523,000 ha of forests in Finland, from which 16% is protected or in restricted use. Protected areas include valuable habitats, natural forests and other important areas such as wetland or culturally important sites. Additionally, UPM manages about 1.3 million ha of private forests in Finland.

All UPM owned forests are certified or in the process to be certified with FSC™ (Forest Stewardship Council™, FSC N003385) and/or PEFC (Programme for the Endorsement of Forest Certification, PEFC/02-44-41). 100% of the wood we use comes through a certified chain of custody system.

UPM is working in cooperation with many parties to monitor and identify the positive impacts of so-called nature management methods in UPM forests. These nature management actions in Finland include leaving retention trees (living trees) and deadwood trees in the forest during the harvest, leaving buffer zones close to water bodies, protecting valuable habitats, leaving game reserves, prescribed burning (i.e. controlled burning) and ensuring a mix of tree species.



UPM owns 523,000 ha of forests in Finland. In addition, UPM manages about 1.3 million ha of private forests in Finland.

UPM does not cause deforestation anywhere in the world; forests are always regrown after harvesting according to principles of sustainable forest management.

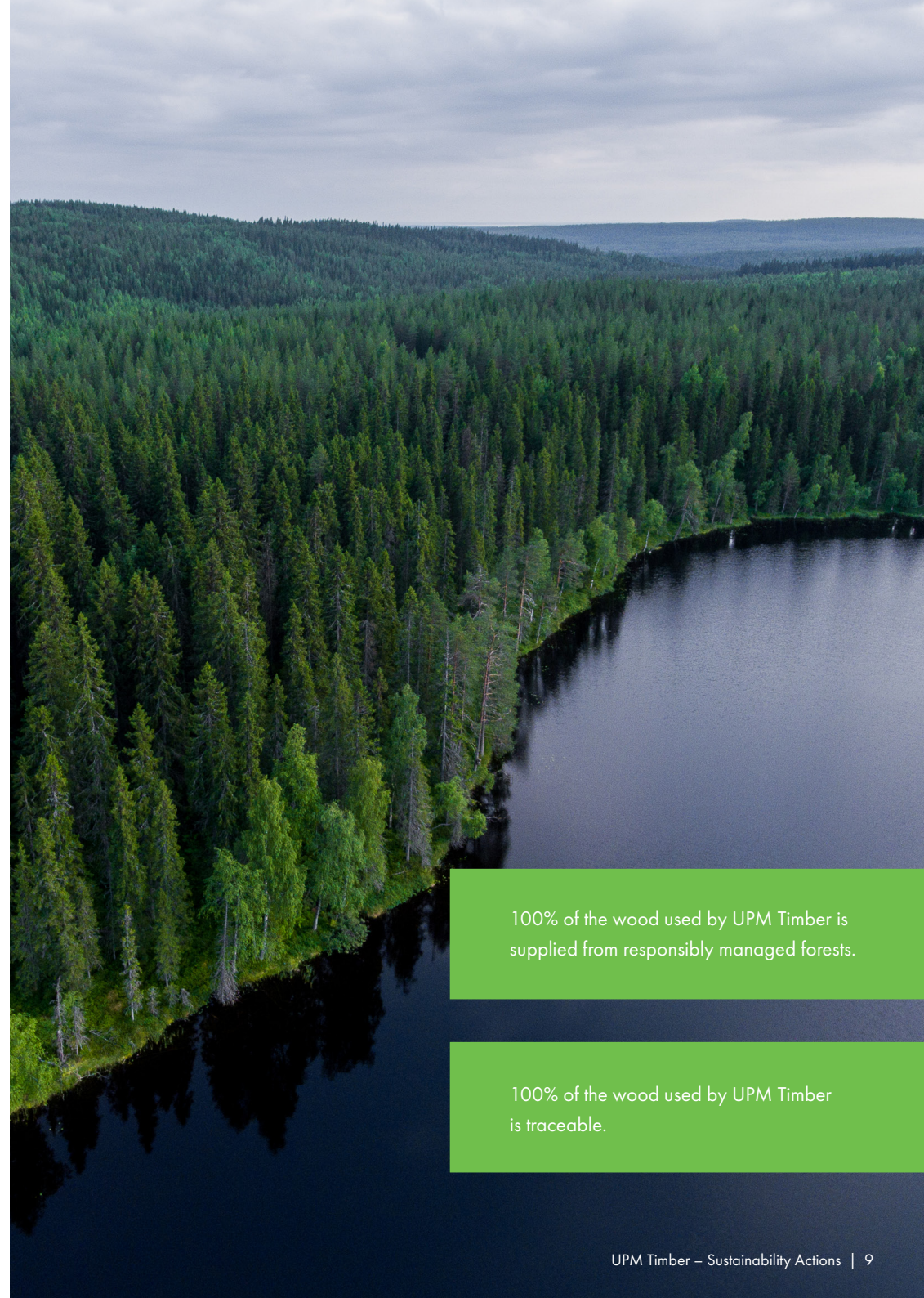
New trees can be encouraged to regenerate naturally, or nature can be helped along by sowing seeds or planting seedlings. UPM has four nurseries that produce about 55 million seedlings annually. One nursery is located in Joroinen, Finland, and three nurseries in Uruguay. In Finland, strong and healthy seedlings can grow up to 30% faster than a naturally generated seed. The faster they grow, the faster they absorb carbon dioxide from the atmosphere.

After planting of new seedlings in Finland, forests are managed with thinning: some trees are selectively harvested from an area, allowing more light and space to the remaining trees. They, in turn, are healthier and grow faster. Timely forest management can add up to 30% growth of the trees compared to non-managed forest.

At the end of the rotation time of boreal forest (60-100 years), the majority of Finnish forests are harvested with a regeneration felling, removing most of the trees but leaving some retention trees and deadwood on the site.

Forests are the second largest carbon sink after the oceans, and actively thinned forests can sequester more carbon than unmanaged forests. Sustainably managed forests play a crucial role in the fight against man-made climate change.

Read more about UPM's actions for sustainable forest management.



100% of the wood used by UPM Timber is supplied from responsibly managed forests.

100% of the wood used by UPM Timber is traceable.

UPM TIMBER

Actions for low emissions

UPM's wide product range allows us to use **every part of the tree** to the last straw: at UPM Timber, nothing goes to waste. Production side streams are used as raw material for pulp, paper and numerous bio-based innovations, such as biofuels, biocomposites and even wood-based hydrogels for wound care and cell therapy.

Our main actions for lowering emissions:

- UPM Timber's production runs entirely without fossil energy.
- In 2023, a new heat pump technology enhancing energy efficiency was introduced at Korkeakoski sawmill to reduce CO₂ emissions by feeding residual heat back to the drying process.
- In 2023, Seikku sawmill in Pori started transporting sawn timber to the port of Rauma using trucks powered by renewable diesel.
- In 2020, Kaukas sawmill in Lappeenranta switched to using longer and larger HCT special trucks to transport containers from the sawmill to the port of export.
- UPM Timber's products are transported by sea using four new LNG carriers.
- UPM Timber increased the proportion of recycled plastics in wrapping up to 75%.
- The sawmill production generates no landfill waste.

Read more about UPM Timber's actions for low emissions.



Timber as a carbon storage

Our sawnwood products have a long life-cycle creating a carbon storage for decades or even for centuries. Our products store 23 times more carbon than is emitted during production: the CO₂ (scope 1&2) footprint of our product is 34,1 kg CO₂/m³ while the carbon storage of our product is 786 kg CO₂/m³.

Our carbon footprint calculator allows you to easily estimate the climate impact of the timber needed for your construction project.

By choosing UPM Timber's sawn timber, you are supporting 100% fossil-free production and contributing to our joint climate initiatives.





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