



# UPM ENERGY

Teija Pelkonen, FG Sähkömarkkinatoimikunta 25.5.2022

# Our businesses



**UPM Pulp**  
A versatile range of chemical pulp for many growing end uses



**UPM Timber**  
Certified sawn timber



**UPM Forest**  
Sourcing wood raw material for sustainable and recyclable products



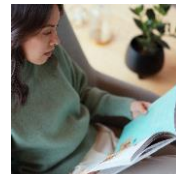
**UPM Energy**  
Low-emission electricity generation of hydro, nuclear and thermal power



**UPM Raflatac**  
Self-adhesive label materials for promotion, information and functional labelling



**UPM Specialty Papers**  
Labelling materials, release base papers, flexible packaging papers, office and graphic papers



**UPM Communication Papers**  
Magazine paper, newsprint and fine papers for a wide range of end uses



**UPM Plywood**  
Plywood and veneer products for construction, vehicle flooring and LNG shipbuilding



**UPM Biofuels**  
Wood-based renewable diesel and naphtha



**UPM Biochemicals**  
Glycols, lignin products, renewable functional fillers



**UPM Biomedicals**  
Wood-based biomedical products for medical and life science applications

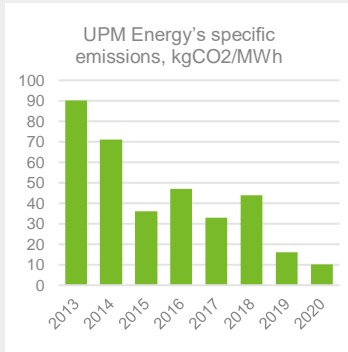


**UPM Biocomposites**  
UPM Biocomposites UPM Profi best in class composite decking and UPM Formi renewable based biocomposites

# UPM Energy's response to climate change and biodiversity



## UPM **BIOFORE-BEYOND** FOSSILS



Decreasing emissions in our own power production through asset restructurings and closures



UPM Energy is participating in Olkiluoto 3 project – Finland's largest single climate action



Commitment to the health of aquatic ecosystems and mitigating impacts to migratory fish stocks



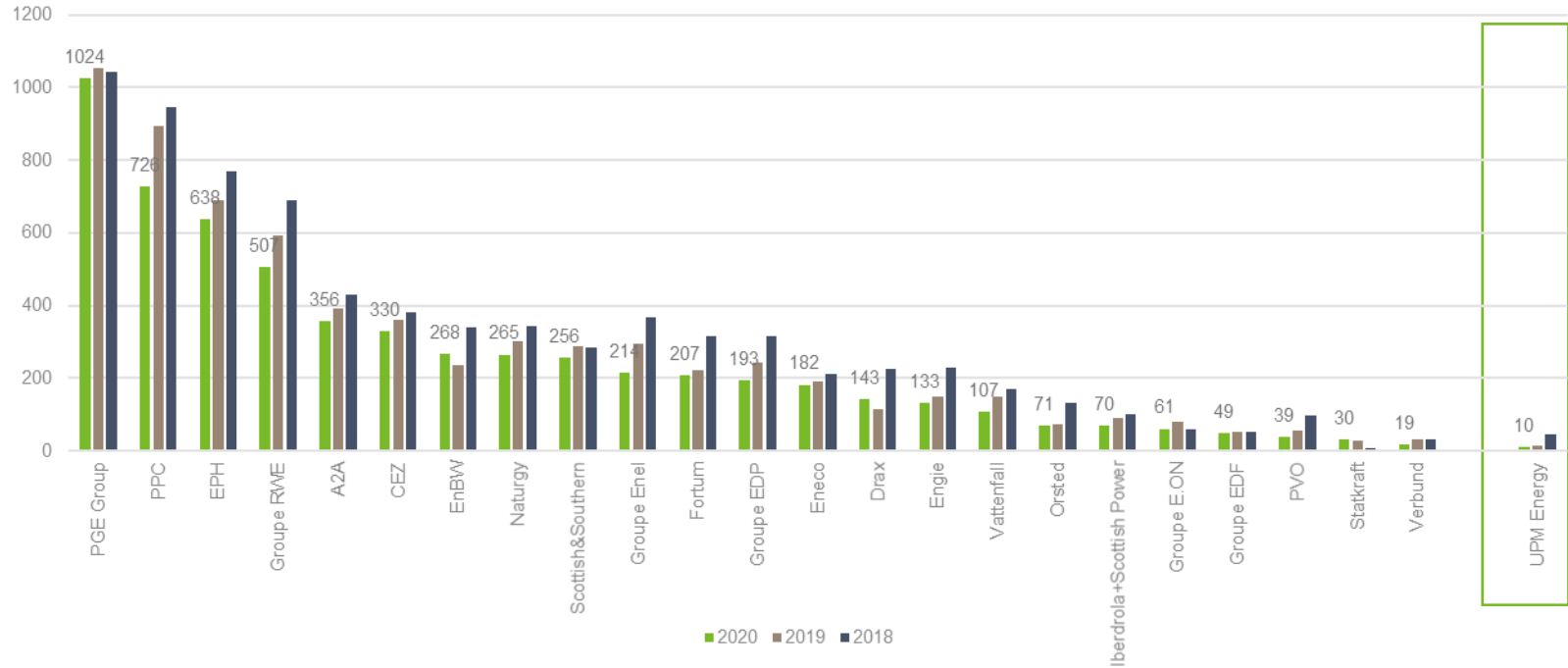
Demand flexibility services to internal and external customers supporting energy market transition

**BUSINESS AMBITION FOR 1.5°C**   **OUR ONLY FUTURE**

# UPM Energy's power production portfolio is among cleanest in Europe



The carbon factor of Europe's largest utilities for 2018-2020 (kgCO<sub>2</sub>/MWh)



# Renewable and flexible hydropower is an essential part of UPM Energy's portfolio



UPM Energy has 8  
hydropower plants in Finland

Kallioinen, Kaltimo, Katerma, Keltti,  
Kuusankoski, Tyrvää, Voikkaa and  
Äetsä

UPM Energy has shares in 31  
hydropower plants

PVO Vesivoima, Kemijoki Oy, LSV Oy

Hydropower assets operated  
24/7 from control center

Tampere, Finland

**Olkiluoto 3 electricity production has started,  
regular production expected from September 2022**

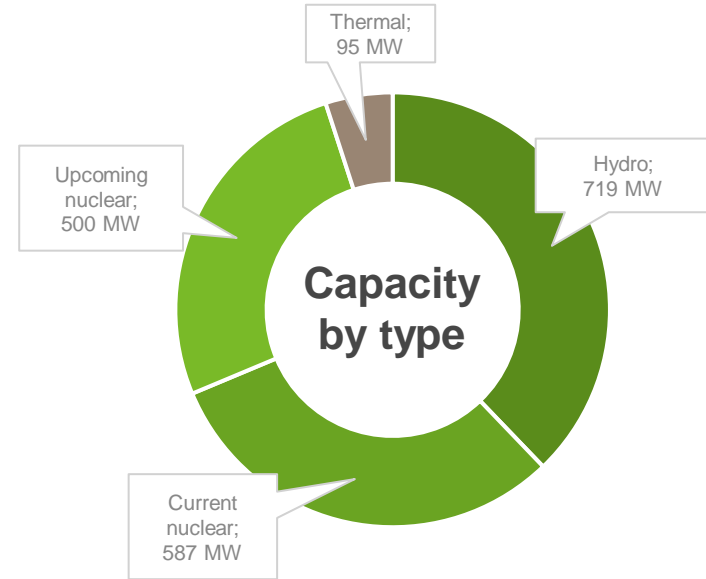


# UPM Energy is significant producer of low emission energy, with its competitive electricity generation asset portfolio



- Second largest electricity producer in Finland
- Current generation capacity 1,400 MW
- Share of upcoming OL3 capacity 500 MW
- UPM Energy is growing on CO<sub>2</sub> free electricity generation - 97% of production CO<sub>2</sub> free (2019) and increasing

In addition to UPM Energy's assets, UPM Group has generation assets worth 1,400 MWe at its mill sites



Annual production around ~9 TWh, of which clear majority is nuclear and hydro

# Electricity market value chain and UPM Energy's operations\*



Electricity generation

Physical power markets

Financial power markets

Services for industrial customers

## Asset management

Renovation projects in our own power plants

Active participation in the governance of co-owned power plants

## Physical market operations

Tampere 24/7 control center

Participation in spot, intraday and balancing markets

## Financial market operations

Hedging our sales price through financial power markets

## Services to internal and external customers

Energy market access and operations to other UPM business areas

Industrial demand flexibility services to external companies

\*In addition to these UPM Energy BA consists of: Market Intelligence & Innovations, Finance & Control and Strategy, HR, Legal and Stakeholder relations Teams



# UPM Energy is an agile business area with steady profits



Sales

526 M€

Capital Employed \*\*

2,579 M€

Electricity generation

8.5 TWh

Operating profit \*

270 M€

ROCE \*

11.4 %

Personnel \*\*

72

\*) Comparable figures

\*\*) On 31 Dec. 2021

UPM **BIOFORE**  
**BEYOND** FOSSILS

