



Remuneration Report 2025

UPM-Kymmene Corporation



Remuneration Report 2025

1. Foreword from UPM's Remuneration Committee Chair

Dear Shareholders,

I'm pleased to present to you UPM's Remuneration Report 2025. In this report we present the remuneration for UPM's Board of Directors and the President and CEO for 2025 and how the remuneration is aligned with our Remuneration Policy and UPM strategy.

We highly value the perspectives of our shareholders and remain committed to constructive dialogue. Feedback is actively considered, and where appropriate and consistent with our governance principles, regulatory requirements and strategic priorities, it is reflected in our remuneration practices. Furthermore, we conduct regular market benchmarking to ensure that our remuneration framework remains competitive across international markets, equitable, and aligned with the company's strategic objectives, thereby supporting company's long-term financial success and the sustainable creation of shareholder value.

UPM's performance in 2025

The year 2025 started in a positive sentiment of market recovery across most UPM businesses. However, uncertainty in global trade soon ramped up significantly with the introduction of increased and changing tariffs between the U.S. and nearly all other regions in the world. The unusual uncertainty impacted decision-making by the customers and muted consumer sentiment as the year progressed. Demand for UPM's products remained slow and most market prices decreased. The uncertainty impacted UPM Fibres and UPM Communication Papers the most, while the other businesses were more resilient, even improving their performances in the second half of the year from the previous year.

UPM continued to implement competitiveness and efficiency measures to protect profitability, prepare for market recovery,

and capture growth in the future. In Fibres North, production was curtailed at the Finnish pulp mills due to high wood cost and low pulp prices. UPM Communication Papers implemented further capacity closures. UPM Adhesive Materials relocated production to lower-cost units, while at the same time, making growth investments in the U.S. and Southeast Asia.

The Fibres South platform showed its competitiveness, achieving strong profitability even during the low pulp prices. Our milestone investment, the UPM Paso de los Toros pulp mill, performed well. The mill had its first full year of nominal capacity available, and the efficient railway to Montevideo fully operational.

Our biorefinery in Leuna, Germany, began customer deliveries of industrial sugars during the fourth quarter, and is expected to bring further products to the market in the first half of 2026. The biorefinery is expected to reach full production and positive EBIT during 2027.

In 2025, UPM started two significant portfolio projects. In September, we began a strategic review of the plywood business to identify ways to maximize its long-term potential and shareholder value. This review is expected to be completed by the end of 2026. In December, we signed a letter of intent to form a graphic paper Joint Venture, which would include all the UPM Communication Papers business. The aim is to position the communication paper business for continued value creation for its customers in a way that benefits UPM shareholders.

Application of the Remuneration Policy in 2025

The remuneration of the Directors and the President and CEO for the 2025 financial year was carried out in accordance with the Remuneration Policy. No temporary deviations from the Policy were made, and no CEO



or Director remuneration was reclaimed or restated during 2025.

In 2025, the remuneration paid to and confirmed for the CEO was in line with the company's Remuneration Policy, pay-for-performance approach, based on the company's performance, achievements, and progression toward ambitious strategic targets and priorities.

Looking ahead to 2026

In addition to the strategic portfolio projects mentioned, UPM will focus on further improving competitiveness, increasing capital efficiency, and strengthening its balance sheet. Following the recent investments, the company has a strong asset base to capture focused market growth opportunities in a capital-efficient way.

The Board is dedicated to ensuring that the remuneration framework drives and rewards the achievement of strategic priorities, promoting UPM's long-term financial success, competitiveness, and favorable development of shareholder value. The alignment of the interests of our shareholders and the remuneration is of high importance, therefore we aim to review the shareholder recommendation to ensure it remains aligned with the prevailing market practice.

Finally, I wish to express our appreciation to all shareholders for their ongoing trust and support.

Martin à Porta
Remuneration Committee Chair

2. Introduction

This Remuneration Report 2025 (the Report) presents the remuneration of the members of the Board of Directors (the Directors) and the President and CEO (the CEO) of UPM-Kymmene Corporation (the company or UPM) for the 2025 financial year.

The Report was prepared in accordance with the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, Decree of the Ministry of Finance on the remuneration policy and remuneration report of a share issuer, and the Finnish Corporate Governance Code 2025.

The Report was prepared by the Board

of Directors' Remuneration Committee and Nomination and Governance Committee and approved by the Board of Directors (the Board) for presentation and adoption at the 2026 Annual General Meeting (the AGM). The resolution of the general meeting on the Report is advisory.

The 2025 AGM adopted the Remuneration Report for the 2024 financial year without a full vote count, as this is not carried out at physical general meetings unless specifically requested at the meeting.

The company's statutory auditor has verified that the information required by the above-mentioned Decree of the Ministry of

Finance has been provided in the Report.

According to the Finnish Limited Liability Companies Act, the remuneration policy shall be presented to the general meeting every four years, unless a revised remuneration policy is presented to the general meeting before then. UPM's Remuneration Policy (the Policy) was presented to the AGM in 2020 and 2024. The AGM adopted the Policy on both occasions without a full vote count. The resolution of the AGM is advisory.

The Board's Remuneration Committee and the Nomination and Governance Committee review the appropriateness of the Policy annually.

Remuneration and company performance over the last five financial years

Position/ Company measure	2021 ¹⁾	2022 ¹⁾	2023 ¹⁾	2024 ¹⁾	2025 ¹⁾
Chair of the Board (€)	195,000	200,000	218,000	231,000	240,000
Deputy Chair of the Board (€)	140,000	140,000	145,000	145,000	150,000
Other member of the Board (€)	115,000	115,000	120,000	120,000	120,000
Chair of the Audit Committee ²⁾ (€)	35,000	35,000	35,000	45,000	50,000
Member of the Audit Committee ²⁾ (€)	15,000	15,000	15,000	25,000	30,000
Chair of the Nomination and Governance Committee ²⁾ (€)	20,000	20,000	20,000	20,000	20,000
Chair of the Remuneration Committee ²⁾ (€)	20,000	27,500	27,500	27,500	27,500
Member of the Remuneration or the Nomination and Governance Committee ²⁾ (€)	10,000	10,000	10,000	10,000	10,000
CEO, Jussi Pesonen (until Dec 31, 2023) (€1,000)	3,734	5,486	5,561		
CEO, Massimo Reynaudo (from Jan 1, 2024 onwards) (€1,000)				1,418	1,387
UPM Average Employee ³⁾ (€)	52,235	52,940	63,266	60,128	62,119
Total Shareholder Return (%) ⁴⁾	+75	+29	+28	-9	-17
Comparable ROE, %	11.7	14.0	6.2	8.3	6.5
Comparable EBIT (€m)	1,471	2,096	1,013	1,224	921

¹⁾ For Board and Committee members, the reporting period is from the AGM to the following year's AGM, but for the CEO, UPM Average Employee, and company performance it is a financial year.

²⁾ The annual Committee fee is paid in addition to the annual base fee of the Chair, Deputy Chair, or other member of the Board of Directors.

³⁾ UPM Average Employee remuneration is calculated by dividing the disclosed financial statement value of employee costs by the number of personnel at the end of the financial year in question (excluding the CEO and the remuneration paid to the CEO during the financial year). UPM Average Employee remuneration includes the following elements of employee costs: salaries, fees, and share-based payments.

⁴⁾ Three-calendar-year absolute total shareholder cumulative return with dividends reinvested.

3. Remuneration of the Board of Directors

The Board remuneration as resolved by the AGM in 2025:

Annual base fee (€)	2025	Payment mechanism
Chair of the Board	240,000	<ul style="list-style-type: none"> Approximately 40% in company shares and the rest in cash to cover taxes. The company paid the costs and transfer tax related to the purchase of the company shares Shares may not be transferred within two years of the purchase date or until the Director's term on the Board ends, whichever comes first.
Deputy Chair of the Board	150,000	
Board member	120,000	

Annual committee fee (€)	Chair	Member	Payment mechanism
Audit Committee	50,000	30,000	Cash
Remuneration Committee	27,500	10,000	
Nomination and Governance Committee	20,000	10,000	

Director	Annual base fee (EUR) of which		Annual committee fee (€)	Total remuneration (€)	Number of shares purchased as part of annual base fee ¹⁾
	40% in shares (€)	60% in cash (€)			
Henrik Ehrnrooth	240,000		20,000	260,000	4,170
	96,000	144,000			
Kim Wahl	150,000		10,000	160,000	2,606
	60,000	90,000			
Pia Aaltonen-Forsell	120,000		50,000	170,000	2,085
	48,000	72,000			
Jari Gustafsson	120,000		30,000	150,000	2,085
	48,000	72,000			
Piia-Noora Kauppi	120,000		10,000	130,000	2,085
	48,000	72,000			
Melanie Maas-Brunner	120,000		10,000	130,000	2,085
	48,000	72,000			
Topi Manner	120,000		10,000	130,000	2,085
	48,000	72,000			
Marjan Oudeman	120,000		30,000	150,000	2,085
	48,000	72,000			
Martin à Porta	120,000		27,500	147,500	2,085
	48,000	72,000			
Total	1,230,000		197,500	1,427,500	21,371
	492,000	738,000			

¹⁾ Transaction date April 25, 2025.

The 2025 AGM resolved the remuneration paid to the members of the Board. Shares purchased as part of the Board remuneration for Directors in 2025 may not be transferred for two years from the purchase date (April 25, 2025) or until the Director's

term ends, whichever comes first. Directors are encouraged to hold company shares long term, and most have substantial holdings, indicating close alignment of the Directors' interests with those of shareholders.

Actual travel and accommodation ex-

penses related to Board and Committee work were compensated against invoice. Directors did not receive meeting fees or other financial benefits for their board or committee membership other than those stated in this Report.

4. Remuneration of the CEO

The aim of the CEO's remuneration is to drive and reward the achievement of the company's strategic priorities and thereby promote the company's long-term financial success, competitiveness and favorable development of shareholder value.

The remuneration of the CEO consists of fixed components, such as base salary and

fringe benefits, as well as variable components, such as short- and long-term incentives, pension, and other financial benefits. The variable components of the CEO's remuneration form a significant portion of the theoretical maximum total remuneration opportunity. The payout depends on the achievement of the predetermined perfor-

mance measures that support the execution of the company's strategic priorities and promote the company's long-term value creation and financial growth.

The share ownership recommendation further strengthens the alignment of the company, the CEO, and the company's shareholders' interests.

CEO's total remuneration:

CEO (€ 1,000)	Remuneration paid during the 2025 financial year	Remuneration confirmed from STI 2025 and PSP 2023-2025 (paid during the 2026 financial year)
Base salary	927	
Short-term incentive	261 (STI 2024 ¹⁾)	21 (STI 2025 ²⁾)
Long-term incentive	169 (PSP 2022-2024 ³⁾)	157 (PSP 2023-2025 ⁴⁾)
Other financial benefits ⁵⁾	30	
Total	1,387	
Proportional share of fixed and variable remuneration ⁶⁾	69% / 31%	
Pension benefit ⁷⁾	190	

¹⁾ The payout from the STI 2024 Plan is based on performance against predetermined measures in the 2024 financial year. The STI 2024 payout was paid in February 2025.

²⁾ The payout from the STI 2025 plan is based on the performance against predetermined measures in the 2025 financial year. Approved by the Board of Directors on February 4, 2026. The STI 2025 payout was paid in February 2026.

³⁾ Calculated using the volume weighted average share price of €28.11 on the share delivery date of February 28, 2025. The PSP 2022-2024 allocation was related to the CEO's previous position within the company as Executive Vice President, UPM Communication Papers.

⁴⁾ Calculated using the volume weighted average share price of €27.02 on the share delivery date of February 27, 2026. The PSP 2023-2025 allocation was related to the CEO's previous position within the company as Executive Vice President, UPM Communication Papers. Approved by the Board of Directors on February 17, 2026.

⁵⁾ Other financial benefits include fringe benefits and the taxable values of a company car, bicycle, phone, accommodation benefit, tax compliance services, and health insurance. In addition to these fringe benefits, the CEO had the following additional insurances in place during the 2025 financial year: life, disability, travel, and accident. The company committed also to paying the CEO a full base salary for one year in case of severe illness and related absence from work. This commitment was arranged through insurance. The CEO was also eligible to participate in other employee benefit arrangements offered to company employees during the financial year.

⁶⁾ The variable remuneration paid in 2025 relates partly to the CEO's previous position within the company before the appointment as the CEO.

⁷⁾ The CEO has a voluntary pension benefit to supplement the Finnish statutory pension scheme (TyEL). This voluntary pension benefit is arranged through a defined contribution plan. The contribution is 20% of the base salary. The retirement age for the CEO is 65.

The CEO's short-term incentive in 2025

The performance measures, related targets, and weights for the CEO's short-term incentive are set annually by the Board for a one-year performance period. These measures can vary from year to year to align with the company's strategic priorities and usually include a balance of financial, strategic, operational, sustainability, safety, individual or other types of measures, provided that in

any given year the majority of the measures will be based on financial criteria.

For the Short-term Incentive Plan 2024 (STI 2024) the Board set two financial measures for the CEO, i.e. EBITDA and operative cash flow. The weight of EBITDA measure accounted for 60% of the total, and the weight of operative cash flow measure accounted for 20%. In addition, the Board set one strategic measure for the CEO, the Leuna biochemicals refinery project, which accounted for 20% of the total. The set measures and target

setting remained constant and unchanged throughout the 2024 financial year. The Board evaluated performance against the set measures and targets for the short-term incentive plan and did not exercise its right for discretion regarding the payout. The short-term incentive payout was according to the formulaic outcome.

The total achievement for the whole short-term incentive was 18.3% of the defined maximum annual short-term incentive payout opportunity and overall cap of 150%

of the annual base salary. The STI 2024 payout, based on 2024 performance, was paid in February 2025.

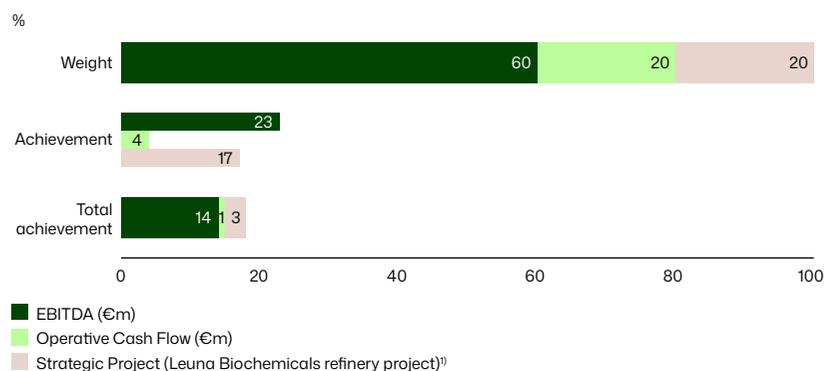
For the Short-term Incentive Plan 2025 (STI 2025) the Board set two financial measures for the CEO, i.e. EBITDA and operative cash flow. The weight of EBITDA measure accounted for 70% of the total, and the weight of operative cash flow measure accounted for 30%. The set measures and target setting remained constant and unchanged throughout the 2025 financial year. The Board evaluated performance against the set measures and targets for the short-term incentive plan and did not exercise its right for discretion regarding the payout. The short-term incentive payout was according to the formulaic outcome.

The total achievement for the whole short-term incentive was 1.5% of the defined maximum annual short-term incentive payout opportunity and overall cap of 150% of the annual base salary. The STI 2025 payout, based on 2025 performance, was paid in February 2026.

The CEO's long-term incentive in 2025

The CEO's long-term incentive is based on the company's Performance Share Plan (PSP), consisting of individual plans that commence annually and are approved by the Board.

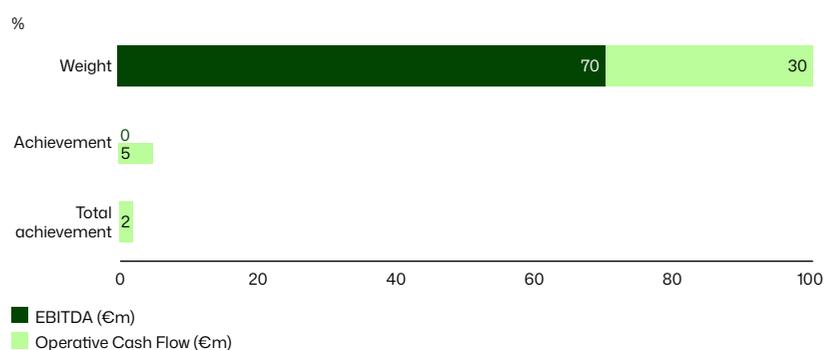
STI 2024 Achievement



Figures presented in this report have been rounded and, therefore, the sum of individual figures might deviate from the presented total figure.

¹⁾ Strategic Project includes measures for safety, budget, timeline and sales

STI 2025 Achievement



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Performance share plan	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026	PSP 2025–2027
Max. no. of shares allocated to the CEO	30,000 ¹⁾	29,000 ¹⁾	72,952	75,530
Performance measure (weight)	TSR ²⁾ (100%) ESG ³⁾ (20%)	TSR ²⁾ (80%) ESG ⁴⁾ (20%)	TSR ²⁾ (80%) ESG ⁴⁾ (20%)	TSR ²⁾ (80%) ESG ⁴⁾ (20%)
Actual achievement (0–100)	20.00%	20.00%	N/A	N/A
No. of shares earned	6,000	5,800	N/A	N/A
Share delivery (year)	2025	2026	2027	2028

¹⁾ The maximum number of shares allocated in relation to the CEO's previous position within the company as Executive Vice President, UPM Communication Papers.

²⁾ Total shareholder return.

³⁾ For the PSP 2022–2024 Plan, the Board set absolute total shareholder return (TSR) as a performance measure, and the weight of this measure accounted for 80% of all measures. The TSR performance measure takes into account share price appreciation and paid dividends during the three-year performance period. The Board also set three sustainability-related performance measures and the total weight of these measures accounted for 20% of all measures. Two of the sustainability performance measures are environmental in essence: Reduction of fossil CO₂ emissions from UPM's own combustion and purchased electricity by 65% by 2030 from the 2015 level (10% weight) and the achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weight). The third sustainability performance measure is a social measure: Achievement of gender pay equity (5% weight). The sustainability performance measures in the PSP 2022–2024 Plan are based on the company's sustainability targets for 2030.

⁴⁾ For the PSP 2023–2025, PSP 2024–2026 and PSP 2025–2027 Plans, the Board set absolute total shareholder return (TSR) as a performance measure and the weight of this measure accounted for 80% of all measures. The TSR performance measure takes into account share price appreciation and paid dividends during the three-year performance period. The Board also set three sustainability-related performance measures and the total weight of these measures accounted for 20% of all measures. Two of the sustainability performance measures are environmental in essence: Reduction of fossil CO₂ emissions from UPM's on-site combustion and purchased energy by 65% by 2030 from the 2015 level (10% weight) and the achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weight). The third sustainability performance measure is a social measure: Achievement of gender pay equity (5% weight). The sustainability performance measures in PSP 2023–2025, PSP 2024–2026 and PSP 2025–2027 Plans are based on the company's sustainability targets for 2030.

These plans have a minimum performance period of three years. The Board sets performance measures, related targets, and weights for each commencing plan annually. These measures, targets, and weights can vary from plan to plan to promote the company's long-term value creation and financial growth without encouraging excessive risk taking. These measures may include, but are not limited to, financial, share price-related, and sustainability (ESG) measures.

The maximum and actual values of the share rewards indicated in the table on the previous page represent the gross number of shares from which the applicable taxes will be deducted before the shares are delivered to the CEO.

Performance measures for the long-term incentive plan 2022-2024

For the PSP 2022-2024, the Board set absolute total shareholder return (TSR) and selected sustainability measures as the plan's performance measures. The weight of TSR measure accounted for 80% of the total, while the weight of sustainability measures accounted for the remaining 20%.

Total shareholder return takes into account share price appreciation and paid dividends.

The sustainability measures included the reduction of fossil CO₂ emissions from UPM's own combustion and purchased electricity (10% weight), the achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weight), and the achievement of gender pay equity (5% weight).

The set measures and target setting remained constant and unchanged throughout the three-year earning period.

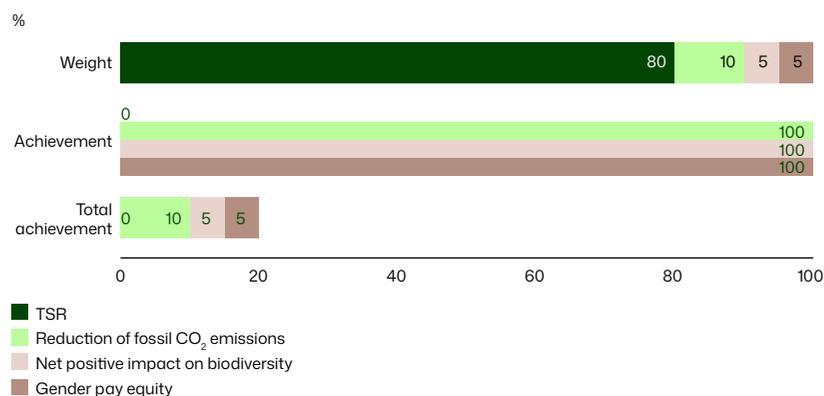
The Board evaluated performance against the set measures and targets for the long-term incentive plan and did not exercise its right for discretion regarding the payout. The long-term incentive payout was according to the formulaic outcome.

The total achievement was 20.00% of the predefined maximum target setting. Shares earned from the PSP 2022-2024 were delivered to the CEO in February 2025.

Performance measures for the long-term incentive plan 2023-2025

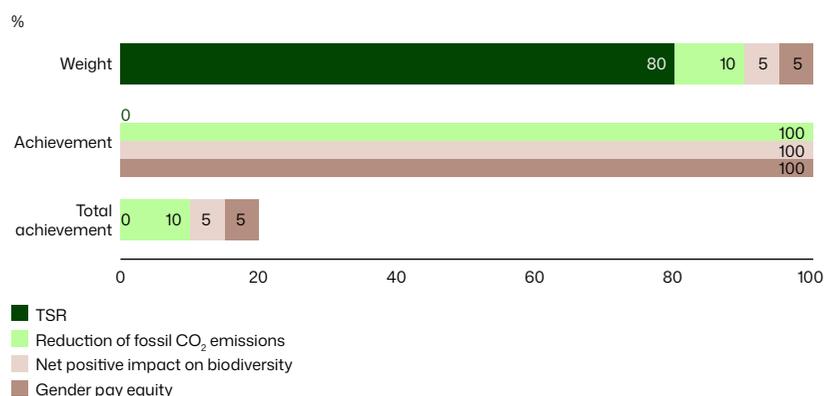
For the PSP 2023-2025, the Board set absolute

PSP 2022-2024 Achievement



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PSP 2023-2025 Achievement



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Total shareholder return takes into account share price appreciation and paid dividends.

The sustainability measures included the reduction of fossil CO₂ emissions from UPM's on-site combustion and purchased energy (10% weight), the achievement of a net positive impact on biodiversity in the company's own forests in Finland (5% weight), and

the achievement of gender pay equity (5% weight).

The set measures and target setting remained constant and unchanged throughout the three-year earning period.

The Board evaluated performance against the set measures and targets for the long-term incentive and did not exercise its right for discretion regarding the payout. The long-term incentive payout was according to the formulaic outcome.

The total achievement was 20.00% of the predefined maximum target setting. Shares earned from the PSP 2023-2025 were delivered to the CEO in February 2026.



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