



## UPM Report Misconduct procedure

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## 1. Purpose of the UPM Report Misconduct procedure document

The purpose of this UPM Report Misconduct procedure document (“UPM Report Misconduct procedure”) is to explain the method, procedure and practices relating to reporting misconduct at UPM and also certain responsibility incidents, for instance. The UPM Report Misconduct procedure is based on the UPM Code of Conduct and investigation protocol.

At UPM, the UPM Report Misconduct procedure forms part of the complaints procedure as defined in the German Act on Corporate Due Diligence Obligations in Supply Chains<sup>1</sup> and the grievance mechanisms as defined in the UN Guiding Principles on Business and Human Rights.

## 2. UPM’s speak-up culture

At UPM, we all share responsibility for maintaining our integrity and ethical standards. If we suspect misconduct we are all obligated to speak up and report it, and to listen to the concerns raised by others. We must never assume that someone else has reported a risk or concern. Practices aimed at preventing reporting are prohibited and are in themselves considered misconduct.

Stakeholders play a crucial role in maintaining the UPM standards of integrity. One of the most important ways to contribute is by reporting any suspicion you may have of unethical behaviour or any unethical behaviour you have observed.

Speaking up makes it possible for UPM to deal with issues and correct them in a timely manner, and to prevent them from happening again at the same place or elsewhere in the organisation. It also contributes to a culture in which people feel comfortable speaking up, trusted and fairly treated.

## 3. What is misconduct?

Misconduct is behaviour that is not in line with the UPM way of doing business, i.e. violations of the UPM Code of Conduct, UPM Supplier and Third-Party Code, corporate policies or applicable laws. Concerns related to the environment, affected communities or harm to people can also be reported.

Reports may concern misconduct by UPM employees, UPM or UPM business partners, e.g. suppliers, contractors, customers or their employees.

## 4. What are the consequences of misconduct?

UPM employees who violate the law, the UPM Code of Conduct or other UPM corporate policies are subject to disciplinary action up to and including termination of employment.

In the event of substantiated misconduct related to UPM by someone other than a UPM employee (e.g. by a supplier or an employee of a supplier), the appropriate consequences (e.g. contractual) and follow-up actions will be defined on a case-by-case basis.

Furthermore, if a human rights violation is established as a result of the misconduct investigation, remedies in respect of the people concerned also will be considered.

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<sup>1</sup> Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten, Lieferkettensorgfaltspflichtengesetz, 16 July 2021.

## 5. How to report misconduct?

External stakeholders are encouraged to make a report to:

- their UPM contact person or
- the UPM Report Misconduct channel or
- other local points of contact (e.g. direct local UPM points of contact).

External stakeholders include, for example, employees and representatives of UPM business partners and their suppliers and sub-suppliers, people in the affected local communities and job applicants.

The reporting options outlined above are recommended. However, misconduct can also be reported by postal mail to:

UPM-Kymmene Corporation  
Head of Internal Audit/Compliance  
PO Box 380  
00101 Helsinki, Finland

If those wishing to make a report find that the above reporting options provided by UPM are not adequate to address their concerns, they may have an option to report their concerns to an authority in their country. Countries within the European Union are obligated to provide for such an authority, which must have a website that contains the necessary information for reporting.

## 6. The UPM Report Misconduct channel

The platform for the UPM Report Misconduct channel is provided by an external service supplier, SpeakUp ([www.speakup.com](http://www.speakup.com)), via a system of the same name. Reports can be made confidentially (and even anonymously) online in writing ("Via Web") and by phone ("Via Phone").

Reporting "Via Web" is UPM's internal reporting channel as required under Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law ("EU Whistleblowing Directive") as implemented at national level. If, drawing on national legislation, an employee or a third party requests an in-person meeting to make a report, any such requests must be made using "Via Web". Reporting "Via Phone" is an additional feature.

For information on how to report concerns "Via Web" and "Via Phone" please see the document "SpeakUp® How To for Reporters", which is available on the UPM website.

## 7. How to report misconduct anonymously

To increase the accuracy, effectiveness and fairness of the investigation, UPM encourages people to report any suspected or observed misconduct on a named basis. However, reporting by both "Via Web" and "Via Phone" allow for completely anonymous reporting if preferred.

For more information on how to report concerns, please see the document "SpeakUp® How To for Reporters", which is available on the UPM website.

## 8. How are misconduct reports processed at UPM?

UPM's Senior Vice President of the Internal Audit ("SVP of the Internal Audit") and Chief Compliance Officer ensure that all cases that are reported using the UPM Report Misconduct channel are appropriately examined and documented. The SVP of the Internal Audit is responsible for the UPM Report Misconduct channel and its correct operation.

Reports received via the UPM Report Misconduct channel will be made available to the SVP of the Internal Audit and the Chief Compliance Officer at UPM. However, in France, due to local legislation, there is also a possibility to report concerns via a local channel within the UPM Report Misconduct channel. When a concern is reported via the local channel, an appointed person in the local organisation will handle the report and the SVP of the Internal Audit and the Chief Compliance Officer at UPM Group will not receive information regarding the report.

Members of the Internal Audit team and the Compliance team, including the SVP of the Internal Audit and the Chief Compliance Officer, as well as the appointed local person(s) are responsible for processing the reports in accordance with the EU Whistleblowing Directive as implemented at national level. Responsibility for processing each specific report is defined on a case-by-case basis by the SVP of the Internal Audit and the Chief Compliance Officer. The person(s) responsible for processing the reports take the necessary actions in response to the report, e.g. checking the validity of the report, forwarding the case to a competent authority<sup>2</sup>, conducting or overseeing the investigation and providing information on the actions taken to the person who made the report. They can also request further information from the person who made the report.

For all reports received via the UPM Report Misconduct channel

- Acknowledgment of receipt will be sent to the person who made the report within seven days of receipt.
- The aim is to complete the investigation within three months of acknowledgment of receipt. In particularly complex cases, the time frame is a maximum of three months more (i.e. six months altogether). In the event of an ongoing investigation/process by an authority related to the report, it may not be possible to complete the investigation within the above time frame for reasons beyond UPM's control.
- The person who made the report will be updated on the status of the investigation as well as possible actions and reasons for those actions as soon as possible, and at latest within three months of acknowledgment of receipt. Information will be provided to the extent that it does not affect the investigation or adversely affect the rights of the persons who are the subject of a report or who are named in the report.
- The person who made the report will be informed of the final outcome of the investigation and the closure of the case.
- The UPM Report Misconduct channel is the primary and most secure means of communication between the person who made the report and the person processing the report, but the person who made the report may provide contact details for the purpose of receiving notifications.

## 9. Protection and rights of the person who made the report

During the investigation, the investigator(s) must protect the reputations of all concerned (those making reports and those about whom reports are made) by restricting access to information related to the allegations and the investigation to those with a legitimate need to know. Furthermore, UPM has a strict policy of non-retaliation; for more information see section 11. Non-retaliation.

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<sup>2</sup> In some jurisdictions, local law requires that the information be forwarded to local authorities under certain circumstances.

## 10. Protection and rights of the subject of the report

During the investigation, the investigator(s) must protect the reputations of all concerned (those making reports and those about whom reports are made) by restricting access to information related to the allegations and the investigation to those with a legitimate need to know.

No one will be considered liable for the alleged misconduct before a report has been thoroughly investigated. Those about whom reports are made will be informed of the actions or omissions attributed to them and will have the opportunity to be heard during the investigation. This will happen at the time and in the manner deemed appropriate to guarantee the success of the investigation.

## 11. Non-retaliation

UPM does not tolerate retaliation against any person who reports suspected misconduct in good faith or participates in an investigation to resolve suspected misconduct. Examples of retaliation include demotion, dismissal, denial of promotion, salary reduction and any kind of threatening, bullying or harassment.

Retaliation or tolerating retaliation is in itself considered misconduct and must be reported promptly.

## 12. Confidentiality

All reports and related information are treated with strict confidentiality, including the identity of the person who made the report and any person mentioned in the report. The protection of confidentiality also applies to information on the basis of which the identity of such persons could be directly or indirectly identified.

Information is disclosed only to those with a legitimate need to know and to the extent that is necessary for the processing, investigation and potential remediation of the matter. Under certain circumstances, the law may require that the information be provided to third parties. The identity of the person who made the report and information on the basis of which the identity of the person who made the report could be directly or indirectly identified are disclosed only with their consent.

## 13. Data protection and privacy

Protection of personal data is respected. The privacy statement for the UPM Report Misconduct channel (as updated from time to time) describes the manner in which UPM collects and processes personal information in relation to internal investigations and reports submitted via the UPM Report Misconduct channel. The privacy statement is available at: <https://www.upm.com/privacy/privacy-statement-for-misconduct/>