



UPM Kaukas

Environmental and societal responsibility 2025



UPM Kaukas

UPM's Kaukas mills are located on the shore of Lake Saimaa in Lappeenranta. A pulp mill, a biorefinery and a sawmill operate at the mill site. UPM's largest research and product development centre, UPM Forest's Eastern Finland wood sourcing management and the Lappeenranta forest service office are also based at Kaukas.

The Kaukas mills form a unique integrated bioforestry unit that produces pulp, sawn timber, biofuels, biochemicals and energy from renewable raw materials. In addition to UPM's mills, Kaukaan Voima Oy's biopower plant operates at the site, producing heat and electricity for the Kaukas mills and the inhabitants of the surrounding area. Approximately 95% of the energy produced by Kaukaan Voima is made from renewable biomass.

Having several operations concentrated in the same area offers many benefits. Integrated production can be managed efficiently from the perspective of environmental protection. The close proximity of the mills improves cooperation, reduces the need for transport and enables the treatment of effluents in a shared biological treatment plant. Sustainably sourced wood raw material, the integrated mill unit's high level of energy self-sufficiency and the recycling of production side streams into raw materials are the cornerstones of our operations.

This EMAS report covers the environmental aspects of the Kaukas pulp mill. Total emission figures also include emissions from the closed paper mill. Societal responsibility is discussed with regard to the entire integrated mill unit.



Production capacity	700,000 tonnes of softwood pulp 380,000 m³ of sawn pine 140,000 tonnes of renewable diesel and naphtha
Personnel	Pulp mill 242, sawmill 109, biorefinery 98, UPM Forest 20, NERC 183. There are approximately 900 UPM employees, in addition to hundreds of contractors, working at UPM Kaukas in Lappeenranta.
Products	Pulp: UPM Conifer Sawmill products: UPM Timber, UPM Plus Biofuels: UPM BioVerno diesel and UPM BioVerno naphtha
Side-products	Lime fractions and sludge
Residues	Tall oil pitch (biorefinery), turpentine and tall oil (pulp mill)
Bioenergy	Heat energy and electricity
Certificates	EMAS (EU Eco-Management and Audit Scheme) (pulp mill) ISO 14001 – Environmental Management System (pulp mill, sawmill, biorefinery) ISO 50001 – Energy Management System (pulp mill) ISO 9001 – Quality Management System (pulp mill, sawmill) ISO 45001 – Occupational Health and Safety Management System (pulp mill, sawmill) ISO 22000 – Food Safety Management System (pulp mill) PEFC™ Chain of Custody – Programme for the Endorsement of Forest Certification (pulp mill, sawmill) FSC® Chain of Custody – Forest Stewardship Council (pulp mill, sawmill) EES+ – Energy Efficiency System (biorefinery) ISCC (International Sustainability and Carbon Certification) (biorefinery) RSB (Roundtable on Sustainable Biomaterials) (biorefinery) All certificates can be found from UPM's Certificate Finder (available at www.upm.com/responsibility)
Environmental labels	UPM pulp products have the approval for use in EU Ecolabel and Nordic Ecolabel paper. For more information on FSC products, please visit http://fi.fsc.org



UPM Kaukas Environmental and Societal Responsibility 2025 is a supplement to the Corporate Environmental and Societal Responsibility Statement of UPM's pulp and paper mills (available at www.upm.com) and provides mill-specific environmental and societal performance data and trends for the year 2025. The annual mill supplements and the UPM Corporate Environmental and Societal Responsibility Statement together form the joint EMAS Statement of UPM Corporation.

UPM is a material solutions company, renewing products and entire value chains with an extensive portfolio of renewable fibres, advanced materials, decarbonization solutions, and communication papers. Our performance in sustainability has been recognized by third parties, including EcoVadis and the Dow Jones Sustainability Indices. We operate globally and employ approximately 15,100 people worldwide, with annual sales of approximately €9.7 billion. Our shares are listed on Nasdaq Helsinki Ltd.

UPM – we renew the everyday



The mark of responsible forestry
For more information about FSC certification visit www.fsc.org



EU Ecolabel : FI/011/001



For more information about PEFC certification visit www.pefc.org

Review of the year 2025

The year 2025 at the Kaukas mills was, as in previous years, varied. The effects of the unstable global political situation were still visible, and the pulp mill adjusted its production according to the prevailing conditions. In connection with the autumn maintenance shutdown, a longer-than-planned shutdown was implemented. Kaukaan Voima's summer shutdown lasted several months. The paper mill adjusted its production according to market demand during the first part of the year, and by the end of the year paper production had ceased completely.

Air emissions from the integrated mill site remained at the same level as for most of the 2000s. The impact on water bodies has been consistently reduced during the current millennium. The wastewater treatment plant operated well throughout the year. Process development at the pulp mill continued to produce positive results, reducing emissions to wastewater treatment and further to water. Production remained material-efficient, raw materials were carefully utilized, and all waste generated in the process was recovered, except for the green liquor dregs from pulp production.

Surplus electricity from the pulp mill was utilized in other units of the integrated mill site.

Operations at the integrated mill site in 2025 were fully in accordance with the environmental permit, with no deviations from permit conditions. The environmental performance of the mill site also met the requirements of the Best Available Techniques (BAT) conclusions.

During the year, 21 items of stakeholder feedback were received. Of these, 18 were related to various odour situations at the wastewater treatment plant and in odorous gas handling, and three were related to noise. All feedback was responded to, and efforts were made to correct the situations as quickly as possible. Odour nuisance caused by the wastewater treatment plant decreased during the year, but the issue was not yet fully resolved. Work to further improve the situation will continue.

UPM has set ambitious emission reduction targets for 2030, and Kaukas' targets for 2025 supported this overall development. The goals were to reduce fossil carbon dioxide emissions, improve energy efficiency, decrease water use, and reduce the pulp mill's specific emissions to water as well as total phosphorus emissions to the water system. Of the nutrients used at the wastewater treatment plant, 70% were recycled nutrients.

The energy efficiency targets were achieved. The pulp mill had a surplus of steam and electricity, and the amount of surplus electricity increased compared with the previous year. Increased use of the electric boiler reduced the need for natural gas, which lowered fossil carbon dioxide emissions.

The pulp mill's specific emissions to water decreased. Water use also decreased compared with the previous year. However, water use remains too high compared with UPM's 2030 targets and requires further action. The total discharge of phosphorus to water decreased from the previous year, and the summer load was kept under control by placing bundles of tree trunks in the outfall channel of the wastewater treatment plant.

The renovation project of the chemical unloading sites, which had continued for several years, was completed, and all chemical unloading sites included in the renovation programme now comply with the stricter groundwater classification requirements. The pulp mill's chlorate tank was renewed. The construction of the tank ensured groundwater protection in accordance with the tightened requirements introduced following the updated groundwater area classification.

Towards zero accidents and better employee well-being

Zero accidents is UPM's goal. Occupational, process and environmental safety are an integral part of our daily operations and are never compromised. UPM monitors the development of occupational safety using the TRI accident frequency indicator, which includes not only accidents resulting in absence but also those requiring medical treatment or modified work duties. The figures include TRI cases involving both UPM employees and contractor personnel. The TRIF target level was below 5.5. At the pulp mill, the TRI frequency was 6.3, resulting from four TRI accidents. The corresponding frequency at the research center was 14.2 (five TRI cases), at the biorefinery 8.2 (two TRI cases) and at the sawmill 13.1 (six TRI cases).

As a precautionary safety measure, all UPM employees and contractors are required to report all near-miss situations as well as safety and environmental observations to the global One Safety reporting tool. Reported cases are processed daily and corrective actions are initiated without delay. In addition, safety discussions are actively conducted at workplaces, for example between supervisors and employees, and safety walks are carried out in different parts of the mill.



Vesa Volmari
General Manager of the Kaukas Integrated Site and Pulp Mill

Minna Maunus-Tiihonen
Environmental Manager



Kaukas is a popular destination for student groups.

UPM's responsibility and societal impact

Responsibility is the foundation of UPM's operations, and our impacts extend from the local community to society at large. We source our raw materials from responsibly managed forests and promote sustainable change in society through material solutions based on renewable raw materials. In Lappeenranta, UPM is one of the largest employers, employing nearly 900 people and around 150 summer trainees during the summer season. In addition, our operations generate significant tax revenues that support regional vitality. In 2025, UPM's local tax impact in the Lappeenranta area was approximately EUR 11 million. UPM is also committed to strengthening local communities through sponsorship cooperation. For many years, the focus has been on learning, reading and physical activity among children and young people. Our goal is to inspire young people and open up opportunities for them in the forest industry as a workplace. We support this through study visits, mill visits and participation in various events. In addition, we organize forest excursions for schoolchildren, daycare-aged children and other stakeholders.



Management of exceptional situations and crises

The following matters are specified under the management of crises and emergency situations, and communications at the mill properties and sites of Kaukas:

- Serious accidents and hazardous situations (major fires, explosions, chemical accidents)
- Environmental damage
- Serious occupational accidents (also on the way to or from work), traffic accidents at the mill site
- Serious production disruptions
- Other exceptional situations such as sabotage, demonstrations, occupational health and safety risks, risks that could harm UPM's reputation, cyber threats and network destruction, and threatening situations not within Kaukas e.g. at other industrial plants.

Co-operation with local services

Rescue operations are always led by the rescue authorities. The mill organization is responsible for technical response measures and for directing fire-fighting and rescue operations carried out by its own personnel. Operational management is the responsibility of representatives of the production organization, who ensure the controlled shutdown of production and other measures required to bring the exceptional situation under control.

Investigation of the incident and the flow of information proceed in accordance with line organization responsibilities and agreed roles. The crisis management group consists of members of the mill management team or is appointed separately on a case-by-case basis.

Exceptional situations related to Kaukaan

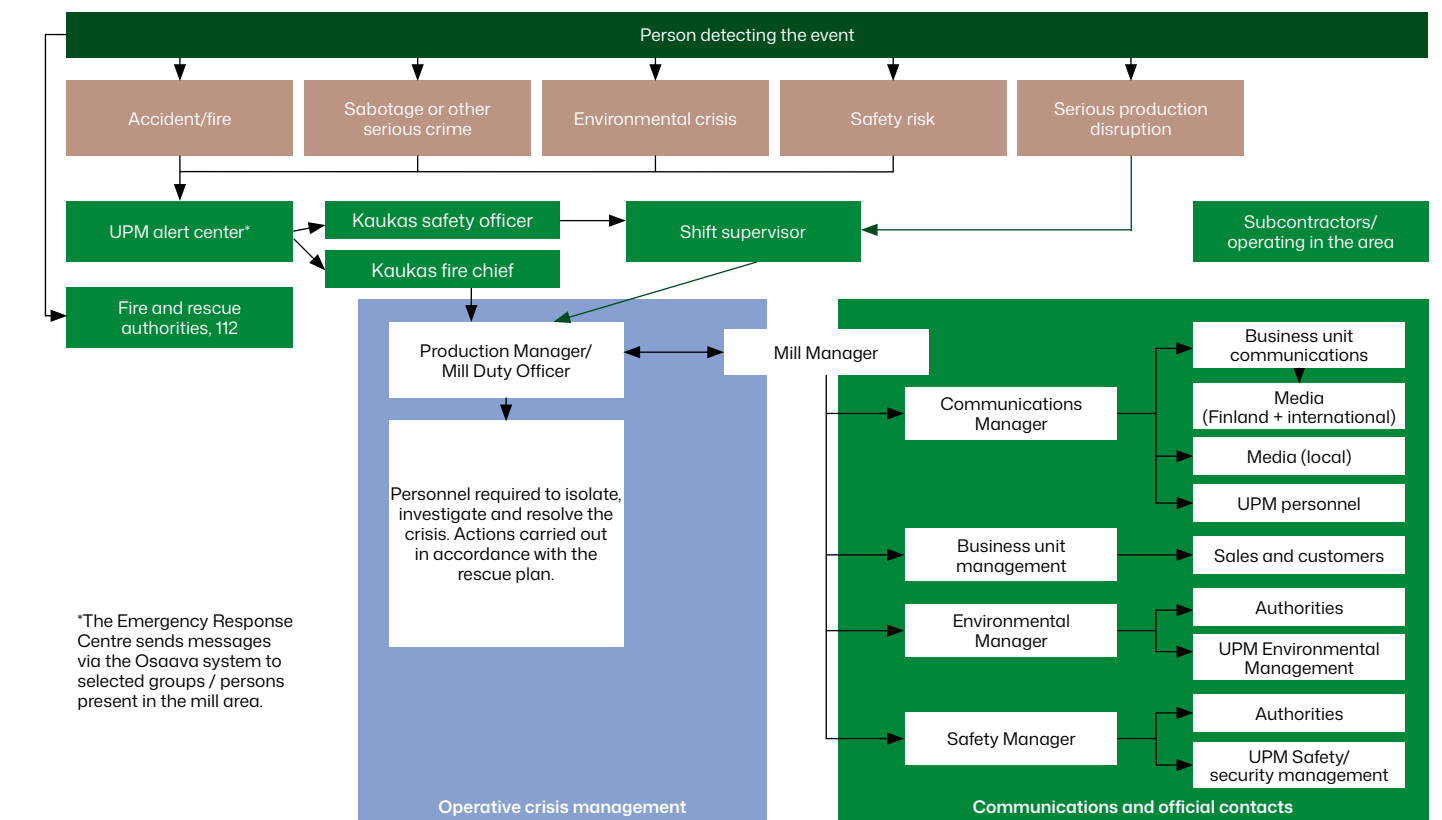
Voima Oy and projects at the Kaukas mill site are managed in accordance with the Kaukas integrated mill's guidelines and organizational procedures. Other external companies operating in the mill area follow their own instructions; however, all alarms must be reported not only through the general emergency number but also to the UPM Kaukas mill emergency number.

Cooperation with the South Karelia Rescue Department is active. The rescue services conducted several training exercises at the mill site, including a hazardous substance accident scenario, a work machine fire and the localization of automatic fire alarms. In addition, rescue service shifts practiced rope rescue techniques at the site.

Kaukas' own mill fire brigade trains regularly to maintain operational readiness.



Crisis management organization chart



Contribution to UN Sustainable Development Goals in 2025

13

CLIMATE ACTION

Air

Fossil carbon dioxide emissions decreased in pulp and paper production by

13%

TRS emissions from the pulp mill decreased by

16%

8

DECENT WORK AND ECONOMIC GROWTH

Occupational safety

Preventive safety measures were implemented systematically. A total of

1158

safety observations and near-miss reports were made at the pulp mill. In addition

1166

safety discussions and safety walks were carried out.

7

AFFORDABLE AND CLEAN ENERGY

Energy

Of the energy used at the mill integrated site

98%

was produced from biofuels.

8

DECENT WORK AND ECONOMIC GROWTH

Health

Kaukas' own sports club Kaukas Lyly's gym had around

21,300 visitors in 2025.

15

LIFE ON LAND

Certified fiber

PEFC and/or FSC certified fibers account for pulp production

73%

UPM aims to have all fibers used certified by 2030.

8

DECENT WORK AND ECONOMIC GROWTH

Community

In a work placement or apprenticeship training at the mill integrated site, there were

52 apprentices

7 thesis workers

Cooperation was active with different schools and educational institutions.

6

CLEAN WATER AND SANITATION

Water

Phosphorus loads from the mill integrated site to water decreased by

18%

Of the nutrients used in the purification plant

70%

were recycled nutrients.

8

DECENT WORK AND ECONOMIC GROWTH

Taxes

The integrated mill unit's local tax impact approx.

EUR 11 million

Property tax: EUR 0.74 million

Estimated municipal taxes on employees' salaries: EUR 1.2 million

Estimated corporate income tax: EUR 9.4 million based on the number of employees*

*Of this amount, the total share allocated to municipalities is approximately 30%, which is further distributed to individual municipalities based on the calculated shares of business operations and forestry activities in each municipality.

8

DECENT WORK AND ECONOMIC GROWTH

Employment

UPM Kaukas employed

836 people and about

150 summer workers

Furthermore, an average of 381 workers from contractors worked at the site daily.

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RESPONSIBLE CONSUMPTION AND PRODUCTION

Waste

Green liquor dregs were the only waste disposed of at the Tuosa landfill. Composting operations began at the new composting field.

Supply chain

approx. **84%**

of the integrated mill unit's raw material spend covered by UPM Supplier and Third Party Code (wood not included).

Air



Biofuels such as bark and black liquor accounted for 98% of the energy used at the Kaukas mill site. Bark removed from wood at the pulp and paper mills and the sawmill was utilized at the Kaukaan Voima power plant, while black liquor, a by-product of the pulp production process, was used as fuel in the pulp mill's recovery boiler. The fossil fuels used were natural gas and peat.

In 2025, the pulp mill produced softwood pulp according to the planned production schedule, except for the extended maintenance shutdown in the autumn, during which the pulp mill was shut down for approximately two months. The mill was restarted in mid-October, and production continued normally until the end of the year. Kaukaan Voima's power plant was shut down in May and restarted in October. While the pulp mill was not operating, the heat demand of the rest of the integrated mill site was produced by the auxiliary boiler plant, which includes three natural gas boilers and one electric boiler.

In recent years, air emissions have been affected by exceptional operating hours, which makes the years not fully comparable. In 2025, fossil carbon dioxide emissions were lower than in the previous year. Natural gas, which is the largest source of fossil carbon dioxide emissions, was used as a supporting fuel during shutdown and start-up situations in Kaukaan Voima's boiler, the recovery boiler and the odorous gas boiler, and as fuel in the lime kiln and the natural gas boilers of the auxiliary boiler plant. The electric boiler commissioned in 2023 has increased the pulp mill's production of fossil-free steam.

The specific emissions to air from the pulp mill remained at BAT level. Particle emissions from the recovery boiler were in accordance with the permit conditions. During the autumn shutdown, one of the four electrostatic precipitators was thoroughly refurbished in the same way as two were in 2023. This further reduced particle emissions.

Nitrogen oxide emissions to air increased compared to the previous year. However, they remained at BAT level and within the environmental permit limits. Sulfur dioxide emissions increased up to 2.5-fold compared to the previous year due to the higher operating hours

of the odorous gas boiler's back-up burner. As the back-up burner does not have a scrubber for sulfur recovery, the sulfur is released through the stack as sulfur dioxide.

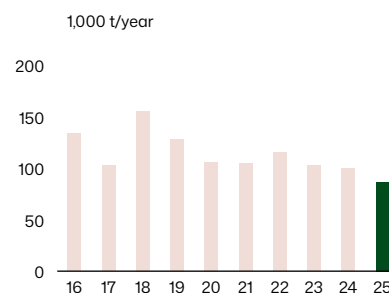
Air quality measurements carried out by the City of Lappeenranta showed that sulfur dioxide emissions remained below the daily guideline values throughout the year. For malodorous sulfur compounds (TRS), the daily guideline value was exceeded at the Tirilä measurement point in March. TRS emissions consist of compounds present in the flue gases of the recovery boiler, the odorous gas boiler and the lime kiln, as well as fugitive emissions and emissions during disturbance situations. The amount of these TRS emissions decreased compared to the previous year. Diffuse emissions from wastewater treat-

ment and sludge treatment are not included in the figures.

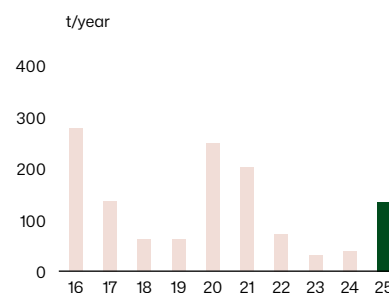
In recent years, odors from the treatment plant have been the most significant source of odor nuisance affecting the surrounding environment. The odour situation improved during the year, but the issue has not yet been fully resolved. At the beginning of the year, TRS emissions from the wastewater treatment plant area caused odor situations in nearby areas, which also resulted in the guideline value exceedance in March.

The accompanying graphs describing annual emission amounts present the total emissions to air from the pulp and energy production of the UPM Kaukas mills. The figures also include UPM's share of the total emissions of Kaukaan Voima.

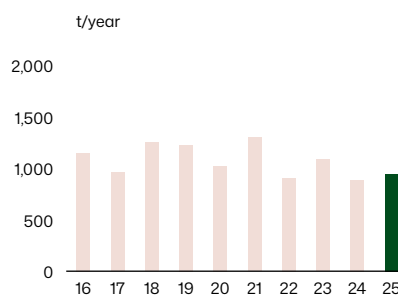
Carbon dioxide, fossil, CO₂, scope 1



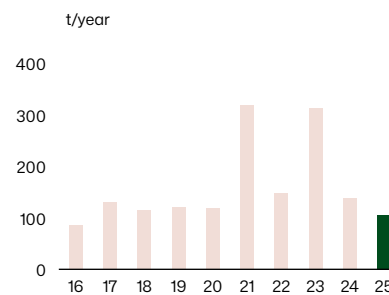
Sulfur dioxide, SO₂



Nitrogen oxides, NO_x



Particulate, TSP



In addition to the emissions of UPM Kaukas, the atmospheric emissions include the share of the energy used by the integrated unit from Kaukaan Voima.

Waste



During the past year, pulp and paper production generated a total of approximately 29,600 tonnes of waste in dry material. The majority of this, 17,700 tonnes, consisted of process waste, 8,300 tonnes originated from soil generated in earthmoving operations at the mill site, and 2,300 tonnes consisted of concrete, bricks and asphalt from demolition projects. The remainder was made up of separately collected waste fractions. The figures include UPM's share of Kaukaan Voima's waste. Separate collection was expanded to include plastic waste.

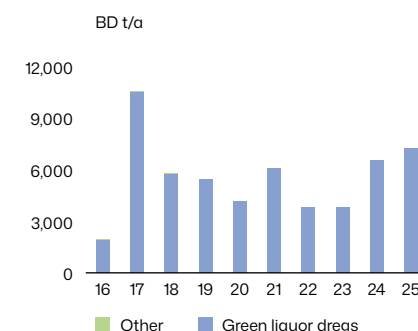
A total of 7,240 tonnes of waste was deposited at the Tuosa landfill, which was 11% more than in the previous year. The remaining waste was diverted for reuse either directly or through intermediate storage. Fly ash and bottom ash from Kaukaan Voima were used as raw material for earthworks. Bark sand and wastewater treatment plant sludge were utilized as bulking agents and raw materials for composting. Only green liquor dregs generated in the pulp mill's chemical cycle were disposed of at the Tuosa landfill. Composting operations began at the composting field constructed at the Tuosa landfill site in 2024, operated by an external operator at the beginning of 2025. Wastewater treatment plant sludge is composted at the site for agricultural use.

Increasing the utilization rate of process waste requires new solutions for the use of green liquor dregs in addition to their current use in field structures. Solutions are being explored at the Group level, and the work is progressing in stages. No decisive breakthroughs were achieved in 2025, but development work continues actively.



At the composting field at the Tuosa landfill, sludge from the Kaukas wastewater treatment plant is composted for agricultural use.

Waste to Tuosa landfill



The tonnes in the graph are given as dry weights.

Noise



Noise from the operations of the Kaukas mills is carried into the surrounding area. According to the environmental permit, the noise level in outdoor areas of residential buildings near the mill site must not exceed 55 dB during the daytime and 50 dB at night. A calculated noise model has been established for the area affected by the mill site, and its accuracy is monitored regularly at least every three years. The monitoring includes noise measurements carried out by an external expert, and the noise model is updated in connection with investments and significant process changes.

Kaukas also conducts its own noise monitoring regularly both outside the mill area and, when necessary, at various locations within the mill site. External noise measurements were originally planned for 2025 but were postponed to February 2026. The measurements confirmed that the noise levels complied with the permit conditions both during the daytime and at night. The shutdown of the paper mill has reduced the noise impact of the integrated mill site on the surrounding area. During 2025, three noise-related contacts were received.



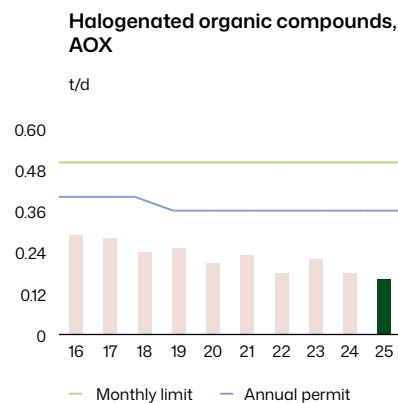
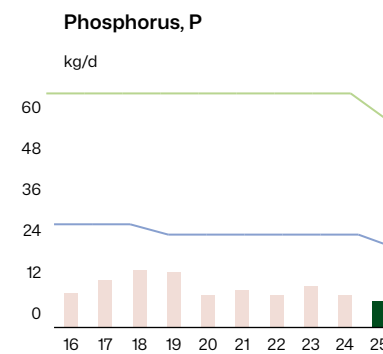
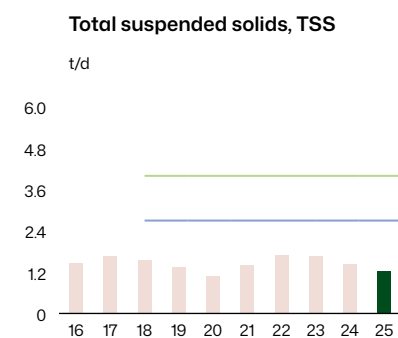
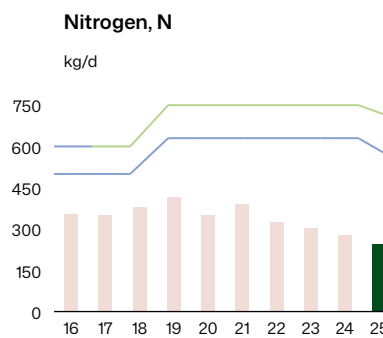
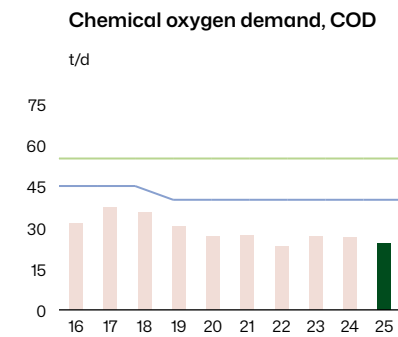
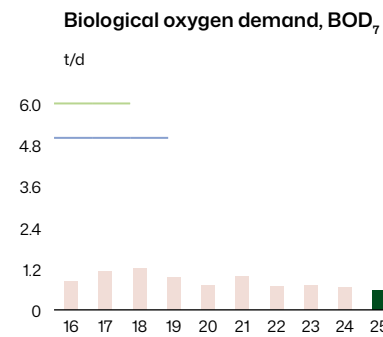
In 2025, the Kaukas mills used 75 million cubic metres of water in the manufacture of pulp and paper. 41% of this was process water, which was treated at the biological wastewater treatment plant. The remainder of the water was used, among other purposes, for process cooling.

Water consumption per tonne of pulp produced remained almost at the previous year's level and was within the recommended BAT range. Although some improvement was achieved, reducing water consumption remains one of the key targets of the pulp mill.

Wastewater treatment operated efficiently throughout the year. Development measures in the pulp process reduced the wastewater load, which was reflected in lower loads both entering the treatment plant and discharged into the lake compared with the previous year. The separation efficiency of the treatment plant was good for all load components. 99% of the BOD load, 80% of the COD load, 91% of phosphorus, 73% of nitrogen, and 68% of organic halogen compounds directed to the treatment plant were removed. In addition, 70% of the nutrients required for treatment were replaced with recycled nutrients.

The typical summer increase in phosphorus emissions remained moderate. This was partly due to the chemical used proactively for odour sequestration and partly due to the continued nutrient sequestration effect of the bundles of tree trunks in the Pappilanoja pond. To prevent odours, chemicals were introduced into the wastewater treatment basin causing the odour nuisance. These chemicals bound odours and simultaneously precipitated phosphorus, reducing the amount ending up in the lake. The bundles of tree trunks installed in Pappilanoja in 2020 further reduced nutrient loads during the growing season. Vegetation growing on the surface of the wood material utilized dissolved nitrogen and phosphorus in the effluent water as nutrients, thereby reducing the mill's nutrient load.

The load to Lake Saimaa decreased for all measured parameters compared with the previous year.



Wastewater emissions from pulp production were otherwise at the BAT level and the phosphorus load was below the BAT minimum level.

Societal responsibility

At UPM, our goal is to be the industry leader in occupational health and safety. Safety is a central part of our daily operations. Preventing accidents and continuously improving safety performance are based on systematic risk management, proactive measures and the continuous development of operating practices.

Developing personnel competence is an essential part of safety work. During the reporting year, a wide range of safety training sessions were organized at the Kaukas integrated site, including hot work permit and occupational safety card training, emergency first aid courses, training for working at heights and guidance on the use of defibrillators.

Contractor safety is ensured before work begins. All contractors complete UPM's online safety training, which covers the basic safety requirements. This is complemented by job-specific safety induction and a work permit procedure.



A safety and wellbeing week was organized at the mill integrated site, focusing on strengthening everyday safety and employee wellbeing across different units. The programme included fire extinguisher inspections, ergonomic walkthroughs conducted by occupational health services, presentations of protective equipment and short sessions on sleep, nutrition and overall wellbeing. The week also featured safety shoe fittings, first aid guidance for burn injuries and other practical safety exercises. The week culminated in the Kaukas paper mill receiving UPM's Safety Culture Award in recognition of the excellent participation of personnel in safety work.

Community spirit was strengthened through family events. In November and December, two family days were organized at the pulp mill, during which employees could bring their families to visit the mill. More than 100 visitors attended the two events. The occasions received a great deal of praise from both visitors and hosts and provided a unique opportunity to see the working environment of a family member. In November, the research centre organized its first "Bring Your Child to Work Day", with more than 50 children participating.

Well-being and exercise for all staff

UPM encourages its employees to lead an active lifestyle and support their overall well-being. Kaukaan Lyly offers a wide range of exercise opportunities for staff, and the fitness hall has once again been in active use. In 2025, the fitness hall expanded its programme with new guided classes, including Pilates and yoga. Tennis, floorball and volleyball were also actively played at the hall. The gym was upgraded with new equipment.

Sports activities outside the fitness hall also attracted a large number of participants. Padel, ice hockey, golf, orienteering, beach volleyball and Finnish baseball were all popular among employees. Rowing, however, experienced an exceptional year, as the church boat was not launched even once – the first time in decades.

Kaukaan Lyly organized three events open to all Lyly members: the traditional Children's Olympics and the children's Christmas party, which for decades have attracted well over one hundred participants, and Lyly's Family Day in Rauha, which brought together around 350 employees and their family members.

UPM also offers digital well-being services to its employees, through which they can participate in well-being challenges and remotely guided exercise classes regardless of time or location.

For the third year in a row, the Research Centre took part in the Kilometrikisa cycling challenge, where participants not only logged cycling kilometres but also raised funds for the Finnish Red Cross.



Working with local communities

The well-being of local communities is an essential part of responsible operations at UPM. We build cooperation based on open dialogue and promote the vitality of the areas surrounding our sites by supporting local actors and communities in a long-term and consistent manner.

UPM Kaukas actively operates at the interface of working life and education in the region. We offer diverse employment opportunities for professionals from various fields and maintain close cooperation with educational institutions. In 2025, we participated in several recruitment events, including LUT University's DuuniDay on campus as well as recruitment fairs in Mikkeli and Savonlinna. We also took part in LUT University's Help Earth Breathe event, where a tree seedling was planted for every student who had started their studies during the previous academic year. In addition, we visited schools and educational institutions in the region to present study and career opportunities in the forest industry.

In September, we organized a forest excursion for 330 sixth-grade pupils from Lappeenranta in cooperation with the Finnish Forest Association. Pupils from sixteen classes took part in hands-on learning checkpoints focusing on forest growth, the carbon cycle, forests as recreational environments and forest regeneration. Each pupil also planted a tree seedling that will grow into part of a future forest. The aim of the excursions was to provide pupils with a positive and inspiring forest experience and to increase their understanding of the diverse uses of forests. Based on the feedback received, these goals were achieved very well.

The three forms of support in the UPM Share and Care program – sponsorships, donations and employee volunteering – focused in 2025 particularly on local initiatives that promoted reading, learning and physical activity among children and young people.



With our support, sports sessions for school-children, after-school club activities, summer holiday programmes and free opportunities to try different sports were organized. Timber from our sawmill was donated for the traditional Myllysaari Midsummer bonfire. In 2025, the most significant beneficiaries of our support were Hope Lappeenranta ry and Yhteisötila Lappeenranta (Nicehearts). With UPM's support, Yhteisötila implemented a broad programme of free and low-threshold activities, including weekly Open Morning Coffee gatherings and the Creative Living Room, holiday programmes and the Community Yard event organized in July. In addition, six major events and several smaller occasions were arranged, and employment opportunities were provided for young people in assisting roles.

Strengthening local economy

UPM Kaukas is a major employer, taxpayer and partner of local entrepreneurs in South Karelia. Our operations support the vitality of the region and have a significant impact on the local economy. We are one of the region's largest generators of tax revenue: the municipal share of corporate income tax and the real estate taxes we pay support municipal finances, while the municipal taxes and social security contributions paid by our employees from their wages bring considerable economic benefits to the area. Our local tax impact in the Lappeenranta area was approximately EUR 11 million. In the same year, UPM Group paid approximately EUR 136 million in corporate income taxes and real estate taxes (EUR 176 million in 2024).

In 2025, UPM Kaukas employed nearly 900 professionals. During the summer season, we hired approximately 150 summer workers, mainly from local educational institutions. In addition, we offered 52 internships and enabled seven thesis projects, supporting the development of skills and strengthening connections between education and working life in the region.

UPM's operations also have a broad impact across the forest industry value chain. Our mills use nearly five million cubic meters of wood annually, providing work and livelihoods for forest owners, forestry machine operators, timber truck drivers, loggers and other forestry professionals. In this way, we support the functioning of the entire supply chain and contribute to the long-term economic well-being of the region.



Environmental parameters

The figures related to production as well as raw material and energy consumption are published as aggregated figures on group level in the UPM Corporate Environmental and Societal Responsibility Statement. The figures in the table include pulp and paper production as well as UPM's share of Kaukaan Voima.

		2023	2024	2025
Production capacity	Magazine paper	300,000 t	300,000 t	300,000 t
	Pulp	700,000 t	700,000 t	700,000 t
	- softwood	700,000 t	700,000 t	700,000 t
	- birch			
Raw materials	Wood, cooking chemicals, bleaching chemicals, filler and coating pigments, paper manufacturing pigments	See the Corporate Environmental and Societal Responsibility Statement		
Energy	Biomass-based fuels	90%	91%	91 %
	Fossil fuels	10	9%	9 %
	Purchased electricity ¹⁾			See the Corporate Environmental and Societal Responsibility Statement
	Sold electricity			
Emissions to air include UPM's share of Kaukaan Voima's emissions	Fossil carbon dioxide, CO ₂ (scope 1) ²⁾	102,273 t	99,469 t	86,359 t
	CO ₂ (scope 2) ³⁾	47,336 t	44,638 t	41,650 t
	Nitrogen oxides, NO _x	1,084 t	884 t	942 t
	Sulfur dioxide, SO ₂	31 t	39 t	137 t
	Dust particles	313 t	138 t	105 t
	Malodorous sulfur compounds, TRS	32 t	30 t	25 t
Water intake	Process and cooling water	79.7 million m³	79.1 million m³	74.6 million m³
Discharges to water	Effluent	36.0 million m³	33.3 million m³	30.9 million m³
	BOD ₇	263 t	234 t	209 t
	COD	9,748 t	9,595 t	8,777 t
	Total suspended solids, TSS	610 t	525 t	445 t
	Phosphorus, P	4.4 t	3.5 t	2.8 t
	Nitrogen, N	110 t	101 t	89 t
	Halogenated organic compounds, AOX	80 t	66 t	59 t
Side-products	Lime sludge and lime	11,423 t	2,130 t	2,332 t
Waste ⁴⁾	Waste to landfill	3,779 t	6,530 t	7,240 t
	- green liquor dregs	3,779 t	6,530 t	7,240 t
	Waste incinerated without energy recovery	0 t	0 t	16 t
	Reused waste	17,486 t	13,821 t	12,256 t
	- debarking reject sand and stones	1,268 t	747 t	609 t
	- green liquor dregs	3,949 t	936 t	0 t
	- lime sludge and lime	477 t	217 t	388 t
	- ash from the powerplant	5,020 t	4,091 t	2,854 t
	- recycled cardboard and paper	409 t	408 t	446 t
	- metal waste	616 t	523 t	541 t
	- building waste	36 t	574 t	1,754 t
	- other individually collected waste	225 t	243 t	240 t
	- sludges from wastewater treatment	5,485 t	6,125 t	5,424 t
	Interim storage	9,508 t	5,867 t	10,086 t
	- soil	6,772 t	5,867 t	8,296 t
	- asphalt and concrete	2,736 t	0 t	579 t
	- ash	0 t	0 t	1,173 t
	- sand	0 t	0 t	38 t
Land use	Hazardous waste	396 t	75 t	248 t
	Total use of land	232 ha	232 ha	232 ha
	Total sealed area	203 ha	201 ha	201 ha
	Total nature-oriented area on site	29 ha	31 ha	31 ha
	Total nature-oriented area off-site	68 ha	68 ha	68 ha

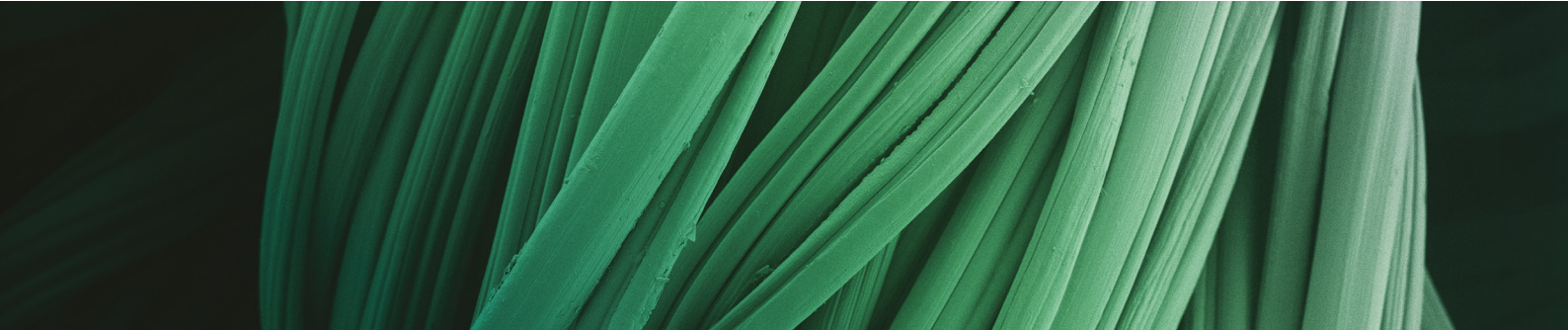
¹⁾ See the UPM Corporate Environmental and Societal Responsibility Statement for more information (e.g. energy indicators).
²⁾ Carbon dioxide, CO₂ (on-site fossil emissions, scope 1)
³⁾ Carbon dioxide, CO₂ (fossil emissions from purchased energy, scope 2)
⁴⁾ The amounts of waste are indicated in dry weight, excluding hazardous waste.

Performance against targets in 2025

Target	Achievement	Comments
Zero accidents or serious incidents	No	The TRIF at the pulp mill was 6.3, and there was one accident resulting in absence involving a contractor.
Active precautionary safety activity	Yes	Precautionary safety work was carried out actively. At the pulp mill, 1158 safety observations and incident reports were recorded. 1166 safety discussions and walks were conducted at the pulp mill.
Paper mill material efficiency		Paper production ended in November.
Reducing specific emissions at the pulp mill compared to the previous year	Yes	Specific emissions decreased for both COD and AOX.
Reducing the amount of wastewater	Yes	The amount of wastewater decreased at the pulp mill.
Minimizing the odor problems of the pulp mill	Yes	The odor situation improved during the year, and fewer odor-related contacts were received compared to the previous year.
Reducing fossil carbon dioxide emissions	Yes	The use of natural gas decreased compared to the previous year.
Improving energy efficiency	Yes	The pulp mill was self-sufficient in electricity and steam, the electricity used by the electric boiler is not included in the electricity consumption figures for pulp production.
Controlling air emissions from the pulp mill	Partly	TRS and particulate emissions decreased, while SO ₂ and NO _x emissions increased compared to the previous year.

Targets for 2026

Targets	Time frame	Indicators and key measures
Zero accidents or serious incidents	2026	TRIF < 4.5 (including contractors). Maintaining the safety culture and implementing the planned programme.
Active precautionary safety activity	2026	936 safety observations. 1,080 safety walks and discussions.
Reducing the pulp mill's specific emissions compared to the previous year	2026	COD and AOX kg/Adt < 2025 level.
Reducing the amount of wastewater	2026	The pulp mill: < the 2025 level. Monitoring water consumption by department and identifying reduction opportunities.
Minimizing odor nuisance from the wastewater treatment plant	2026	Control of wastewater treatment plant odors and better anticipation of odor situations.
Reducing fossil carbon dioxide emissions	2026	Utilizing the electric boiler to regulate the steam network.
Improving energy efficiency	2026	The pulp mill: securing energy self-sufficiency.
Controlling air emissions from the pulp mill	2026	Reducing sulfur oxides, nitrogen oxides and malodorous sulfur compounds towards the 2030 targets.



Revalidation statement

As an accredited environmental verifier (FI-V-0001), Kiwa Sertifiointi Oy has examined the environmental management system and UPM Kaukas Environmental and Societal Responsibility 2025 statement as well as the information concerning UPM Kaukas in the UPM Corporate Environmental and Societal Responsibility Statement 2025.

On the basis of this examination, the environmental verifier has herewith confirmed on 2026-03-31 that the environmental management system, the Finnish UPM Kaukas Environmental and Societal Responsibility 2025 statement and the information concerning UPM Kaukas in the Finnish UPM Corporate Environmental and Societal Responsibility Statement 2025 are in compliance with the requirements of the EMAS Regulation (EC) No 1221/2009.

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