

Regional info session

Paso de los Toros

March, 2019

Regional info session

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Target for the regional session

Target of the session is

- To focus on regional topics around the potential mill site, while the implementation of the Investment Agreement is progressing
- Get to know UPM's way of working in the current operations
- Investment Agreement status report will be presented after Gate 3 has been closed



UPM's current operations

UPM and plantation forestry

UPM Eucalyptus plantations supply Fray Bentos pulp mill

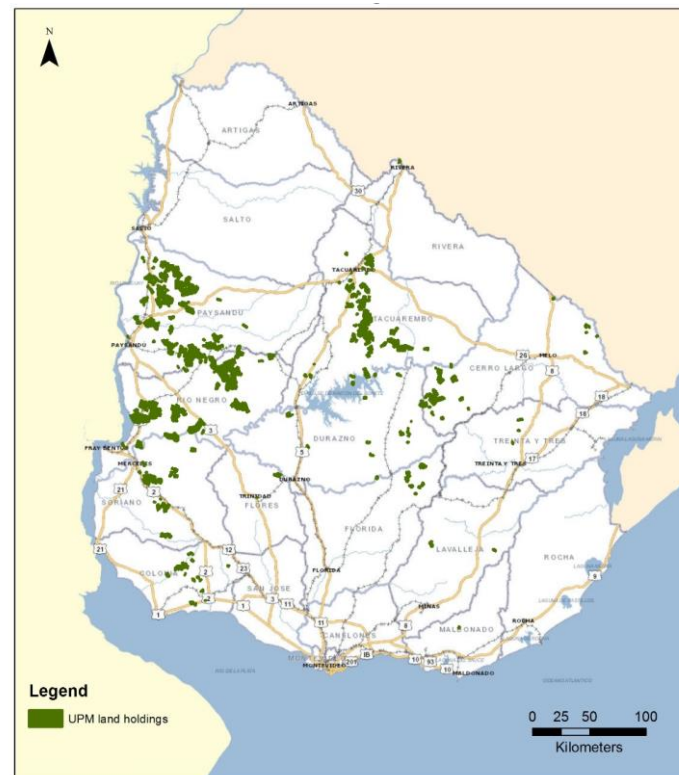
The wood comes from UPM's owned land and from private land owners

60% of land area is planted and 40% is for other uses:

- infrastructure
- grass land
- native
- protected areas

Plantations are integrated with agricultural production e.g. cattle, beehives and mushrooms

All of UPM's own plantations are certified to **FSC®** (FSC-C020173) and **PEFC™**



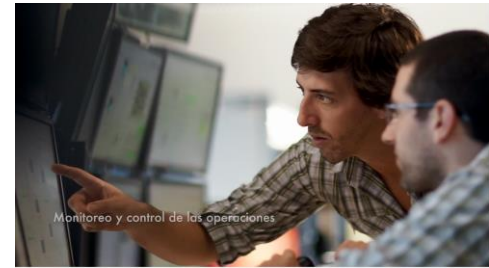
Operations presentation



Nursery operations



Forestry operations



Pulp mill operations

[Link to the video presentation](#) (in Spanish)



Regional topics

National Supplier Development Programme

Background from the Investment Agreement

Government will implement the programme to identify, develop and integrate national and local suppliers into the value chain associated to UPM's project

UPM's role is contributing to the programme through the Sector Innovation Fund

Description

- The main target of the programme is to improve the qualifications and certifications of the suppliers interested in participating in the construction, installation and commissioning, operation and maintenance of the potential pulp mill
- The programme will offer tools such as trainings, certifications, audits or technical assistance
- The programme was launched in March 2019 and the requirement for the participants have been published
- Public information is available in www.ande.org.uy



Strengthening communities through education

Background

Target of the regional actions is to create new skills, products and services, develop local economy and suppliers. UPM and ROU agree to co-operate for improving regional development while improving well-being in the Uruguayan inland

UPM's role is to provide needed information and support the regional initiatives

Description

- The regional education plan is led by the responsible authorities
- Promotion of local development and settlement by developing the access to education in rural areas
- Scholarships for university studies
- Strengthening high school and university regional studies in the areas of mechanic, electricity, instrumentation and chemistry for young people
- Training opportunities and entrepreneurship promotion for local inhabitants



Plan for housing solutions

Background

UPM and ROU agree to co-operate for improving regional development while improving well-being in the Uruguayan inland

UPM's role is to provide precise information on the needs for the project

Description

- Quality standard introduced for workers' housing solutions to secure functionality and integration to communities
- Housing solutions distributed along different cities based on available infrastructure, services and integration to communities
- Combination of temporary and permanent housing solution
- During the construction phase UPM's contractors will provide temporary accommodation for their employees
- UPM will build in the area of influence 60 permanent houses that will be part of the temporary housing supply and will later be transferred to the State



Fray Bentos housing experience

Infrastructure upgrade for logistic solutions

Background

State agencies are responsible for public road network and maintenance

Quality of the roads and the density of the road network are important factors for rural livelihood and businesses. Their impact on safety, transportation costs, delivery times and competitiveness is fundamental

Upgrading the infrastructure contributes also to overall development by providing better access to education, jobs and medical services in the rural communities

Description

- Planning for smooth traffic flow and improved road safety by
 - Flyover construction, organize safe turnings while widening main routes
 - Increase traffic signals and safety awareness through education
- Reinforcement of route pavements
- Speed awareness education and control
- New solutions for the transportation volumes through high performance vehicles





UPM Foundation

Growing in the countryside

Strengthening rural communities

UPM Foundation promotes the development of communities in the interior of the country through education and entrepreneurship in conjunction with local social organizations

- Presence in **150 rural communities**
- **More than 20 projects** per year
- **90%** of the benefited are towns with less than 5,000 inhabitants
- **80%** of the projects focused on **education**



Growing in the countryside



[Promoting continuation of studies in rural areas](#)



[Postgraduate studies for rural teachers](#)

UPM **BIOFORE**
BEYOND FOSSILS

