

# UPM & Human Rights Responsibility



## Contents

1 Introduction .....	2
2 Governance and Policy Commitments .....	3
2.1 Governance .....	3
2.2 Board level accountability .....	3
2.3 Policy level commitment .....	3
3 Embedding Respect and Human Rights Due Diligence .....	5
3.1 Salient human rights issues .....	5
3.2 UPM's compliance system and monitoring .....	6
3.3 HRDD in own operations .....	6
Tracking our performance and addressing non-compliances .....	8
3.4 HRDD in Supply Chains .....	9
Wood sourcing .....	10
Sourcing of raw materials, indirect materials and services .....	11
Supplier risk assessment .....	12
Addressing non-compliances .....	13
Using collaborative leverage .....	14
4 Grievance Channels and Remedy .....	15
4.1 UPM Report Misconduct .....	15
4.2 Training and capacity building .....	16
5 Responses to Serious Allegations .....	17

## 1 Introduction

Respecting and protecting human rights across UPM's businesses and value chain is an integral part of the work we do. We acknowledge that addressing human rights is our responsibility but also a topic that requires collaborative and continuous actions and dialogue with our stakeholders. UPM respects international agreements such as the UN Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. Additionally, UPM's Biofore strategy guides us in contributing to the UN Sustainability Development Goals of the 2030 Agenda for Sustainable Development.

The purpose of this report is to provide an overview of how we at UPM have implemented human rights responsibility in our work. This report aims to provide a picture of human rights due diligence at UPM, highlighting the work we have done and the lessons we have learned, while describing the work we see ahead.

The following pages contain information related to our governance and policy commitments, our human rights due diligence in our own operations as well as in our supply chain. This report also includes an overview of our salient human rights issues, risk assessment, our reporting and monitoring systems. More information about our commitments and work for human rights responsibility can be explored on our [Annual Report 2019](#) and on our [website](#).

## 2 Governance and Policy Commitments

### 2.1 Governance

Compliance is an integral part of UPM's responsibility and an important asset in our decision making, management and operations. UPM's compliance system is embedded in the company's governance model and it is also the platform for the company's human rights due diligence.

Our compliance system is designed to support company performance and culture of integrity at all levels. The main emphasis of the system is on preventive actions, which are based on the annual risk management cycle and risk assessments conducted in all businesses and operations.

Our compliance monitoring model is presented in our Annual Report 2019 (pages 74-77) and on our website in connection to UPM's governance structure description:

<https://www.upm.com/siteassets/asset/investors/2019/upm-annual-report-2019.pdf>

<https://www.upm.com/investors/governance/governance-guidelines/governance-structure/>

### 2.2 Board level accountability

The Board of Directors, with the assistance of the Audit Committee, is responsible for monitoring compliance with applicable legal and regulatory requirements and with the UPM Code of Conduct and other corporate policies. This includes overseeing and managing human rights at various levels throughout our business. In addition, the Audit Committee oversees procedures for treatment of complaints and concerns received by the company, anonymous or otherwise. As part of the committee's compliance review, the committee is provided with a quarterly report by the company's Chief Compliance Officer, and a report of submissions under the company's Report Misconduct channel by the Head of Internal Audit.

A description of our board level accountability in corporate responsibility including human rights is available here:

<https://www.upm.com/investors/governance/compliance/>

### 2.3 Policy level commitment

Our human rights work is based on the UN Guiding Principles of Human Rights and Business and is guided by our Code of Conduct and its associated policies, rules and guidelines. We expect a similar commitment from our suppliers and third parties, as defined in our Supplier and Third-Party Code. We respect international agreements such as the UN Declaration of Human Rights, the ILO declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Our policy level commitments for respecting and promoting human rights can be found as follows:

- **UPM [Annual Report](#) 2019:** (pages 24-25, 28-30, 60-61, 74-77, 80-81, 107, 132-133) UPM's commitment to human rights in accordance with internationally accepted standards is referred to several times in our latest Annual Report including details on actions and procedures we undertake to meet our commitment and requirements for ourselves and for our business partners.
- **UPM Code of Conduct:** UPM's 2019 revised Code of Conduct states UPM's commitment to respect human rights covering our own operations as well as our suppliers and other business partners.

<https://www.upm.com/siteassets/asset/governance/documents/policies/upm-code-of-conductwide-english.pdf>

- **UPM Human Resources Rules:** UPM Code of Conduct forms the basis for respecting and promoting decent and fair working conditions at UPM. It is complemented by a more comprehensive global Human Resources Rules that defines in more detail the principles of working conditions, labor practices and decent work as described by the International Labor Organization (ILO) what UPM is committed to and what is expected of our employees. Wherever we operate, we comply with international, national and local laws and regulations, and respect international agreements concerning human and labour rights and freedom of association.

<https://www.upm.com/siteassets/asset/responsibility/documents/gp-humanresourcesrulesenglish.pdf>

- **UPM Supplier and Third Party Code:** UPM Supplier and Third-Party Code was renewed in 2019. It complements our 2019 renewed UPM Code of Conduct and states UPM's requirements regarding respect for human rights for suppliers and other third parties. In addition, UPM has a "Practical Guide to everyday decisions" that summarizes The Code framework and our position, gives examples and good practices for the implementation of The Code.

<https://www.upm.com/about-us/for-suppliers/requirements/upm-supplier-and-thirdparty-code>.

[https://www.upm.com/siteassets/documents/for-suppliers/upm\\_supplier\\_and\\_third\\_party\\_code\\_practical\\_en.pdf](https://www.upm.com/siteassets/documents/for-suppliers/upm_supplier_and_third_party_code_practical_en.pdf)

## 3 Embedding Respect and Human Rights Due Diligence

Our human rights due diligence (HRDD) aims to ensure that we mitigate human rights related risks, track the effectiveness of our actions, and communicate our efforts internally and externally. The HRDD programme defines an ongoing process to assess our impacts on people and the potential risks. The process also comprises our supply chains corporate risk assessment process and UPM's compliance system.

As part of our on-going human rights due diligence we have identified groups of people that are at a higher risk of experiencing potential adverse human rights impacts. The underlying reason for their vulnerability varies but based on our assessments and dialogue with various stakeholders we have defined migrant workers, women, young workers, and temporary and contractor workers of groups with a higher risk of potentially experiencing adverse human rights impacts across our value chain.

### 3.1 Salient human rights issues

We have identified the most serious human rights risks which our operations or business relations could lead to. These are what we call our most salient human rights issues. Both the severity and likelihood of any potential violations and their impacts are evaluated and finally validated together with our businesses and functions.

<https://www.upm.com/responsibility/people-and-society/human-rights/salient-human-right-issues/>

**Our salient human rights issues and respective reporting is available as follows:**

- **Environmental protection:**

<https://www.upm.com/responsibility/environment/managing-our-impacts/>

- **Occupational health and safety:**

<https://www.upm.com/responsibility/people-and-society/safety-and-well-being/>

- **Working conditions:**

<https://www.upm.com/responsibility/people-and-society/our-people/working-conditions/>

<https://www.upm.com/responsibility/supply-chain/wood-sourcing/>

<https://www.upm.com/responsibility/supply-chain/responsible-sourcing/>

- **Respecting and supporting children's rights:**

<https://www.upm.com/responsibility/supply-chain/wood-sourcing/>

<https://www.upm.com/responsibility/supply-chain/responsible-sourcing/>  
<https://www.upm.com/news-and-stories/blogs/2020/03/listening-to-workers-and-farmers-voice-in-tapioca-starch-supply-chain-in-thailand/>

- **Forced labour:**

<https://www.upm.com/responsibility/supply-chain/wood-sourcing/>  
<https://www.upm.com/responsibility/supply-chain/responsible-sourcing/>  
<https://www.upm.com/siteassets/documents/responsibility/1-fundamentals/upm-ar-gri-content-index-2019.pdf> (Page 6, GRI-408, GRI-409, GRI-412)

### 3.2 UPM's compliance system and monitoring

UPM's compliance system is embedded in UPM's governance model and is designed to support company performance and culture of integrity at all levels. The compliance risk matrix, which is based on country risk and complexity and extent of our operations in each country, forms the basis for monitoring activities aimed at ensuring compliance at all levels of the organization.

Our compliance system is structured according to the topics addressed in the UPM Code of Conduct. Consequently, it covers human rights due diligence both in the supply chain and our own operations. Within this process a group of UPM experts and functions responsible for managing human rights risks discusses quarterly the human rights risks identified, assesses the preventive actions taken and the potential human rights violations identified and their remediation. The results of the assessment are summarized into a compliance dashboard and addressed to the UPM Board of Directors (Audit Committee) quarterly. Furthermore, UPM conducts compliance reviews within its local units regularly.

See more: UPM [Annual Report](#) 2019 Compliance system (pages 74-77), Tasks of Audit Committee (page 107).

#### **Risk assessment**

The main emphasis of our compliance system is on preventive actions, which are based on the annual risk management cycle and risk assessments conducted in all businesses and operations. Each UPM business area, function and unit is responsible for identifying, measuring and managing compliance risks related to its own operations. UPM has recognized human rights violations as an operational risk in its' corporate risk assessment process.

See more: [Annual Report](#) 2019 (pages 28-30, 131).

### 3.3 HRDD in own operations

Our human rights due diligence defines an ongoing process to assess our impacts on people and the potential risks in our own operations and is driven by a focus on our salient human rights issues.

In 2019, we introduced a salient human rights issue assessment practice on a business area level, which complements our existing human rights due diligence at UPM. This practice includes training and capacity building for our businesses, selection of annual human rights related focus areas on a business area level and integration to local management systems as a continuous practice of human rights risk assessment.

See more: UPM [Annual Report](#) 2019 (page 133).

In 2017, we conducted a human rights self-assessment at all our 75 operational sites globally (1, 2 and 3 in below):

1. <https://www.upm.com/news-and-stories/articles/2018/05/focus-on-human-rights/>
2. <https://www.upm.com/news-and-stories/articles/2019/05/assessing-human-rights-through-stakeholder-engagement-in-uruguay/>
3. [https://www.upm.com/siteassets/asset/investors/2018/upm\\_ar18\\_en\\_190227\\_web\\_secured.pdf](https://www.upm.com/siteassets/asset/investors/2018/upm_ar18_en_190227_web_secured.pdf) (page 55)

In connection to the assessment, we identified living wage a theme requiring capacity building internally. Consequently, in 2019 we initiated a global process to review the base salaries of our employees compared against local living wages in all 46 of our countries.

<https://www.upm.com/responsibility/people-and-society/our-people/working-conditions/>

## Management systems

Our mills use integrated, certified management systems as practical tools for mitigating their impacts. These systems cover quality management, environmental protection, energy efficiency and health and safety issues. They embrace the principle of continuous improvement through target setting and monitoring. The Chain of Custody system for monitoring the origin of wood and fiber forms part of our mills' integrated management systems (see more in the next section on supply chains).

<https://www.upm.com/responsibility/fundamentals/management-systems/>

## Investments

In all investments, legal compliance, safety, environmental, social and human rights aspects are taken into account. Respective impacts have to be evaluated according to agreed UPM internal criteria. For major investments, an environmental impact assessment and a social impact assessment needs to be carried out. If relevant for the investment in question, there will be also a more comprehensive safety risk assessment and an in-depth human rights assessment conducted. Details are defined in UPM's investment manual. Respectively, in all mergers and acquisitions of businesses, UPM takes account of legal compliance, safety, environmental, social and human rights aspect as part of the evaluation and decision making.

<https://www.upmpasodelosstoros.com/responsibility/>

### Tracking our performance and addressing non-compliances

We utilize insights from our human rights due diligence and compliance system, grievance mechanisms, and stakeholder feedback to monitor and track our human rights performance and continuously develop our approach. Consequently, we are committed to maintaining an active dialogue with the communities around us. Understanding the impact that we have is an essential component of our business success. We apply several precautionary measures to mitigate and remedy potential adverse environmental and social impacts on our surrounding communities.

- Environmental and Social Impact Assessments regarding new investments
- Human rights due diligence in our own operations and supply chain
- Management Systems, such as ISO 14001 and 45001 for production units
- Sustainable forest management certification of our own forestry operations and suppliers
- Restructuring processes planned in co-operation with local authorities

### Example of environmental management systems: Clean Run

Clean Run is a global, holistic concept to manage the daily environmental performance all over UPM. It defines processes and roles and responsibilities for every UPM employee as well as guidelines how to manage environmental target setting, audits, incidents and deviations. It is also a tool to manage environmental risks and to continuously develop the controls.

<https://www.upm.com/responsibility/environment/managing-our-impacts/>

We report on number of environmental deviations and performance as per UPM mill. Other responsibility topics:

<https://www.upm.com/responsibility/fundamentals/reporting-and-data/data/>

<https://www.upm.com/responsibility/fundamentals/reporting-and-data/emas-reports/>

### Example of Human Rights Due Diligence: Uruguay local human rights assessment:

<https://www.upm.com/news-and-stories/articles/2019/05/assessing-human-rights-through-stakeholder-engagement-in-uruguay/>



### Example of Environmental and social impact assessments:

<https://www.upmpasodelostoros.com/responsibility/>

### 3.4 HRDD in Supply Chains

UPM's responsible sourcing principles cover all our sourcing categories, both direct and indirect spend and all suppliers. Our main raw material is wood, and UPM also owns forests in Finland, the United States and Uruguay.

Minimum requirements for all suppliers are set out in the UPM Supplier and Third-Party Code and related instructions are explained in the Practical Guide for Everyday Choices.

<https://bit.ly/2Z0liiG>

In 2018, we introduced a risk management process that covers all our counterparties, including all supplying companies. These companies are automatically screened on continuous basis and screening scope includes human rights violations based on adverse media findings.

#### Case:

*In 2020 one of UPM's businesses was planning to purchase chemicals from a US based company. Before adding the supplier to UPM's vendor master systems that enable purchasing activity, the supplier was automatically screened by UPM's counterparty risk assessment tool. The tool found out severe waste dumping incidents by the potential supplier that violated land owners' rights and created harm to the environment. UPM's business decided not to proceed in sourcing activities with this supplier.*

See more: [Annual Report](#) 2019 (page 75).

We have set targets and KPIs for our responsible sourcing activities:

<https://www.upm.com/responsibility/fundamentals/Our-responsibility-targets/>

More detailed due diligence activities are implemented separately in wood sourcing and raw material & services sourcing:

[https://www.youtube.com/watch?time\\_continue=4&v=jT0d3dHwLal&feature=emb\\_logo](https://www.youtube.com/watch?time_continue=4&v=jT0d3dHwLal&feature=emb_logo)

## Wood sourcing

100% of the wood purchased by UPM is covered by certified Chain of Custody system, meaning that it can be traced to its origin and 84% of the wood purchased by UPM is from certified sources. Both Chain of Custody system and forest certification are third party verified.

<https://www.upm.com/responsibility/supply-chain/wood-sourcing/>

FSC Controlled Wood requirements are the minimum requirements that UPM applies to all wood it sources (100% coverage). The requirements include wide criteria related to the legality of the wood, respecting social and traditional rights and safeguarding high conservation values. Criteria also prohibits land-use change, and thus prevents forest loss, and the use of genetically modified organisms.

UPM's requirements for wood sourcing: <https://www.upm.com/siteassets/asset/about-us/for-suppliers/documents/upm-requirements-for-wood-suppliers-2017.pdf>

Principles followed in forests owned by UPM:  
<https://www.upm.com/responsibility/forests/our-promise/>

The compliance with Chain of Custody, forest certification and ISO 14001 environmental management systems is annually inspected by an independent third-party auditor. The auditor verifies that the certification requirements and their implementation have been documented appropriately and visits the sites to ensure that forest and supply operations meet the requirements. In addition, the audit involves interviewing employees, entrepreneurs and stakeholders. If any non-conformities are identified corrective actions shall be taken without delay.

UPM also conducts its own audits. Auditing wood suppliers is usually based on risk assessment and audits are targeted for example to longer supply chains. Internal audits related to quality and environmental system and UPM's FSC group for private forest owners are also conducted annually. Corrective actions are required if non-conformities occur.

Both external and internal audits include wide review of implementation of the criteria related to worker's rights, occupational health and safety issues and rights of local communities.

Continuous stakeholder dialogue is essential part of UPM's wood sourcing and forestry. There is a system in place to give feedback or submit complaints to UPM. Feedback and complaints are without delay handled according to Chain of Custody, forest certification and ISO 14001 environmental management systems. Stakeholders are notified of the actions UPM takes based on their feedback.

There is also an annual stakeholder consultation process related to UPM's FSC forest management certificate. The focus of the consultation process is on recognizing high conservation value forests and actions required to maintain those values. During the consultation process stakeholders are also welcome to express their other views on forest certification.

**Case:** <https://www.upm.com/news-and-stories/articles/2016/10/responsible-sourcing-around-the-world--part-3/>



The country of origin of certified wood used by UPM's production units is published annually (Interactive Analyst tool – Fibre raw materials and Forests – Certified wood supplier to UPM mills by country). UPM also publishes annually the origin of wood used by its mills.

<https://www.upm.com/responsibility/fundamentals/reporting-and-data/data/>

<https://www.upm.com/responsibility/fundamentals/certificate-finder/?tag=184540&tag=185765>

### Sourcing of raw materials, indirect materials and services

Our sourcing network covers a broad range of suppliers ranging from private forest owners and local companies to large international corporations based in many different cultures. The variety in our partner network is a challenge. Nevertheless, we ensure that all our suppliers operate responsibility in line with our harmonized requirements.

<https://www.upm.com/responsibility/supply-chain/responsible-sourcing/>

### Requirements

In addition to UPM Supplier and Third-Party Code, there are further supplier requirements depending on the sourcing category. An overview of all these category-specific requirements is available here:

<https://www.upm.com/siteassets/asset/about-us/for-suppliers/become-a-supplier/documents/upm-supplier-questionnaire-2020.pdf>

Many of UPM's production units comply with several ecolabel criteria, which means strict requirements also the raw material suppliers (pulp, chemicals) of these units.

[https://www.upm.com/siteassets/asset/about-us/for-suppliers/documents/2017-ecolabel-and-other-required-information-pulp\\_03112017.pdf](https://www.upm.com/siteassets/asset/about-us/for-suppliers/documents/2017-ecolabel-and-other-required-information-pulp_03112017.pdf)

- **Requirements for pulp suppliers**

<https://www.upm.com/about-us/for-suppliers/requirements/area-specific-requirements/pulpcontentupm/>

<https://www.upm.com/siteassets/asset/about-us/for-suppliers/requirements/chemicals/documents/upm-pulp-supplier-requirements-2020.pdf>

<https://www.upm.com/siteassets/asset/about-us/for-suppliers/requirements/general-requirement/documents/upm--pulp-supplier-questionnaire-2019.xlsx>

- **Requirements for chemical suppliers**

<https://www.upm.com/about-us/for-suppliers/requirements/area-specific-requirements/chemicalscontentupm/>

- **Safety requirements for contractors**

<https://www.upm.com/siteassets/asset/about-us/for-suppliers/requirements/general-requirement/documents/upm-minimum-safety-requirements-for-contractors-4.3.2020.pdf>

- **Safety induction for contractors**

Safety is one of our salient human rights issues in the supply chain. Our suppliers and their employees on our sites are required to adopt our safe work practices and to comply with the rules and standards we have established. We expect also that they participate in hazard identification and proactive safety reporting.

Before accessing a UPM production site, contractors get UPM safety training demonstrating our basic safety requirements, a job specific safety induction, and a permit to work.

<https://www.upm.com/about-us/for-suppliers/safety-induction/>

### Supplier risk assessment

Human rights violations have been identified as an operational risk for our supply chain.

See more: [Annual Report](#) 2019 (page 28-29, 131).

We identify high risk suppliers and high risk value chains by looking at three dimension the country of origin ([Transparency International](#)), commodity specific risk and supply chain complexity. We extend risk assessments to several tiers, especially when commodities are originating from forestry, agriculture and mining industries.

<https://www.upm.com/responsibility/supply-chain/responsible-sourcing/>

High risk suppliers are assessed either by a third-party (Ecovadis) or UPM experts (for example pulp supplier questionnaire). These assessments include human rights topics. In 2019 UPM carried out over 400 risk assessments together with Ecovadis.

<https://tfs-initiative.com/assessment-process/>

<https://ecovadis.com/>



<https://www.upm.com/siteassets/asset/about-us/for-suppliers/requirements/general-requirement/documents/upm--pulp-supplier-questionnaire-2019.xlsx>

UPM [Annual Report](#) 2019 (page 81)

Based on the assessment results UPM identifies suppliers to audited and we conduct typically 100-200 audits annually. In 2019, we conducted 185 sustainability audits, all of them addressing human rights risks.

UPM [Annual Report](#) 2019 (page 133)

Supplier audits are conducted either by trained UPM lead auditors or accredited external audits. UPM is a member in the Together for Sustainability – initiative where over 20 companies collaborate in order to scale up supplier assessments and audits.

<https://tfs-initiative.com/audit-process/#1472632625617-17956a92-ac80>

UPM looks actively for more effective ways to scale up supplier assessment and has piloted workers' voice technology in one very high-risk value chain.

<https://www.upm.com/news-and-stories/blogs/2020/03/listening-to-workers-and-farmers-voice-in-tapioca-starch-supply-chain-in-thailand/>

UPM has currently a high number of contractors working on its site and forestry in Uruguay. These contractors' working conditions are assessed carefully. In 2019 UPM completed about 300 contractor reviews in Uruguay.

<https://www.upm.com/articles/responsibility/20/upm-in-uruguay-sets-a-great-example-of-the-extent-of-contractor-management/>

### Addressing non-compliances

We report on our audit findings and the non-compliances found in our supplier audits on our website. Based on the audit findings we set up corrective action plans depending on the type and severity of the non-compliance. Sometimes this requires an additional on-site audit to verify that the remediation has been completed. The most common findings in our supplier audits relate to occupation health and safety topics, environmental management and working conditions.

UPM supplier audit findings by topic (Interactive Analyst Tool – Other responsibility topics – Supplier audits):

<https://www.upm.com/responsibility/fundamentals/reporting-and-data/data/>

**Case Imerys / Brazil:**

<https://www.upm.com/news-and-stories/articles/2016/09/responsible-sourcing-around-the-world--part-1-brazil/>

**Case Asian Sage:**

<https://www.upm.com/news-and-stories/articles/2016/09/responsible-sourcing-around-the-world--paper-machine-parts-from-china/>

Using collaborative leverage

As many of the human rights risks are systemic issues and cannot be solved by one company only, UPM participates in several initiatives in order to increase collective action. UPM's experts have also been speaking actively in different events and conferences in order to increase the awareness of importance of responsible sourcing and human rights risks in the supply chains.

<https://www.upm.com/news-and-stories/articles/2019/01/attention-on-human-rights-in-large-supply-chains/>

- **Shift Business Learning Program**  
<https://shiftproject.org/what-we-do/business/business-learning/>
- **Together for Sustainability**  
<https://tfs-initiative.com/>  
<https://www.upm.com/articles/supply-chain/20/scaling-up-the-supplier-evaluation-with-together-for-sustainability-network/>
- **Global Compact Action Platform on Decent Work in Global Supply Chains**  
<https://www.unglobalcompact.org/take-action/action-platforms/decent-work-supply-chains>

Other

- **Modern Slavery and Human Trafficking Statement**  
<https://www.upm.com/siteassets/asset/responsibility/documents/supply-chain/2018-modern-slavery-statement.pdf>
- **Disclosure under the California Transparency in Supply Chain Act**  
<https://www.upm.com/siteassets/asset/responsibility/documents/supply-chain/disclosure-under-the-california-transparency-in-supply-chains-act.pdf>

## 4 Grievance Channels and Remedy

Our engagement with communities is founded on decades of close co-operation. In many cases, communities have grown around our operations over the years. Local stakeholder can raise their concerns directly to our representatives at the mills and via locally provided channels such as e-mail and phone. Commonly the concerns relate to odour, traffic and noise and the concerns raised are followed in connection to our environmental management systems. In addition, we have other local grievance channels available according to the nature of business context and local needs.

In 2019, we received more than 250 enquiries or concerns from general public.

UPM [Annual Report](#) 2019 (page 63)

### Case: Social monitoring in Uruguay

Social monitoring surveys are conducted by an independent third party who interviews community members and contractor employees. The survey is conducted in forestry operations bi-annually and in surrounding communities of UPM's mill operations every six months. The results are public and available at:

<https://www.upm.uy/planta/medioambiente/monitoreo-ambiental/>

(Scroll to the bottom of the web page - social monitoring results are below the environmental monitoring results)

Information on stakeholder engagement and grievance channels can be found in our [Annual Report](#) 2019 (page 63).

### 4.1 UPM Report Misconduct

The UPM Report Misconduct channel is available on the corporate website for all stakeholders and on the UPM intranet for our employees. Stakeholders and employees may use this channel to report to our Head of Internal Audit, Chief Compliance Officer and Security Director any complaints or concerns they have in relation to violations of the UPM Code of Conduct, any policies or rules thereunder or any applicable laws or regulations. Our employees can also report any suspected or observed breach or misconduct to either their managers or a representative of UPM Legal, HR or Internal Audit functions. We do not tolerate retaliation against any person who, in good faith, reports suspected misconduct or participates in an investigation to resolve suspected misconduct.

<https://www.upm.com/investors/governance/compliance/reportmisconduct/>

We report on our cases under report misconduct channel as part of our Annual Report. In 2019, they were 20 reported cases falling under the category of “Respect people and human rights”

UPM [Annual Report](#) 2019 (page 76)

## 4.2 Training and capacity building

We believe in collaboration and capacity building. We have been active in training our own personnel in human rights topics (1 & 2). Additionally, we have been participating in collaboration forums like the United Nations Global Compact and its action platforms (6), the Together for Sustainability (TfS) initiative (4), and collaboration with Shift (3), the leading center of expertise in UN Guiding Principles for Business and Human Rights to help us to manage human rights issues and ultimately make a difference.

- 1) **GRI content index 412-2**  
<https://www.upm.com/siteassets/documents/responsibility/1-fundamentals/upm-ar-gri-content-index-2019.pdf>
- 2) **Compliance related trainings**  
UPM [Annual Report](#) 2019 (page 76)
- 3) **Shift Business Learning Program**  
<https://shiftproject.org/what-we-do/business/business-learning/>
- 4) **Together for Sustainability**  
<https://tfs-initiative.com/>  
[https://www.upm.com/articles/supply-chain/20/scaling-up-the-supplier-evaluation-with-together-for-sustainability-network/?utm\\_content=1590562301&utm\\_medium=social&utm\\_source=facebook](https://www.upm.com/articles/supply-chain/20/scaling-up-the-supplier-evaluation-with-together-for-sustainability-network/?utm_content=1590562301&utm_medium=social&utm_source=facebook)
- 5) **Global Compact Action Platform on Decent Work in Global Supply Chains**  
<https://www.unglobalcompact.org/take-action/action-platforms/decent-work-supply-chains>



## 5 Responses to Serious Allegations

UPM's operations in Uruguay and particularly the recent investment project has raised concerns among some the company's stakeholders and the company has been subject to serious allegations regarding the environmental impact and possible social problems during the construction period. Additionally, UPM's position in the free-trade zone has been criticised.

The company's response to these allegations can be accessed via the link (see the document "UPM in Uruguay May 2020").

<https://www.upmpasodelosoros.com/material-bank/>