



# Corporate Governance Statement 2024

UPM-KYMMENE CORPORATION



# Corporate Governance Statement 2024

UPM-Kymmene Corporation (UPM or the Company) follows the Finnish Corporate Governance Code (CG Code) issued by the Securities Market Association and complies with all recommendations of the CG Code. The CG Code is publicly available on the Securities Market Association’s website at [www.cgfinland.fi/en](http://www.cgfinland.fi/en).

UPM’s Corporate Governance Statement (CG Statement) for the financial year 2024 has been prepared in accordance with the CG Code’s corporate governance reporting section. UPM presents the CG Statement as a separate report, distinct from the Report of the Board of Directors. The CG Statement is available on the corporate website’s Investors section under Governance

([www.upm.com/governance](http://www.upm.com/governance)).

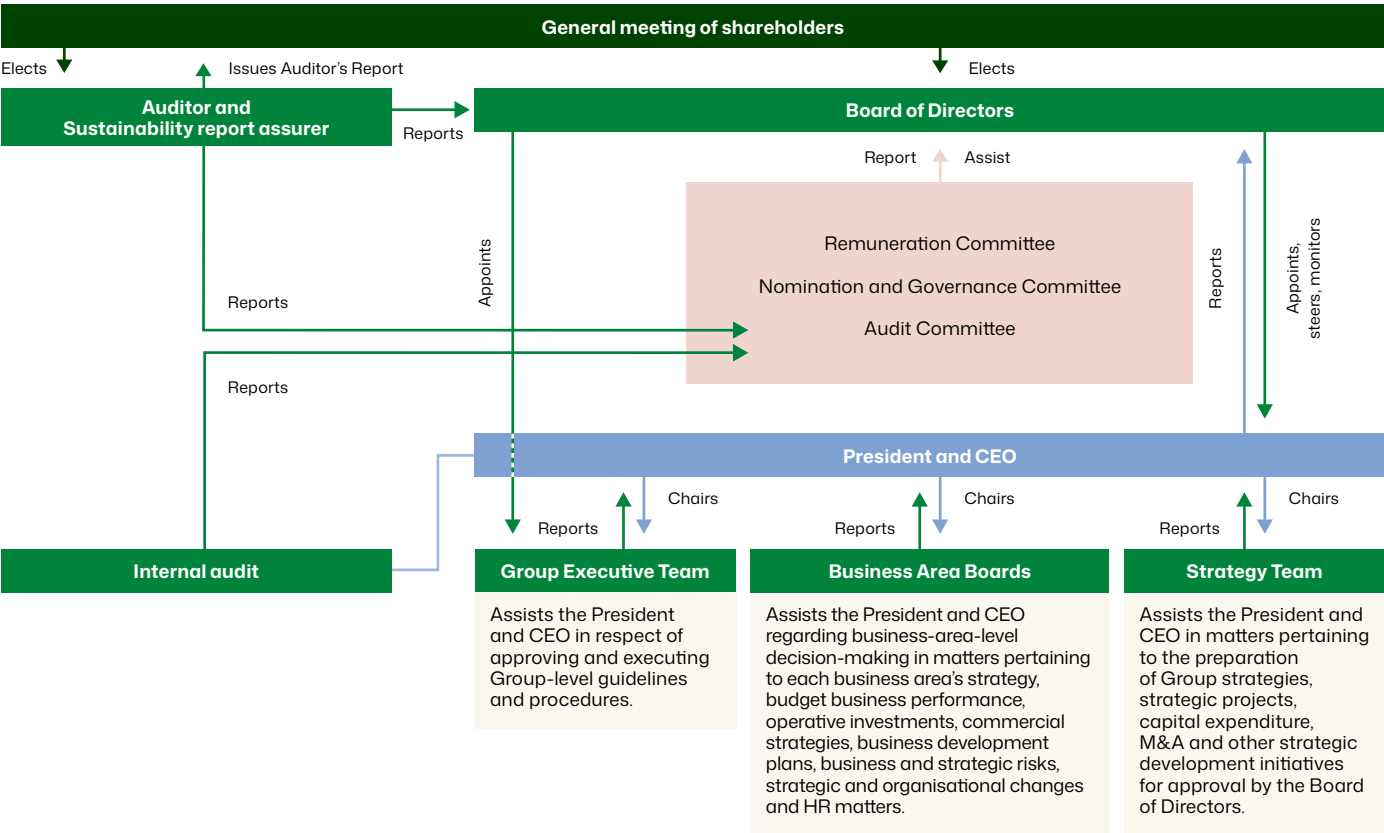
The Report of the Board of Directors is presented on pages 110-253 of UPM’s Annual Report 2024, which is also available on the corporate website.

**UPM’s governance structure**

UPM is a Finnish limited liability company with headquarters in Helsinki, Finland. The

parent Company, UPM-Kymmene Corporation, and its subsidiaries form UPM Group, with approximately 15,800 employees in 43 countries. UPM Group’s business operations are divided into six business areas and other operations, including UPM Biorefining business unit and global functions. UPM shares are listed on Nasdaq Helsinki Ltd.

**Governance structure of UPM-Kymmene Corporation**





UPM uses a one-tier governance model, which, in addition to the general meeting of shareholders, comprises the Board of Directors and the President and CEO, as presented in the illustration on the previous page. In the operative management of the Company, the President and CEO is assisted by the Group Executive Team, the Business Area Boards and the Strategy Team.

#### **Governance framework**

UPM's decision-making, management and operations are guided by our values and by the UPM Code of Conduct. UPM's values and UPM Code of Conduct form the framework for all Company operations and set out standards of behaviour for UPM employees, including directors and executives. Compliance and responsible and ethical practices are the foundation of UPM's businesses. In addition to the Finnish CG Code, the Company follows the Finnish Limited Liability Companies Act and other laws and regulations applicable to publicly listed companies in Finland, the Company's Articles of Association, Board and committee charters, corporate policies and rules, as well as rules and guidelines issued by the European Securities and Markets Authority, the Finnish Financial Supervisory Authority, and the Nasdaq Helsinki stock exchange.

#### **Annual General Meeting 2024**

The Company's Annual General Meeting (AGM) for 2024 was held in Helsinki on 4 April 2024. Notice of the AGM, including proposals by the Board of Directors and the Nomination and Governance Committee, was published in February. A total of 3,167 (3,476) shareholders were represented at the meeting. Shareholders attending the meeting represented 60% (60%) of the Company's shares and voting rights at the time of the AGM. The AGM supported all proposals by the Board of Directors or the Board's Nomination and Governance Committee, and the decisions at the AGM 2024 were made in accordance with the proposals.

#### **Board of Directors**

The AGM 2024 elected nine members to UPM's Board of Directors for a one-year term. Pia Aaltonen-Forsell, Henrik Ehrnrooth, Jari Gustafsson, Piia-Noora Kauppi, Topi Manner, Marjan Oudeman, Martin à Porta and Kim Wahl were re-elected to the Board. Melanie Maas-Brunner was elected as a new director to the Board. All directors are non-executive, and their term of office will end with the closure of AGM 2025. Emma FitzGerald had announced that she was not available for re-election.

**60%**

of shares and votes represented in the AGM 2024

**3,167**

shareholders represented in the AGM 2024

# Composition of the Board of Directors, 31 December 2024



**Henrik Ehrnrooth**

## Chair of the Board and Chair of the Nomination and Governance Committee

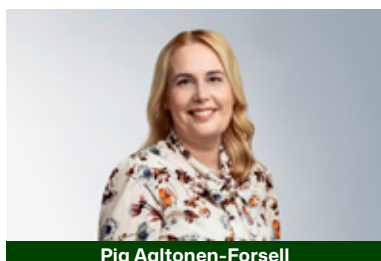
Director since	2015
Independence	Independent of the Company and significant shareholders
Education	MSc (Econ.)
Nationality	Finnish
Born	1969
Gender	male
Main occupation	Chair of the Board
UPM shares <sup>1)</sup> on 31 Dec 2024	30,304



**Kim Wahl**

## Deputy Chair of the Board

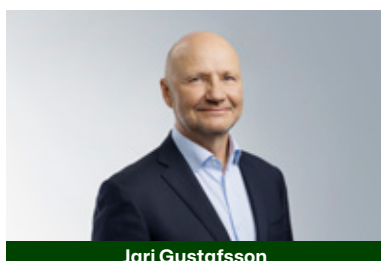
Director since	2012
Independence	Independent of the Company and significant shareholders
Education	MBA (Harvard), BA (Business Econ.)
Nationality	Norwegian
Born	1960
Gender	male
Main occupation	Chair of the Board of Strømstangen AS
UPM shares <sup>1)</sup> on 31 Dec 2024	29,729



**Pia Aaltonen-Forsell**

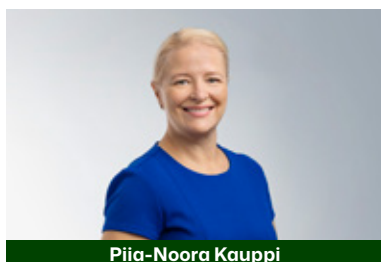
## Chair of the Audit Committee

Director since	2023
Independence	Independent of the Company and significant shareholders
Education	MBA, M.Soc.Sc. (Econ.)
Nationality	Finnish
Born	1974
Gender	female
Main occupation	CFO of Northvolt AB
UPM shares <sup>1)</sup> on 31 Dec 2024	3,128



**Jari Gustafsson**

Director since	2021
Independence	Independent of the Company and significant shareholders
Education	MSc (Political Science)
Nationality	Finnish
Born	1958
Gender	male
Main occupation	Partner at AlterInvest Oy
UPM shares <sup>1)</sup> on 31 Dec 2024	5,964



**Piia-Noora Kauppi**

Director since	2013
Independence	Independent of the Company and significant shareholders
Education	LLM
Nationality	Finnish
Born	1975
Gender	female
Main occupation	Partner of Odgers Berndtson Oy
UPM shares <sup>1)</sup> on 31 Dec 2024	27,163



**Melanie Maas-Brunner**

Director since	2024
Independence	Independent of the Company and significant shareholders
Education	PhD (Chemistry)
Nationality	German
Born	1968
Gender	female
Main occupation	Non-executive director
UPM shares <sup>1)</sup> on 31 Dec 2024	1,462



**Topi Manner**

Director since	2022
Independence	Independent of the Company and significant shareholders
Education	MSc (Econ.)
Nationality	Finnish
Born	1974
Gender	male
Main occupation	CEO of Elisa Corporation
UPM shares <sup>1)</sup> on 31 Dec 2024	7,929



**Marjan Oudeman**

Director since	2018
Independence	Independent of the Company and significant shareholders
Education	LLM, MBA
Nationality	Dutch
Born	1958
Gender	female
Main occupation	Non-executive director
UPM shares <sup>1)</sup> on 31 Dec 2024	12,722



**Martin à Porta**

**Chair of the Remuneration Committee**

Director since	2020
Independence	Independent of the Company and significant shareholders
Education	MSc (Eng.)
Nationality	Swiss
Born	1970
Gender	male
Main occupation	Non-executive director
UPM shares <sup>1)</sup> on 31 Dec 2024	27,972

<sup>1)</sup> Including shares held by the director's controlled entities if any.

## Director independence

### Independence evaluation process

The Board of Directors evaluates the independence of its members, both annually and on a continuous basis, with the assistance of the Board's Nomination and Governance Committee. A Board member is obliged to provide sufficient information for the evaluation of their independence and to express their own opinion of their independence.

### Independence criteria

Director independence is assessed based on the independence criteria of the CG Code, in addition to other factors and circumstances to be considered when carrying out an overall evaluation, from the perspective of both the Company and the Board of Directors. The Nomination and Governance Committee also considers additional director independence criteria it adopts. These criteria are available at [www.upm.com/governance](http://www.upm.com/governance).

Director independence is assessed overall and in relation to UPM, its Group companies and the Company's significant shareholders. A shareholder with a shareholding of at least 10% of the Company's shares, or the votes attached thereto, or with the right or obligation to acquire the corresponding number of already issued shares, is deemed significant. The majority of directors must be independent of the Company, and at least two directors of this majority must be independent of significant shareholders. To be considered independent of the Company, a director must not have a material relationship with the Company other than their service as a director. In the overall assessment of a director's independence, any material relationships with a director's family members or closely related persons or entities are also taken into account, in addition to any other factors that may compromise the director's independence or ability to represent all shareholders.

### UPM director independence

According to the evaluation carried out by the Board with the assistance of the Nomination and Governance Committee, all Board members are independent of the Company's significant shareholders, as the Company has no controlling shareholder, and none of the Company's shareholders has announced a holding of 10% or more of the Company's

shares or votes attached thereto.

All directors are non-executive, and the Board has also concluded that all directors are independent of the Company, including Piia-Noora Kauppi and Kim Wahl, although they have been non-executive directors of the Company for ten or more consecutive years. Based on the Board's overall evaluation of the independence of these directors, their long-standing service does not compromise their independence, and no other factors or circumstances have been identified that could affect their independence.

## Board diversity

The Board's diversity principles are included in the Board and committee charters and, more specifically, in the Board's Diversity Policy. The Board of Directors' Nomination and Governance Committee assists the Board in the implementation of the policy and prepares the Board's proposal for the composition of the Board to the AGM, in accordance with the director evaluation and nomination process specified in the policy. The Board's Diversity Policy aims to set objectives and procedures for achieving appropriate diversity on the Board, thereby contributing to the effective functioning of the Board as a team. The Board updated its Diversity Policy in December 2024, and it is available at [www.upm.com/governance](http://www.upm.com/governance).

### Diversity aspects and objectives

The overarching goal of diversity is for the Board as a whole to have a broad range of skills, experience and perspectives, as well as knowledge of UPM and relevant industries, so that the Board can effectively accomplish its responsibilities, especially those pertaining to strategy and risk management.

The Board considers it important that all directors are individuals of high integrity with the ability to exercise sound judgement on a broad range of issues. For the Board to comprise an appropriate mix of relevant knowledge and experience, as well as have independence of judgement and diverse perspectives, the Board has set an objective that certain key qualifications be sufficiently represented on the Board. A sufficient number of the directors on the Board are expected to have the relevant professional experience and education to provide a sound appreci-

ation of issues pertinent to publicly listed companies of a size and scope corresponding to that of UPM, including:

- Relevant industrial, market and sectoral experience
- Financial and risk management experience
- Sustainability and governance experience
- Cybersecurity experience
- Experience in the planning and implementation of company strategies; and international experience.

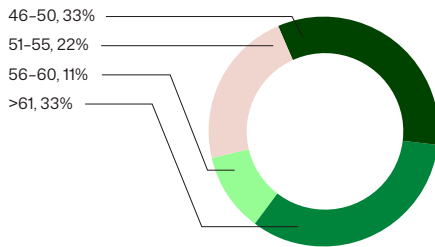
Regarding other factors relevant to Board diversity, the Board aims to include an appropriate number of directors of different nationalities, ages, genders, and lengths of service. The Board has set the following measurable objective: The representation of genders in the Board shall be balanced. The Company follows the goal set out in the Limited Liability Companies Act's to have at least 40% (including the relevant rounding rules) of under-represented gender in the Board. Where two candidates are equally qualified, priority is given to the candidate of the underrepresented gender.

There is no set retirement age for the Board but, as stated in the Board's Diversity Policy, because UPM's strategic agenda, risks and operating needs evolve over time, it is acknowledged that the Board will review its skills and experience to develop and refresh its competences and other relevant qualities as needs arise.

### Implementation and results

There are nine directors on the Board. At AGM 2024, one member's term came to an end, as she had announced that she would be unavailable for re-election, and one new director was elected to the Board. Each member of the Board has a university degree, and one has a doctorate. The said degrees cover different areas of study, with the majority being in finance, economics, or business administration. All directors have international professional experience in various types of positions, and they are or have been executives or non-executive members of the Board of Directors of both listed and unlisted companies. The cultural background of the Board is also diverse. The members represent five different nationalities and speak

### Board diversity – age

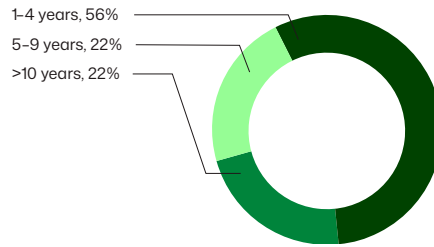


six different languages as native languages. Regarding age, the directors on the Board evenly represent different ages between 49 and 66. Likewise, their length of service is evenly spread: 22% of directors have served on the UPM Board for ten years or more, 22% for five to nine years, and 56% for less than five years. Regarding the representation of both genders on the Board, female directors account for 44% (4/9) of all UPM's directors.

### Board duties

The Board is responsible for the oversight and control of the entire UPM Group and for ensuring that the Company's administration and operations, as well as control of

### Board diversity – tenure



its accounts and finances, are duly in place. The Board approves the Company's financial statements, other financial reports and the report of the Board of Directors, including the Sustainability Statement, determines the Company's Dividend Policy and makes a proposal to the AGM for the distribution of profits and payment of dividends. The Board convened according to its original meeting schedule and held additional meetings as required.

The Board has prepared a written charter of its work, including the Board's main duties and operating principles. The duties and responsibilities of the Board of Directors, as defined in the charter, are presented on the next page. This charter is available at [www.upm.com/governance](http://www.upm.com/governance).

### Gender

**44%**  
women and 56% men

### Nationalities

**5**

**Represented nationalities:**  
Finnish (56%), Norwegian (11%), Dutch (11%), German (11%) and Swiss (11%)

### Education

**100%**

of members have a university degree, and one has a doctorate

MBA (33%), MSc (Econ.) (33%), LLM (22%), PhD (Chem.) (11%), MSc (Polit.) (11%) and BA (Business Econ.) (11%)

## Board of Directors' duties and responsibilities

Strategy	<ul style="list-style-type: none"> <li>Review and approve the Company's strategic objectives</li> <li>Review and approve the strategic plans of the Company and its business areas annually</li> <li>Monitor the implementation of the strategic plans</li> </ul>
Financial performance	<ul style="list-style-type: none"> <li>Review and approve the Company's financial targets</li> <li>Monitor the Company's financial performance</li> </ul>
Financial and statutory sustainability reporting	<ul style="list-style-type: none"> <li>Monitor and assess the Company's financial reporting process</li> <li>Oversee the integrity of financial reporting</li> <li>Approve the Company's financial reports</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Oversee the Company's key sustainability focus areas and targets</li> <li>Oversee the Company's double materiality assessment (DMA) process</li> <li>Oversee the management of material sustainability impacts, risks and opportunities (IROs)</li> </ul>
Restructurings, investments, financing, M&A	<ul style="list-style-type: none"> <li>Review and approve major corporate plans and transactions</li> <li>Establish limits for capital expenditures, investments and divestitures and financial commitments not to be exceeded without Board approval</li> <li>Review and approve the Company's annual investment frame</li> </ul>
Internal control	<ul style="list-style-type: none"> <li>Ensure that the Company has defined the operating principles of internal control</li> <li>Monitor and assess the effectiveness of internal control</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Monitor and assess the effectiveness of risk management systems</li> <li>Oversee the assessment and management of risks related to the Company's strategy and operations</li> </ul>
Audit of financial information and assurance of statutory sustainability reporting	<ul style="list-style-type: none"> <li>Monitor the Company's audit and assurance related to statutory sustainability reporting</li> <li>Monitor and assess the auditor's performance and independence and the performance and independence of the sustainability report assurer</li> <li>Monitor and assess the provision of non-audit and non-assurance services by the auditor and the sustainability report assurer</li> <li>Prepare the proposal for the election of auditor and the sustainability report assurer, as well as their fees</li> <li>Meet regularly with the auditor without members of management present</li> </ul>
Appointments	<ul style="list-style-type: none"> <li>Appoint and dismiss the President and CEO</li> <li>Appoint members of senior management reporting directly to the President and CEO</li> <li>Appoint the Chair and the Deputy Chair from among its members annually</li> <li>Appoint Chairs and members of the Board Committees annually</li> </ul>
Management remuneration	<ul style="list-style-type: none"> <li>Approve the service contracts for the President and CEO and other senior executives</li> <li>Approve the remuneration, including salaries, incentives and other financial benefits, for the President and CEO and other senior executives</li> </ul>
Succession planning	<ul style="list-style-type: none"> <li>Oversee the succession planning of the President and CEO and other senior executives</li> </ul>
Governance principles	<ul style="list-style-type: none"> <li>Approve the Company's Code of Conduct and other corporate policies</li> <li>Oversee the establishment of the Company's values to be applied to its operations</li> <li>Periodically review and reassess the adequacy of the Board and Committee charters</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Monitor compliance with the applicable legal and regulatory requirements</li> <li>Monitor compliance with the corporate policies approved by the Board</li> </ul>
Conflicts of interest	<ul style="list-style-type: none"> <li>Establish the principles concerning the monitoring and evaluation of related party transactions and review any potential conflicts of interest accordingly</li> </ul>
Committees	<ul style="list-style-type: none"> <li>Establish specific Committees to assist the Board</li> <li>Determine the size and composition of the Committees</li> <li>Approve the Committee charters</li> </ul>
Director independence	<ul style="list-style-type: none"> <li>Evaluate director independence and qualifications annually</li> <li>Monitor compliance with independence criteria applicable to directors</li> </ul>
Evaluation	<ul style="list-style-type: none"> <li>Conduct an annual evaluation of its performance and working methods</li> <li>Conduct an annual evaluation of the Committee's performance and working methods</li> </ul>
Other	<ul style="list-style-type: none"> <li>Meet regularly without members of management present</li> <li>Consider proposals by shareholders for matters to be dealt with by the general meeting</li> </ul>



## Attendance at meetings

There is no minimum attendance requirement for directors' attendance at meetings, but they are expected to attend all meetings unless there is a valid reason for non-attendance. In 2024, the Board held twelve meetings. The average rate of attendance at the meetings was 100% (100%).

### Attendance at meetings 2024

Director	Board of Directors	Audit Committee	Nomination and Governance Committee	Remuneration Committee	Total attendance rate
Meetings held in 2024	12	6	5	4	
Henrik Ehrnrooth, Chair	12 (as chair)(100%)		5 (as chair)(100%)		100%
Kim Wahl <sup>1)</sup> , Deputy Chair	12 (100%)	1 (as chair)(100%)	4 (100%)		100%
Pia Aaltonen-Forsell <sup>2)</sup>	12 (100%)	6 (5 as chair)(100%)			100%
Jari Gustafsson <sup>3)</sup>	12 (100%)	5 (100%)	1 (100%)		100%
Piia-Noora Kauppi	12 (100%)		5 (100%)		100%
Melanie Maas-Brunner <sup>4)</sup>	10 (100%)			3 (100%)	100%
Topi Manner	12 (100%)			4 (100%)	100%
Marjan Oudeman	12 (100%)	6 (100%)			100%
Martin à Porta	12 (100%)			4 (as chair)(100%)	100%
Emma FitzGerald <sup>5)</sup>	2 (100%)			1 (100%)	100%

<sup>1)</sup> Audit Committee chair until 4 April 2024; Nomination and Governance Committee member since 4 April 2024

<sup>2)</sup> Audit Committee chair since 4 April 2024

<sup>3)</sup> Nomination and Governance Committee member until 4 April 2024; Audit Committee member since 4 April 2024

<sup>4)</sup> Board and Remuneration Committee member since 4 April 2024

<sup>5)</sup> Board and Remuneration Committee member until 4 April 2024

## Performance evaluation of the Board of Directors

The Board of Directors conducts an annual evaluation of its performance and working methods, including an evaluation of the performance and working methods of its committees. In 2024, the evaluation was conducted as a self-evaluation, as it was conducted in 2023 by an external facilitator, the results of which were thoroughly discussed and analysed in 2023, continuing in early 2024. The Board members evaluated the performance of the Board and its committees in relation to their respective duties and responsibilities, the Board and Committee compositions and structure, the Board culture, the effectiveness of the Board and committee meetings, the individual performance of Board members, and the performance of the Chair of the Board.

The overall results of the 2024 self-evaluation were highly favourable and indicated that the Board, the Chair of the Board and

the Board Committees were performing effectively, and that Board members were committed to their Board work. Identified areas for improvement are considered when planning Board-related work, and the Nomination and Governance Committee takes the results into consideration when preparing its proposals for the composition of the Board for the Annual General Meeting.

## Board committees

The Board has established the following three committees to further improve the preparation of matters to be decided by the Board:

- Audit Committee
- Remuneration Committee and
- Nomination and Governance Committee

The Board appoints the members of each committee and its respective Chair from

among its members annually during its constitutive meeting following the Annual General Meeting. Each committee has at least three members.

The Board remains responsible for the performance of any duties assigned to the committees. The committees do not have any independent decision-making power. Instead, the Board makes decisions based on the preparation and resolution proposals provided by the committees. The committees also assist the Board in its oversight and monitoring responsibilities.

All committee members are independent both of the Company and its significant shareholders, so the committees fulfil their respective independence criteria as set out in the Finnish CG Code. In the appointment of committee members, the respective qualification requirements have also been taken into account. The attendance rate of each committee member at committee meetings is available in the table above.



### **Committee charters**

The written committee charters approved by the Board of Directors set forth the purpose, operations and duties of each committee, as well as the prerequisites of committee membership. Each committee is responsible for performing the duties assigned to it in its charter. The committee charters are available at [www.upm.com/governance](http://www.upm.com/governance).

### **Committee-related work**

The committees hold their meetings prior to Board meetings to prepare matters to be decided by the Board. The chairs of each committee report on matters discussed and

actions taken by the committees during the Board meetings. In addition, the minutes from the committee meetings are available to all Board members for information purposes.

The committees periodically review and reassess the adequacy of their charters and propose any changes they consider necessary to the Board for approval.

Each year, the committees conduct a self-evaluation and evaluate the performance of their duties and responsibilities and working methods, the composition of the committee, and the effectiveness of committee meetings. The chairs of each commit-

tee report on the results of these evaluations to the Chair of the Nomination and Governance Committee. In 2024, the self-evaluation was conducted in November, and the results were discussed and analysed in December. In 2023, the performance evaluations of all committees were also facilitated by an external evaluator and were conducted in connection with the performance evaluation of the Board.

More information about committee duties and responsibilities according to their respective committee charters is available on the following pages.

## Audit Committee

The Audit Committee is responsible for overseeing the Company's financial and statutory sustainability reporting processes and financial and statutory sustainability reporting, internal control, internal audit and risk management, and for monitoring the Company's audit, statutory sustainability reporting assurance and compliance procedures.

Audit committee's duties and responsibilities	
Financial and statutory sustainability reporting	<ul style="list-style-type: none"> <li>Monitor and assess both the financial reporting processes and the statutory sustainability reporting processes</li> <li>Submit recommendations or proposals to ensure the integrity of the financial and statutory sustainability reporting processes</li> <li>Monitor the quality and integrity of the financial statements, other financial reports and statutory sustainability reporting</li> <li>Review the Report of the Board of Directors, including information about statutory sustainability reporting</li> </ul>
Financial performance	<ul style="list-style-type: none"> <li>Monitor the Company's financial performance</li> <li>Review the Company's annual financial statements and half-year and interim financial reports</li> <li>Discuss generally with management the nature of the financial information and earning guidance provided to the market</li> </ul>
Internal control	<ul style="list-style-type: none"> <li>Monitor and assess the effectiveness of the Company's internal control</li> </ul>
Internal audit	<ul style="list-style-type: none"> <li>Monitor and assess the effectiveness of the Company's internal audit</li> <li>Review the Company's policies with respect to the internal audit</li> <li>Review internal audit reports</li> <li>Approve the annual internal audit plan and budget</li> <li>Review the organisation, responsibilities and staffing of the internal audit function periodically</li> <li>Meet separately with the internal auditor at least twice a year</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Oversee the Company's key sustainability focus areas and targets</li> <li>Oversee the double materiality assessment (DMA) process</li> <li>Oversee the management of material sustainability impacts, risks and opportunities (IROs)</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Monitor and assess the Company's risk management process</li> <li>Monitor and assess the effectiveness of the Company's risk management systems</li> <li>Review the Company's policies with respect to risk assessment and risk management</li> <li>Oversee the alignment of risk management activities with these policies</li> <li>Review the organisation, responsibilities and staffing of the risk management function periodically</li> </ul>
Audit of financial information and assurance of statutory sustainability reporting	<ul style="list-style-type: none"> <li>Monitor the statutory audit of the financial statements and consolidated financial statements, as well as the assurance of the statutory sustainability reporting, including the identification of reported items and digital reporting</li> <li>Inform the Board of the outcome of the statutory audit and the assurance of the statutory sustainability reporting, and explain how it contributed to the integrity of the financial reporting and the statutory sustainability reporting</li> <li>Oversee the arrangement of tendering processes for audit services</li> <li>Approve annual audit fees and the fees of the sustainability report assurer under the guidance of the shareholders at the Annual General Meeting</li> <li>Review the scope, planning and staffing of the annual audit plan</li> <li>Evaluate the appropriateness of the auditor's provision of audit-related and non-audit services, the sustainability report assurer's assurance services, and approve related fees</li> </ul>
Auditor of financial information and assurer of statutory sustainability reporting	<ul style="list-style-type: none"> <li>Be responsible for both the auditor and the sustainability report assurer's selection procedures</li> <li>Prepare the proposal for both the auditor's and the sustainability report assurer's remuneration</li> <li>Prepare the proposal for the auditor's and the sustainability report assurer's election or re-election</li> <li>Evaluate the auditor's and the sustainability report assurer's qualifications and performance</li> <li>Monitor and assess the auditor's and statutory sustainability report assurer's independence</li> <li>Review the experience, qualifications and performance of senior members of the audit engagement team</li> <li>Ensure the rotation of the auditor's lead audit partner at least every seven years</li> <li>Meet separately with the auditor and statutory sustainability report assurer at least twice a year</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Monitor and assess the effectiveness of the Company's compliance system</li> <li>Review compliance reports</li> <li>Review the organisation, responsibilities and staffing of the compliance function periodically</li> <li>Review any legal matters that may have a significant impact on the Company's financial position</li> <li>Review any material reports or inquiries from regulatory or governmental agencies</li> <li>Review the Company's Code of Conduct</li> <li>Review compliance with the Code of Conduct and other corporate policies approved by the Board</li> <li>Oversee procedures for treatment of complaints and concerns submitted to the Company anonymously or otherwise</li> <li>Review the Company's annual Corporate Governance Statement</li> </ul>
Conflicts of interest	<ul style="list-style-type: none"> <li>Assist the Board in the establishment of principles concerning the monitoring and evaluation of related party transactions</li> <li>Monitor and assess how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary course of business and market terms</li> <li>Review any questions of potential conflicts of interest in contemplated transactions with the Company's related parties that require Board approval</li> <li>Make recommendations to the Board for appropriate actions regarding contemplated related party transactions that require Board approval</li> </ul>
Other	<ul style="list-style-type: none"> <li>Meet separately with representatives of management at least twice a year</li> <li>Meet regularly without members of management present</li> <li>Perform other duties and functions that may be assigned by the Board or deemed necessary or appropriate by the committee for the performance of its oversight function</li> </ul>

In addition to undertaking the assigned matters and regular reports listed above, the Audit Committee also reviewed reports on and discussed ESG and cybersecurity and focused on the preparation of the statutory sustainability report for the first time in such a regulated scope.

## Remuneration Committee

The Remuneration Committee is responsible for preparing the Company's remuneration principles and practices, and for planning the remuneration of the President and CEO, as well as the remuneration and succession of other senior executives.

Remuneration committee's duties and responsibilities	
Remuneration framework	<ul style="list-style-type: none"><li>• Review and make recommendations to the Board with respect to the Company's remuneration schemes and annually commencing plans</li><li>• Prepare the Remuneration Policy for Board approval and review its appropriateness at least annually</li><li>• Present the Remuneration Policy for governing bodies to shareholders at the Annual General Meeting</li></ul>
Service contracts	<ul style="list-style-type: none"><li>• Make recommendations to the Board concerning the terms and conditions of the service contracts with the senior executives</li><li>• Make recommendations to the Board concerning the terms and conditions of any severance arrangements or retention plans or agreements in addition to or in replacement of such agreements with senior executives</li></ul>
Management remuneration	<ul style="list-style-type: none"><li>• Make recommendations to the Board concerning salaries and other financial benefits for the President and CEO and other senior executives</li><li>• Make recommendations to the Board for the payout of short- and long-term incentives to the President and CEO and other senior executives</li><li>• Prepare the annual Remuneration Report for Board approval</li><li>• Present the Remuneration Report to shareholders at the Annual General Meeting</li></ul>
Incentive schemes	<ul style="list-style-type: none"><li>• Review and make recommendations to the Board with respect to the Company's remuneration schemes and annually commencing plans, including short-term incentive plans, long-term incentive plans and pension plans</li><li>• Review and make recommendations to the Board regarding short- and long-term performance measures and related targets and weightings relevant to the remuneration of the Company's President and CEO and other senior executives</li><li>• Evaluate the performance of the President and CEO and review the performance of other senior executives in light of the set targets at least once a year</li><li>• Oversee the administration of the Company's incentive plans approved by the Board</li></ul>
Sustainability	<ul style="list-style-type: none"><li>• Review of how remuneration is linked to material sustainability topics</li><li>• Review of selected material social sustainability topics regarding the Company's own workforce</li></ul>
Succession planning	<ul style="list-style-type: none"><li>• Review procedures and development strategies for senior positions at least once a year</li><li>• Review succession plans for the senior executives and report to the Board on such matters at least once a year</li></ul>
Compliance	<ul style="list-style-type: none"><li>• Oversee regulatory compliance with respect to remuneration matters</li><li>• Review the Company's share ownership recommendations and compliance therewith</li></ul>
Other	<ul style="list-style-type: none"><li>• Meet without members of executive management present at least once a year</li><li>• Meet with the internal auditor as necessary</li><li>• Meet with the auditor as necessary</li><li>• Meet with the Company executives as necessary</li><li>• Perform any other duties or responsibilities delegated to the committee by the Board from time to time</li></ul>

In addition to undertaking the assigned matters and regular reports listed above, the Remuneration Committee also focused on the performance measures of the incentive plans in 2024. The Committee made recommendations to the Board concerning the remuneration of the President and CEO and other senior executives, concerning the Terms of Service agreements of six new Executive Vice Presidents: EVP, Marketing, Sustainability and Communication; EVP, UPM Raflatac; EVP, UPM Communication Papers; EVP, UPM Specialty Papers; Interim EVP, UPM Plywood and EVP, Technology and UPM Biorefining appointed in 2024. It also reviewed the Remuneration Policy presented to the AGM 2024.

## Nomination and Governance Committee

The Nomination and Governance Committee is responsible for the composition, diversity and remuneration of the Board of Directors, succession planning for the President and CEO, and corporate governance. If necessary, the committee also makes recommendations to the Board concerning the terms of service agreement of the President and CEO, and any severance arrangement or retention plan or agreement in addition to or in replacement of such agreements.

Nomination and governance committee's duties and responsibilities	
Board composition	<ul style="list-style-type: none"><li>• Develop and recommend a set of principles of the diversity of the Board and of corporate governance to the Board</li><li>• Review the structure, size, composition, diversity and successional needs of the Board</li><li>• Prepare a proposal for the election or re-election of members of the Board and present the said proposal to the general meeting</li><li>• Identify candidates for election or re-election to the Board</li><li>• Evaluate shareholders' potential proposals regarding Board candidates</li></ul>
Board remuneration	<ul style="list-style-type: none"><li>• Assist the Board in the preparation of the Remuneration Policy and annual remuneration reports with the Remuneration Committee</li><li>• Review Board members' remuneration annually</li><li>• Prepare a proposal to the general meeting for the remuneration of Board members in accordance with the Remuneration Policy</li><li>• Present the proposal regarding Board members' remuneration to the general meeting</li></ul>
Director independence	<ul style="list-style-type: none"><li>• Assist the Board in the evaluation of the independence of the Board members and candidates</li><li>• Assist the Board in monitoring compliance with the independence criteria applicable to directors of publicly listed companies in Finland</li><li>• Assist the Board in the assessment of the directors' ability to devote the necessary time and attention to the Company</li></ul>
Board evaluation	<ul style="list-style-type: none"><li>• Establish criteria for the Board's evaluation of its performance and working methods</li><li>• Assist the Board in the annual evaluation of its performance and working methods</li></ul>
Succession planning	<ul style="list-style-type: none"><li>• Review succession plan for the President and CEO at least annually and report to the Board on said succession plan</li></ul>
Appointments	<ul style="list-style-type: none"><li>• Recommend the appointment of the Chair and Deputy Chair of the Board for Board approval</li><li>• Identify individuals qualified to serve as the President and CEO</li><li>• Preparation for the appointment of the President and CEO</li><li>• Recommend the appointment of the President and CEO to the Board</li></ul>
Service agreement and severance arrangement	<ul style="list-style-type: none"><li>• Recommend the terms of service agreement of the President and CEO for Board approval</li><li>• If necessary, recommend a severance arrangement or retention plan or agreement in addition to or in replacement of such agreements for Board approval</li></ul>
Committees	<ul style="list-style-type: none"><li>• Review committee assignments and composition annually</li><li>• Recommend committee members and chairs of the committees to the Board annually</li><li>• Establish criteria for the committees' annual evaluation of their performance and working methods</li><li>• Assist the committees in the annual evaluation of their performance and working methods</li></ul>
Charters	<ul style="list-style-type: none"><li>• Review and reassess the adequacy of the Board and committee charters periodically</li></ul>
Other	<ul style="list-style-type: none"><li>• Oversee skills and expertise in sustainability and business conduct matters</li><li>• Assist the Board in connection with major management reorganisation</li><li>• Meet without members of management present as necessary</li><li>• Perform any other duties or responsibilities delegated to the committee by the Board from time to time</li></ul>

In 2024, in addition to undertaking the assigned matters and regular reports listed above, the Nomination and Governance Committee also focused on a proposal for certain rotations to the composition of the committees, and reviewed the Remuneration Policy presented to the AGM 2024. In 2024, it also continued discussion and analysis of results of the Board's performance evaluation conducted by the external facilitator during the last quarter of 2023.

## President and CEO

Massimo Reynaudo has been the President and Chief Executive Officer of UPM-Kymmene Corporation since 1 January 2024. He was born in 1969 and holds a master's degree in engineering from Politecnico di Torino and additional studies in business administration and management. He is an Italian citizen.

The President and CEO's duty is to manage and oversee the Company's day-to-day business operations in accordance with the instructions and orders given by the Board of Directors. In the operative management of the Company, the President and CEO is assisted by the Group Executive Team, which consists of the executives leading the business areas and global functions, the Business Area

Boards, and the Strategy Team. The President and CEO makes decisions on matters that are relevant to the Company's daily business operations. The President and CEO chairs the Group Executive Team.

The President and CEO is also responsible for arranging the Company's day-to-day administration, ensuring that the Company's accounts are in compliance with the law, and that the Company's financial affairs are reliably presented.

The President and CEO ensures that the Board receives adequate information about the Company's business operations, operating environment and financial position to facilitate informed decision-making. The President and CEO reports to the Board on the Company's business and financial

performance and supervises the execution of Board resolutions.

## Other executives

In the Company's operative management, the President and CEO is assisted by the Group Executive Team, the Business Area Boards and the Strategy Team. The duties of these management bodies are presented on the first page of this Statement in connection with the illustration of the Company's governance structure. The authority of these management bodies is not based on the Limited Liability Companies Act or the Company's Articles of Association, but their position in the Company's management system.

### Composition of management bodies

Group Executive Team	Business area boards	Strategy Team
President and CEO (Chair)	President and CEO (Chair)	President and CEO (Chair)
CFO	CFO	CFO
General Counsel	General Counsel	General Counsel
Business Area EVPs	Business Area EVP	EVPs of Global Functions <sup>1)</sup>
EVPs of Global Functions <sup>1)</sup>	EVPs of Global Functions <sup>1)</sup>	

<sup>1)</sup> EVP, Strategy; EVP, Technology; EVP Human Resources and EVP, Marketing, Sustainability and Communications

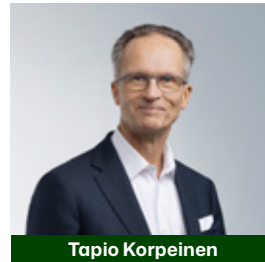
Members of the Group Executive Team have primary responsibility for the business areas and global functions that they lead. Members of the Group Executive Team report directly to the President and CEO.

# Composition of the Group Executive Team (GET), 31 December 2024



**President and CEO**  
 GET member since 2021  
 Education MSc (Eng.)  
 Nationality Italian  
 Born 1969  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 18,786

**Massimo Reynaudo**



**CFO, Executive Vice President, UPM Energy**  
 GET member since 2008  
 Education MSc (Tech.), MBA  
 Nationality Finnish  
 Born 1963  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 232,829

**Tapio Korpeinen**



**EVP, UPM Communication Papers**  
 GET member since 1 October 2024  
 Education MSc (Eng.) and Executive Master's degree (Innovation and Technology Management)  
 Nationality German  
 Born 1977  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 0

**Gunnar Eberhardt**



**EVP, UPM Specialty Papers (as of 1 January 2025) EVP, UPM Plywood (until 31 December 2024)**  
 GET member since 2021  
 Education BSc (Eng.)  
 Nationality Finnish  
 Born 1969  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 13,055

**Mika Kekki**



**EVP, UPM Raflatac**  
 GET member since 1 August 2024  
 Education Diploma in Business Administration (FH), MBA and General Management Program (Harvard Business School)  
 Nationality US and German  
 Born 1980  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 18,866

**Tim Kirchen**



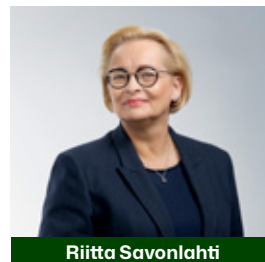
**General Counsel**  
 GET member since 2008  
 Education LL.M.  
 Nationality Finnish  
 Born 1962  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 109,196

**Juha Mäkelä**



**EVP, UPM Specialty Papers (until 31 December 2024)**  
 GET member 2019 - 31 December 2024  
 Education M.Sc (Eng.), eMBA  
 Nationality Finnish  
 Born 1967  
 Gender male  
 UPM shares<sup>1)</sup> on 31 Dec 2024 38,420

**Jaakko Nikkilä**



**EVP, Human Resources**  
 GET member since 2004  
 Education M.Sc (Econ.)  
 Nationality Finnish  
 Born 1964  
 Gender female  
 UPM shares<sup>1)</sup> on 31 Dec 2024 22,739

**Riitta Savonlahti**



**EVP, Technology and UPM Biorefining**  
(until 31 December 2024)

GET member 2016 – 31 December 2024

Education Dipl.Ing. (FH)

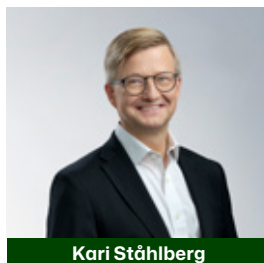
Nationality German

Born 1965

Gender male

UPM shares<sup>1)</sup> on 31 Dec 2024 63,804

**Winfried Schaur**



**EVP, Strategy**

GET member since 2013

Education M.Sc (Eng.)

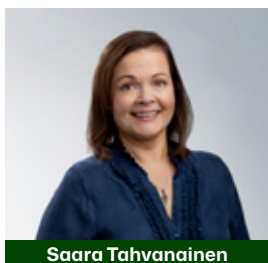
Nationality Finnish

Born 1971

Gender male

UPM shares<sup>1)</sup> on 31 Dec 2024 82,708

**Kari Ståhlberg**



**EVP, Marketing, Sustainability and Communications**

GET member since May 2024

Education M.Sc (Soc.)

Nationality Finnish

Born 1974

Gender female

UPM shares<sup>1)</sup> on 31 Dec 2024 1,000

**Saara Tahvanainen**



**EVP, UPM Fibres**

GET member since 2023

Education MSc and Executive MBA

Nationality Finnish

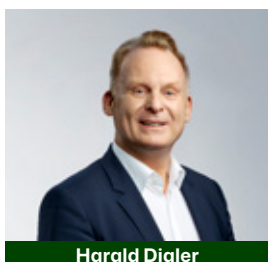
Born 1977

Gender male

UPM shares<sup>1)</sup> on 31 Dec 2024 7,443

**Aki Temmes**

**New members of the Group Executive Team as of 1 January 2025**



**EVP, Technology and UPM Biorefining**

GET member since 1 January 2025

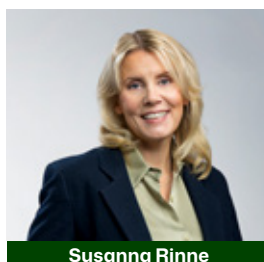
Education PhD (Chemistry)

Nationality German

Born 1970

Gender male

**Harald Dialer**



**Interim Executive Vice President, UPM Plywood**

GET member since 1 January 2025

Education Ms.C. (Eng)

Nationality Finnish

Born 1970

Gender female

**Susanna Rinne**



## Internal control, risk management and other control procedures

The purpose of the Company's internal control and risk management is to ensure that the Company's operations are effective, that financial and other information is reliable, and that the Company complies with the relevant regulations and operating principles. The Board of Directors, assisted by the Audit Committee, is responsible for monitoring and assessing the effectiveness of the Company's internal control and risk management systems. Internal audit assists the Board of Directors with monitoring by ensuring that the Group's control measures have been planned and set up effectively.

### Risk management

UPM regards risk management as a systematic and proactive means to analyse and manage the opportunities and threats

related to its business operations. It also includes careful planning and evaluation of future projects and business environments to mitigate risks and capture opportunities. The Board of Directors has approved the Company's Risk Management Policy, which sets out the operating principles, as well as the roles and responsibilities regarding risk management, and defines the Company's risk management objectives and risk management process.

Risk management is an integral part of UPM's management system, as risk taking is a normal part of business operations. While executing strategies, UPM and its business areas, functions, and manufacturing units are exposed to several uncertainties. Each business area, function and unit is responsible for identifying, measuring and managing risks related to its own operations and for reporting on risk exposures, risk management activities and results to its own management team and the Risk Management function.

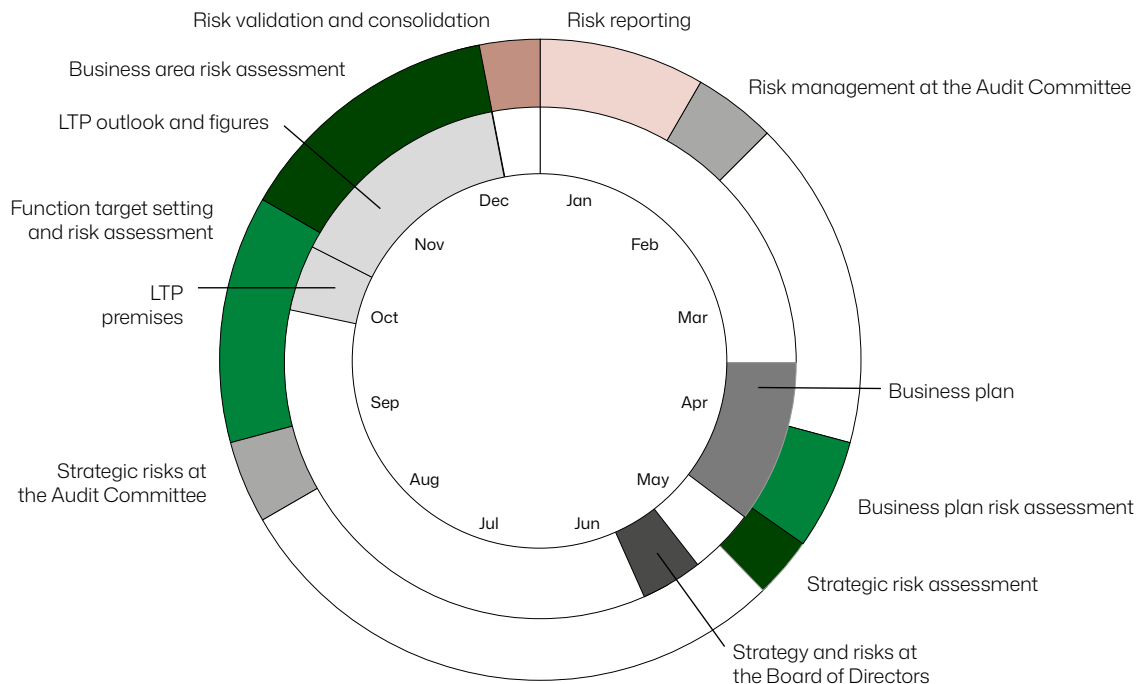
The Risk Management Committee, chaired by the CFO, is responsible for recommending risk tolerances and profiles to the President and CEO and the Strategy Team. The Strategy Team is responsible for aligning risk management priorities, business and risk management strategies, and policies.

The Board of Directors, assisted by the Audit Committee, monitors and assesses the effectiveness of the Company's risk management systems and oversees the assessment and management of risks related to the Company's strategy and operations. The Audit Committee oversees the alignment of risk management activities with the Risk Management Policy and the use of risk assessments to guide internal audit and compliance activities.

### Annual risk management cycle

The Company's annual risk management process is linked to the Company's long-term planning process (LTP), presented in the illustration below.

## ANNUAL RISK MANAGEMENT CYCLE



**Internal control**

Internal control is embedded in UPM's management system, and it supports the systematic execution of the Group strategy. Internal control aims to ensure that the Company's operations are efficient, reliable and in compliance with statutory requirements, and that the Company's financial reporting is accurate, reliable and reflective of its operational results. The Board of Directors is responsible for ensuring that the Company has defined the operating principles of internal control and for monitoring and assessing the effectiveness

of such control. The Audit Committee assists the Board in monitoring the internal control systems' effectiveness.

**Internal control system**

The Company has developed and implemented a comprehensive internal control system that covers business and financial reporting processes. UPM's internal control framework is based on the internal control framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

The five components of UPM's internal control system are:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring activities

UPM's system of internal control can be described with the lines of defence model, which is reflected in UPM's risk management and control processes.

**Lines of defence in UPM's risk management and internal control**



**Internal control pertaining to the financial reporting process**

UPM's internal control framework is structured using a top-down, risk-based approach. The system of internal control pertaining to financial reporting is part of UPM's overall internal control framework, and the effectiveness of internal control is also ensured by using outsourced service providers. The maturity level of internal controls at UPM is assessed every other year, and the results of the assessment are reported to the Audit Committee.

The five components of UPM's internal control system in relation to financial reporting are described above.

**Control environment**

The Company's values and the UPM Code of Conduct, as well as the Group policies and guidelines, form the basis and set the tone for the internal control framework at UPM. The framework consists of:

- A Group-level structure
- Group-level processes

- Group-level controls
- Business and support function controls

Internal control is part of the corporate culture, covering all levels and processes within the Group. The Company's management system enables effective monitoring of different parts of the Group. Internal control in its primary and most extensive form takes place at the operational level, where internal control is continuous and part of day-to-day management.

An essential part of the internal control

environment is the control of UPM's IT applications and IT infrastructure. A special set of internal controls aim to ensure the reliability of UPM's IT systems and the segregation of duties in the IT environment.

### **Risk assessment**

UPM's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks that affect internal control in financial reporting within the Group's companies, business areas and processes. Risk assessment is used to create control targets to ensure that the fundamental demands placed on financial reporting are fulfilled and provide the basis for how risks are managed within the various control structures. The risk assessment is updated annually with the planned control actions and control targets, based on the assessment.

### **Control activities**

Internal control activities pertaining to the financial reporting process are led centrally by the Finance and Control function, which has an annual schedule and defined roles and responsibilities in the control process. The head of each unit or function organises the internal control of their unit or organisation. The Finance and Control function is responsible for monitoring business-, function- and unit-level control processes. The aim of establishing control measures and establishing uniform testing and monitoring processes is to ensure that potential errors or deviations are prevented or detected and corrected accordingly.

Controls in joint operations managed by UPM are performed and tested in the same way as in other UPM companies. Joint operations not managed by UPM are not under UPM internal control processes. Annual management certification is requested from all joint operations to ensure compliant accounting practices and proper financial reporting control processes.

Regarding financial reporting, the Group Accounting Manual sets out the instructions and guidelines for the preparation of consolidated financial statements. The Finance and Control function specifies the design of the control points for the business processes, and the internal controls are implemented in the financial reporting process. Periodic control procedures are an essential part of

the monthly and interim reporting process, and they include the reconciliation and analytical reviews required to ensure that the reported data is correct.

The results of the control risk assessment and testing of the process-level controls are analysed and reported to the Audit Committee.

### **Information and communication**

Internal controls pertaining to financial reporting are documented and filed in the internal control database. The internal control process is reviewed on an ongoing basis and includes possible changes in internal controls due to process or organisational changes. Regular communication from internal control process owners ensures detailed definitions of the controls, and that the minimum requirements for the relevant internal controls are provided.

### **Monitoring activities**

The Board of Directors, Audit Committee, President and CEO, Group Executive Team, Finance and Control function, and the different business areas are responsible for monitoring and thus ensuring the effectiveness of internal controls. The effectiveness of the process for assessing risks and the execution of control activities is reviewed on an ongoing basis at various levels. Monitoring and reviewing include the reviewing of monthly and quarterly financial reports and comparing them to budgets and targets, key performance indicators, and other analytical procedures.

The internal audit monitors and utilises the risk assessment and test results from management's control work.

Internal control planning procedures and results are documented and made available for the internal audit and auditors, as well as management, during the annual process. Results are reported to the Audit Committee, business management and the control owners.

The business areas and global functions are accountable for assessing the effectiveness of the internal controls for which they are responsible. Self-assessment is a common practice at UPM. Key controls are also tested regularly by independent parties. The internal audit compares its audit work against control test results. Auditors evaluate

and test UPM's internal controls as part of their audit work, and recommendations and observations that they make are considered when maintaining and developing the internal control.

### **Internal audit**

UPM's internal audit assists the Company in achieving its objectives by providing a systematic and disciplined approach to evaluating and improving risk management, internal control and governance processes.

The internal audit follows the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The operating principles of internal auditing have been defined in the Internal Audit Charter approved by the Audit Committee, and the Board of Directors monitors and assesses the effectiveness of the internal audit with the Audit Committee. The Audit Committee annually approves Internal Audit's plan and budget, which form the framework for Internal Audit operations.

Internal audit work is independent and objective. Strategic focus areas and the related risks of UPM's businesses and functions are the key inputs for audit engagements. The internal audit contributes to identifying synergies, sharing best practices and recommends improvements to operational efficiency. The scope of the internal audit covers all businesses, functions, units and processes within the UPM Group.

In addition, Internal Audit manages the Report Misconduct channel and the related investigation process of alleged misconduct, and reports to the Audit Committee on submissions under this channel on a quarterly basis. To strengthen the speak-up culture and harmonise the Company's procedures, principles, roles and responsibilities regarding the reporting and investigation of misconduct and other concerns, the Company's misconduct investigation protocol was updated in 2018.

Internal Audit operates administratively under the President and CEO, and functionally under the Audit Committee. It reports on conducted audits and related findings and recommendations to the Audit Committee, President and CEO, CFO, management of the audited operations and the auditor. The Head of Internal Audit attends all Audit Committee meetings and has quarterly sessions with the

Committee members without other members of management present.

### **Related party transactions**

The Company has identified its related parties, and it is regularly engaged in transactions with some of these parties. These transactions are related to the Company's normal business operations and must be in line with the purpose of the Company and executed on market or market-equivalent terms and practices generally observed and accepted within the industry in question (for example, so-called Mankala companies in the energy industry).

The Company's Board of Directors has defined and approved principles for monitoring and assessing related party transactions. These principles are documented in the Company's Approval Policy. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and market terms. The Audit Committee also reviews any questions of potential conflicts of interest in contemplated transactions with the Company's related parties and makes recommendations to the Board for appropriate actions regarding these contemplated transactions. If the contemplated transaction deviates from the Company's normal business operations or would not be executed on market or market-equivalent terms, the transaction must either be cancelled or submitted to the Board of Directors for approval.

The related party transactions are monitored in cooperation with the Finance and Control, and Legal and Compliance functions as part of the Company's normal reporting and control procedures. Information about material transactions concluded between the Company and its related parties is disclosed annually in the notes on the Company's consolidated financial statements. When required under the applicable laws and regulations, material transactions conducted with related parties are also published via a stock exchange release.

### **Insider administration**

UPM follows the Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki Ltd. The UPM Insider Policy has

been approved by the Board of Directors and, with related rules and instructions, it complements applicable insider regulations and sets out guidelines for the Company's insider administration and persons involved in insider projects.

### **Organisation of insider administration**

The Company's Chief Compliance Officer is in charge of the overall organisation of the Company's insider administration. UPM's Insider Administration comprises the General Counsel, the Chief Compliance Officer, the Director responsible for Group Legal and Legal Operations and the Insider Administrator. UPM's Insider Administration is responsible for monitoring compliance with the Market Abuse Regulation (MAR), UPM Insider Policy, and other applicable insider regulations and guidelines. It is also responsible for the ongoing supervision, management and administration of insider and other MAR-related matters, including the maintenance of insider lists, managers' transactions, notifications to managers, the Finnish Financial Supervisory Authority and other relevant parties, as well as for providing training and advice.

### **List of managers and closely associated persons**

As required by the MAR, UPM's Insider Administration maintains a list of persons discharging managerial responsibilities (MAR Managers) and their closely associated persons. Each MAR Manager and closely associated person is informed in writing of their position as such and the related obligations.

At UPM, MAR Managers include the members of the Board of Directors, the President and CEO, the Chief Financial Officer, and the Executive Vice Presidents of the business areas. Based on UPM's governance structure, the above-mentioned executives are deemed to comprise the senior executives of the Company who have regular access to inside information related to UPM, as well as the power to make managerial decisions affecting the future developments and business prospects of the Company.

### **List of financial information recipients**

The Company also maintains a list of Company employees and other persons

who have regular access to the Company's unpublished consolidated financial information based on their position, duties or access rights. Persons entered on this list are called "financial information recipients". Each financial information recipient is informed in writing of their position as such and the related obligations.

### **Trading restriction**

The Company's MAR Managers and financial information recipients are prohibited from trading (on their own account or on account of a third party), directly or indirectly, in the financial instruments linked to UPM during a closed period of 30 calendar days prior to the announcement and on the date of the actual announcement (30 + 1) of UPM's annual, half-year and quarterly financial reports.

### **Insider lists**

UPM does not maintain a list of permanent insiders. Persons receiving inside information are included in project-specific insider lists. UPM's Insider Administration is responsible for establishing, maintaining and updating insider lists when a decision to delay disclosure or to establish an insider project is taken. Each person included on an insider list is notified in writing of their inclusion on the list, along with the obligations and sanctions relating to them. Persons possessing inside information are not allowed to trade in the financial instruments linked to the Company. Persons entered on a project-specific insider list are also notified in writing of the termination of the insider project and related obligations.

### **Whistleblowing**

Any potential violations against UPM's Insider Policy or suspected infringements of financial market regulations such as the MAR and the Securities Markets Act can be reported using UPM's Report Misconduct channel. This channel is available on the corporate website and in UPM's intranet.

## Auditor and sustainability reporting assurer

In 2024, Ernst & Young Oy, a firm of authorised public accountants, acted as the Company's auditor (elected at AGM 2023) and was re-elected as the Company's auditor for the financial period 2025, with Authorised Public Accountant (KHT) Heikki Ilkka as the lead audit partner.

### Statutory sustainability reporting assurer

In accordance with the transitional provisions of the Finnish Companies Act, UPM's Board of Directors resolved that Ernst & Young Oy is the statutory sustainability reporting assurer for the financial period 2024. The fees paid to the statutory sustainability reporting assurer are shown in the table on the right.

### Auditor's fees

According to the resolution of the AGM, the auditors' fees for the financial period be paid against invoices approved by the Board of Directors' Audit Committee. The amounts paid to the auditor, as approved by the Audit Committee, are shown in the table on below.

### Auditor's fees

EUR million	2024*	2023*	2022*
Audit fee	4.5	4.4	4.0
Audit-related services	0.6	0.2	0.2
Tax services	0.6	0.3	0.3
Other services	0.1	0.1	0.1
<b>Total</b>	<b>5.8</b>	<b>5.0</b>	<b>4.6</b>

\* In 2024, auditor's fees were paid to Ernst & Young and in 2023 and 2022, auditor's fees were paid to PricewaterhouseCoopers.

In 2024, auditor's fees include EUR 0.6 million related to audit-related services, EUR 0.4 million related to tax services and EUR 0.0 million related to other services paid to Ernst & Young Oy. The assurance fee EUR 0.3 million related to sustainability reporting is presented as a part of audit-related services. The respective fees in 2023 were EUR 0.2 million, EUR 0.3 million and EUR 0.1 million paid to PricewaterhouseCoopers Oy.



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