

UPM CODE OF CONDUCT

Every choice matters



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Every choice matters

Whenever in doubt about a course of conduct

Ask yourself:

- Is it consistent with UPM's Code of Conduct?
- Is it legal?
- Is it ethical?
- Would I want to read about it on social media or in a newspaper?

If the answer is "No" to any of these questions, simply don't do it.

Ask others:

Code of Conduct Helpline

If you have any questions regarding the Code of Conduct do not hesitate to contact: codeofconduct@upm.com

For more information on integrity and UPM policies please visit UPM intranet (for UPMers): codeofconduct.upm.com or UPM corporate website: www.upm.com/codeofconduct



OUR COMMITMENT



Dear colleagues,

UPM has undergone a substantial renewal since we launched our Code of Conduct in 2006. Today, UPM operates globally in several fields of business. We have revised our Code of Conduct to respond to the ever faster evolving business environment and regulatory framework.

Whenever we face challenges in our everyday work, we must remember that legal compliance and responsible and ethical practices are the foundation of all UPM's businesses. UPM values and this Code of Conduct reflect our standards of integrity – what is the right thing to do. Our leading principle is that we do not compromise our standards of integrity under any circumstances.

UPM's compliance with laws and regulations – in particular, competition and anti-corruption laws – founds a solid ground as a trustworthy business partner, and our responsible and ethical practices create long-term value for both UPM and its stakeholders.

We all have a critical role in putting our standards of integrity into practice. Without exception, I expect that you will carefully read this Code of Conduct and make the right choices in your everyday work.

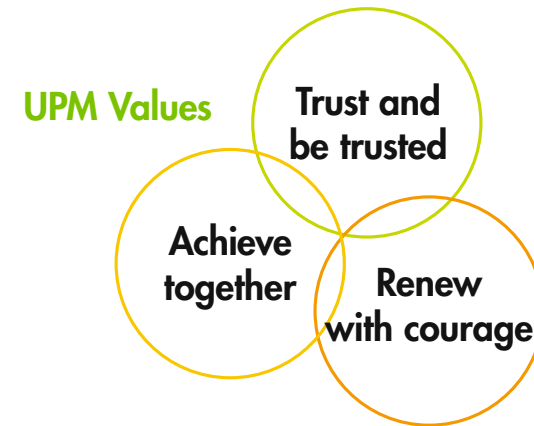
Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Jussi Pesonen', is positioned above the printed name.

Jussi Pesonen
President & CEO

1. Our commitment to integrity

UPM's values create a starting point for all our activities. We comply with applicable laws and regulations in all UPM operations. At UPM, we recognise the United Nations Sustainable Development Goals, which are in line with our aim of sustainable development and continuous improvement. As a member of the United Nations Global Compact, we value its ten principles, which relate to human rights, labour, environment and anti-corruption.



Learn more

- 10 principles of the United Nations Global Compact
- The United Nations Sustainable Development Goals



“ Integrity means doing what is right ”



2. Respect people and human rights

UPM is committed to the United Nations Universal Declaration of Human Rights. This include universal human rights such as freedom of thought, opinion, expression, religion and right to assemble peacefully, as well as freedom from any discrimination based on race, age, nationality, gender or sexual orientation. UPM promotes employees' wellbeing and health. UPM aims to empower and engage employees at all levels through responsible leadership.

Everyone shall respect human rights as defined by the UN in UPM's own operations and endeavour to promote their implementation in UPM's sphere of influence. Therefore, you must not tolerate the use of forced or child labour under any circumstances.

It is everyone's opportunity to make the workplace inspiring, diverse and inclusive. You are required to do your utmost to provide a safe and healthy workplace for everyone working at UPM.

Employees are encouraged to take part in their own personal and professional development and growth to ensure business success.

“Contribute and engage others”

What is the right thing to do?

- Do your best to promote diversity of competences, experiences and backgrounds and do not discriminate against anyone based on race, age, nationality, gender or sexual orientation.
- Build and encourage a culture that allows different views and where people have an opportunity to contribute.
- Consider how you can improve your workplace's atmosphere and inspire others.
- Take care of your personal wellbeing at work and health and lead by example.
- Ensure that you are aware of your workplace's safety requirements, act accordingly and lead by example. Safety starts with me!
- Take responsibility of your personal and professional development.

Learn more

- [UN Universal Declaration of Human Rights](#)

3. Take care of UPM's environmental impact and product safety

UPM complies with applicable environmental laws and recognises its impacts on air, water, land and biodiversity. UPM aims to minimise adverse effects of its operations. Both the direct and indirect environmental loads and impacts of UPM operations shall be measured and assessed continuously.

Everyone is requested to be mindful of environmental issues as part of the day-to-day work. To accomplish this, everyone is expected to act responsibly, share best practices and promote the use of advanced technologies. All actions that may adversely affect humans and nature shall be cautiously considered.

Employees shall manage UPM's environmental loads systematically in accordance with the principle of continuous improvement as guided by internationally recognised environmental management systems.

UPM strives towards product stewardship that takes into account the entire product life cycle. It is everyone's responsibility to take product safety seriously.



What is the right thing to do?

- Be aware of the environmental impacts and legal requirements of your work and work place.
- Avoid unnecessary risks and act before there is a problem.
- Share your best practices with others.
- Conduct all measurements and analyses and related reports truthfully and accurately.
- Don't waste resources (water, energy, raw materials) and use them efficiently.
- Handle chemicals and all waste with care and according to instructions.
- Report on any possible activities that might cause a risk to the environment.
- Ensure that products meet their targeted requirements (for example ecolabel criteria).



Reduce,
reuse,
recycle!



4. Zero-tolerance for corruption and bribery

Our guiding principle is clear: zero tolerance for corruption and bribery in any form. We never offer or pay bribes to government officials or to private individuals. Nor do we ever solicit or accept bribes.

Specifically, you must not directly or indirectly – through a third party acting on UPM's behalf – give, offer, solicit or receive anything of value for the purpose of improperly influencing a business decision or otherwise offering or obtaining an improper business advantage.

Anything of value should be broadly understood and includes any payment, loan, discount, political or charitable contribution, reimbursement, gift, gift card, meal, entertainment, employment or internship, business opportunity, service or other benefit.



What is the right thing to do?

Government interactions

- Do not give, offer or accept anything of value to or from a government official without first consulting the Legal Function.
- Understand that the term “government official” is expansive under various anti-corruption laws and often includes any officer, employee, representative, or candidate of any government department, agency, state-owned or state-controlled enterprise; municipalities; parishes; political party; or public international organisation.

“ No compromises,
no excuses,
no exceptions! ”



What is the right thing to do?

Third parties

- Do not forget that you and UPM may be liable for the improper conduct of a third party, such as an agent, consultant, adviser, joint venture partner, local partner, distributor or supplier acting on behalf of UPM.
- Perform appropriate due diligence and include the contractual terms as specified in UPM policies before entering into or renewing a contract with any of the third parties mentioned above.
- Only pay commissions and fees to intermediaries that are reasonable and justifiable.

Gifts, hospitality, travel and entertainment expenses

- Do not offer, give or accept gifts or hospitality, meals, travel or entertainment that are extravagant, used to influence business decisions or secure preferential treatment, or that could create even the appearance of impropriety.

- Maintain records of expenses relating to all gifts or hospitality, meals, travel or entertainment, including the names and titles of attendees, date(s) and the amount of such expense(s). UPM will pay our employees' work-related and reasonable expenses, and payments to cover our business partners' expenses are made in accordance with internal procedures.

Political contributions, sponsorship and charitable donations

- Follow UPM policies for sponsorships and donations. Ensure that each sponsorship agreement has specifically defined objectives and that they are fulfilled. Any donations paid by UPM shall comply with the provisions of corporate laws and anti-bribery laws.
- Do not make political contributions or otherwise support political candidates, parties or groups on behalf of UPM.

Financial controls

- Do not falsify any books, records or accounts of the company.
- Do not record expenditures without the supporting documentation or justification required by UPM's internal procedures.
- Report suspicious transactions, payments or expenses to a representative of UPM Internal Audit or UPM Legal Function.

Other forms of corruption or fraud

- Remember that it violates various laws and company policy to give, offer or accept bribes, kickbacks or other payments from private parties that are intended to influence business decisions or secure preferential treatment.
- Avoid situations where personal interests could conflict with UPM's interests.
- Do not take personal benefits from opportunities belonging to UPM or conduct competing business.

BUSINESS INTEGRITY



5. Know with whom you trade

By knowing our customers and other business partners, we can mitigate the risk of becoming involved in illegal business activities. Therefore, you must select business partners carefully and expect them to conduct business in compliance with applicable laws.

Comply fully with all anti-money laundering laws and trade sanctions regimes applicable to our business. In practice, this means that our customers and other business partners shall be monitored to avoid any transactions with sanctioned parties and that additional due diligence is conducted to identify and address other compliance risks.



What is the right thing to do?

Know your counterparties

- Know your customers and business partners. Therefore, obtain and maintain relevant and updated information about them by conducting due diligence, credit or other financial checks and by screening business partners against applicable sanctions lists.

Transactions

- Keep complete and accurate records of all business transactions.
- Do not accept payment in cash or cash equivalents without following applicable internal procedures.
- Do not ignore red flags such as complex or unusual payment structures, multiple payments from various parties, requests for payments to an unrelated account or third party or large increases in order volumes that are inconsistent with the customer's normal ordering pattern and that lack an apparent business reason.
- Consult with the Legal Function if you have any questions about a particular transaction.

“ Do you know your business partner? ”

6. Compliance with competition laws

Effective competition is protected and promoted by competition laws. Competition laws prohibit agreements or other practices that restrict competition. Such laws also regulate the behaviour of dominant companies. Consequently, our actions must always comply with all applicable laws regulating competition.

In practice, this means:

- We must not engage in price fixing, market or customer allocation, bid rigging, boycotting or limitation of production with competitors.
- We must not discuss or exchange sensitive information with competitors in violation of applicable competition laws.
- Any contacts or commercial agreements with competitors as well as participation in trade and professional associations must follow UPM's internal guidelines.
- We must not conclude or engage in competitively-prohibited agreements or trade practices with our customers, distributors, suppliers or other business partners.
- If we have a dominant market position, we do not abuse such a position.



What is the right thing to do?

Dealing with competitors

- Avoid all unnecessary contacts with competitors. All competitor contacts must have a clear and lawful purpose.
- Do not provide information to, do not discuss, do not negotiate or do not enter into any agreement with a competitor that has anything to do with any commercial subject such as pricing, costs, production volumes, discounts, operating rates, market allocations, mill closures, etc. This prohibition applies to discussions with all of UPM's competitors on all occasions, including informal (social) events, coincidental encounters, etc.
- If a competitor instigates a discussion relating to any of the sensitive subjects mentioned above, refuse immediately to answer or comment, and inform the Legal Function.

“ Business success
builds on
compliance ”

What is the right thing to do?

External information exchange

- Do not share commercial information with external third parties (e.g., RISI) without first consulting the Legal Function.

Internal information exchange

- If you work in a UPM business area/unit that deals with competitors as customers, do not share information with competitors about other parts of UPM's business or prices of other products than the products for the envisaged transaction.

Price announcements

- Do not publicly announce/publish price increases before consulting with the Legal Function.

Trade association participation

- Do not participate in meetings without an agenda.
- Review the meeting agenda prior to attendance to ensure that the topics are legitimate. In case of any doubt, consult the Legal Function.
- Protest immediately as soon as any topics prohibited by competition law arise and – if this has no effect – immediately leave the meeting and inform the Legal Function without delay. Where possible, have your protest and/or exit documented in the meeting minutes.
- Check whether the minutes properly reflect the discussions of the meeting. Request modifications and amendments, if necessary.
- Do not share any potentially competitively sensitive information at a trade association meeting without first consulting with the Legal Function.

- Remember that competition law applies to all side/informal meetings as well as the formal ones.

Relations with distributors, customers and suppliers

- Do not restrict our customer's freedom to set its resale prices.
- Consult the Legal Function prior to entering into any restrictive agreements (such as exclusivity or non-competition) with suppliers or customers.

Abuse of dominant market position

- Contact the Legal Function in the event that you think UPM's market share exceeds 40% for a relevant product and geographic area, to determine whether there could be a risk of UPM being in a dominant market position and whether this has any implications for UPM's behaviour.

OUR ASSETS



7. Protect UPM's assets and information

In our everyday work, we are entrusted with UPM's and our business partners' assets and confidential information, and are expected to handle them with care. Accordingly, you shall not use UPM's assets or the services of other employees for your own gain in conflict with UPM's interest. You shall also take appropriate measures to safeguard the confidentiality and security of data and information, and handle and maintain personal data in compliance with applicable laws.

As a publicly listed company, all public disclosures of UPM's information shall be made in compliance with the applicable laws and rules of the stock exchange. We prevent market abuse by setting restrictions on trading, disclosure and other use of inside information.

Our decisions shall be made with UPM's best interests in mind and be based on appropriate risk assessment. Acceptance procedures have been implemented throughout our organisation, including for investments and disinvestments. These procedures include risk mitigation practices, such as provisions on authorised persons, monetary limits and segregation of duties. All transactions shall be accurately and fairly recorded in our books and accounts.

“ Prevent,
protect,
pay attention! ”



What is the right thing to do?

- Safeguard UPM's intellectual property such as inventions, patents, trademarks and domain names by maintaining adequate legal protection or confidentiality.
- Consider whether you have inside information and follow any restrictions on trading and disclosure.
- Do not discuss confidential matters in public areas or on social media.
- Use appropriate IT tools and follow UPM policies on information security to safeguard the confidentiality of information and to protect data against cyber risks.
- Follow UPM's acceptance procedures and the subsidiary governance framework when making decisions in UPM group companies.
- Do not take personal benefits from opportunities belonging to UPM or conduct competing business.

8. Source responsibly

UPM is committed to responsible sourcing practices and expects its suppliers to comply with applicable laws and to share the principles outlined in this Code of Conduct. UPM sets requirements and expects its suppliers to promote them further in their supply chain. These requirements relate, for example, to the origin of raw materials, fair working conditions and prohibition of child and forced labour.

Everyone shall look after the best interests of UPM when selecting and operating with suppliers. Suppliers shall be assessed systematically and regularly from an economic, social and environmental perspective.



What is the right thing to do?

- Consider if you have sufficient information on the supplier.
- Communicate clearly UPM requirements to suppliers.
- Select suppliers only based on pre-defined criteria.
- Do not make any fixed commitments if you have any concerns of suppliers' ethical behaviour.
- Pay attention to confidential information and share information about product performance or prices on a need-to-know basis only.
- Monitor suppliers' performance and act in case of any misconduct.

“ Every choice makes a difference! ”

9. How we engage with our stakeholders and society

Our goal is to be a trusted partner to our main stakeholders. We aim to understand stakeholder-specific expectations and engage in dialogue with a variety of stakeholders to discuss UPM's targets, operating principles and the challenges it faces. We respect the right to different opinions with the aim of fostering dialogue with our stakeholders and society.

We participate in the development of our local communities through different projects and initiatives. When UPM partners with local governments on such projects or initiatives, we ensure the integrity of our actions and comply fully with applicable anti-corruption laws and company policies.



What is the right thing to do?

- Consult with the Legal Function before initiating co-operation with any local government in an investment or a corresponding development project in the local community.
- Ensure that sponsorships are approved in accordance with UPM policies on sponsorships and donations.
- Be open for constructive dialogue with all stakeholders in accordance with UPM policies on disclosure.

“ Stakeholder dialogue starts with trust ”

VOICE YOUR CONCERN



10. Compliance belongs to everybody

We are all responsible for upholding the integrity and ethical standards of UPM. We continuously communicate the importance of compliant conduct to all our employees and others representing UPM. If we suspect misconduct, we raise the issue promptly. By acting this way, we have the opportunity to deal with the issue and correct it in a timely fashion.

This Code of Conduct forms a platform for our various compliance programmes that address in more detail the topics discussed here. As part of the Code of Conduct, we are implementing a system specifying how to detect compliance risks; how to respond to these risks; and how to control and monitor them.

All employees must report any suspected or observed breach of the law, this Code of Conduct or other UPM policies to their managers or a representative of UPM Legal Function or Internal Audit or use UPM's Report Misconduct-channel. Misconduct reports will be reviewed carefully, and the associated confidentiality will be maintained to the fullest extent possible. Any person, who in good faith reports misconduct, will not be retaliated against for making such a report.

Any violations of applicable law, this Code of Conduct or the company policies may lead to disciplinary actions, from reprimand up to termination of employment.

Report misconduct

- You may report your complaints or concerns relating to violations against the UPM Code of Conduct:

Web:
www.upm.com/reportmisconduct

E-mail:
reportmisconduct@upm.com

Mail:
UPM-Kymmene Corporation
 Head of Internal Audit/Complaint
 PO Box 380
 FI-00101 Helsinki, Finland

Consequences of misconduct

- Employees who violate UPM's policies are subject to disciplinary action up to and including termination of employment. Other disciplinary actions include reprimand, warning and loss of incentives.
- Examples of misconduct that may result in discipline:
 - Violating UPM policies.
 - Requesting others to violate UPM policies.
 - Failure to promptly raise a known or suspected violation of UPM policy.
 - Failure to cooperate in UPM investigations of possible policy violations.
 - Retaliation against another employee for reporting an integrity concern.
- Other possible consequences of misconduct include civil sanctions (for example damages, contract breach) and criminal sanctions (for example fines, imprisonment).



UPM

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