



UPM shareholders and investors

Sent via email

25 March 2022

Global Unions warn of investment risk in UPM attack on union rights

Dear shareholders and investors,

We write to you jointly as the three global trade unions bringing together national unions around the world in the forestry, pulp, paper, packaging, and graphical industries. All UPM trade unions around the world are members of this group, as are the unions at UPM's customer companies.

IndustriALL Global Union, UNI Global Union, and the Building and Wood Workers' International wish to make major shareholders and investors in UPM aware of the concerns that the global labour movement has about the protracted strike at UPM.

As you are aware, there has been a strike at UPM sites in Finland since 1 January 2022. This strike is costing UPM an estimated €20 million per week, and is leading to a crisis in the paper supply chain across Europe, with jobs being lost at UPM customer companies. UPM will not be able to meet its contractual obligations to its customers, and has written to them to inform them of this, claiming *force majeure*.

We expect that UPM has provided you with its version of events. It is the view of the global labour movement that this strike is caused by the company's refusal to bargain in good faith, and the Finnish unions have the support of the global labour movement. UPM is trying to break decades of collective bargaining practice in the industry and at the company.

The changes which UPM's management is trying to force on its workforce – which include denying sections of the workforce the right to union representation – bring no business advantage, and are being pursued for ideological reasons.

The global labour movement rejects the *force majeure* argument, and reminds investors that in a 2021 judgement, the European Court of Justice ruled that *force majeure* was not applicable in a case of industrial action that met legal requirements. Unions representing employees across the forestry, pulp, paper,

packaging and graphical supply chain, including all UPM's major customers, are currently writing to their managements to inform them of this, and advising them to hold UPM liable for its contractual obligations.

We are concerned that this damaging ideological attack on trade union rights has escalated to the extent that it threatens the long-term reputation of UPM. Customers will not trust UPM's commitments and neither will employees and social partners.

As shareholders and investors, we urge you to pressurize UPM management to agree to negotiations with no preconditions, so that we can return to healthy and constructive industrial relations, productivity and shared prosperity.

We appreciate your support.

Sincerely,

Handwritten signatures of Atle Høie and Ambet Yuson.

Atle Høie
General Secretary
IndustriALL Global Union

Ambet Yuson
General Secretary
BWI

Handwritten signature of Christy Hoffman.

Christy Hoffman
General Secretary
UNI Global Union