

## Modern Slavery and Human Trafficking statement

**SCA is Europe's largest private forest owner with 2.6 million hectares of forest in northern Sweden, and approximately 50,000 hectares in Estonia, Latvia and Lithuania. Around this unique resource, SCA has built an industrial ecosystem that maximizes value creation through renewable products and a resource-efficient value chain. SCA offers packaging paper, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions.**

SCA conducts its business through environmentally certified forest operations and modern production units in Sweden, located close to its forest holdings. Of SCA's more than 3 500 employees in 2021, 98 % were employees in Sweden, while the majority of the remaining 2 % were employed in other parts of Europe. The Group's net sales, amounting to 18,822 SEKm, is concentrated to the European market, representing 75 %. Of the Group's total net sales, 11 % encompasses sales in the United Kingdom. SCA shares are quoted and traded on Nasdaq, Stockholm. More detailed information about SCA and its operations is available at our website, [sca.com](https://www.sca.com).

SCA has been a signatory of the UN Global Compact since 2008 and sustainability is an integral part of SCA's entire business. SCA's corporate values is at the core of SCA's corporate culture and gives direction on how the Group interacts with its stakeholders, does business and conducts its operations. Values and responsibility for people are incorporated in SCA's sustainability platform and constitute, together with the components of profitable growth, fossil free world, valuable forests and efficient use of resources, its explicitly set Group targets. Through these six components, SCA makes a direct or indirect contribution to all 17 of the UN's Sustainable Development Goals.

SCA's Code of Conduct ("the Code") is the Group's foremost steering document in terms of sustainability and forms the basis of the Group's sustainability agenda, together with SCA's Sustainability Policy. The Code applies to all employees and every market in which SCA conducts operations. The Code, which is adopted by the Board of Directors, details the guidelines for business ethics (including anti-corruption), health and safety, employee relations, respecting human rights, the environment and the society. The Code is based on the UN Declaration of Human Rights, the International Labour Organisation's (ILO) Core Conventions, the Organisation for Economic Cooperation and Development's (OECD), Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact. The Code in full text is available at [sca.com](https://www.sca.com).

All employees receive regular training in the Code, and all new employees and temporary employees are educated in the Code as part of their introduction. At the end of 2021, the ratio of employees educated in the Code were 97 %.

Human rights is an important aspect of the Code. SCA does not tolerate child labour or any other form of forced labour, neither in its own facilities, nor within the operations of any business partner. SCA complies with applicable national laws and international standards on minimum age wherever SCA operates. SCA promotes fair working conditions, health and safety, the trade union rights of employees and the right to collective bargaining. Risks linked to human rights have primarily been identified in business relationships, health and safety and the use of land. All forms of suspected violations of human rights are taken very seriously and dealt with in accordance with the established procedures for suspected violations of the Code.

SCA uses a number of methods to monitor and safeguard the implementation of the Code, including risk evaluations, audits by external and internal auditors, the company's internal control, incident reporting and controls in connection with acquisitions. Employees are encouraged to report any violations of the Code, and there are established processes, including a confidential whistle blowing system, through which employees as well as external parties may raise concerns. Potential violations are handled by SCA's Compliance Council. No cases concerning violations of human rights were received during the year.

The Code also forms the basis for SCA's Supplier Standard, thus imposing mandatory sustainability requirements for suppliers regarding business ethics, health & safety, wages & working hours and human rights. During 2021, 98 % of SCA's suppliers had approved the Supplier Standard. More information about the SCA Supplier Standard, and the Supplier Standard in full text, can be found at [sca.com](http://sca.com).

SCA holds agreements with a large number of suppliers, managed by trained employees at SCA's sourcing departments. For timber supply from private owners of forests in Sweden, SCA has formed a purchasing organization with about 80 timber purchasers, distributed between local offices across the northern Sweden region. Through this organization, SCA has business relationships with approximately 18,000 private forest owners. Timber sourced from other forest companies and large forest owner associations is managed by a central purchasing function that is also responsible for any timber imports. About 170 contractors are responsible for most of the harvesting, about 100 for timber transportation to SCA's industries and about 80 for forest management measures.

Potential suppliers of goods and services are evaluated by the respective purchasing department and the supplier must be approved before any cooperation is initiated. The evaluation comprises both business matters and issues concerning existing policies and processes regarding, for example, the work environment and business ethics.

SCA has well-established procedures for supplier assessments, control and visits on site with regard to harvesting and silvicultural services contractors. The requirements correspond to SCA's Supplier Standard and have been supplemented with requirements and controls linked to forest and forest operations, including PEFC's supplier audits. Follow-up meetings on site were only marginally impacted by the coronavirus pandemic and about 3,300 were conducted in 2021.

SCA uses an external system, EcoVadis, to evaluate the sustainability compliance of its suppliers. Audits are also performed on-site, based on the risk assessment. If the evaluation shows failure to comply with the principles of the Supplier Standard, the supplier must undertake to rectify and draw up a plan to ensure that the problems are not repeated. In the event of serious and/or repeated non-compliance, however, the contract with the supplier may be terminated. Due to the coronavirus pandemic, no on-site audits were performed in 2021. However, sustainability risks for about 3 000 of SCA's suppliers were assessed in the EcoVadis IQ tool. The sustainability risks of 195 of these were also studied more in detail in EcoVadis.

Further information about SCA's efforts to identify and manage risks related to modern slavery is communicated in the annual sustainability report and on our webpage, [sca.com](http://sca.com).

*This statement is made in accordance with the Modern Slavery Act 2015 and constitutes the Modern Slavery and Human Trafficking Statement for Svenska Cellulosa Aktiebolaget (publ) itself and its subsidiaries for the financial year commencing 1 January 2021 and ending 31 December 2021.*

Sundsvall, June 17, 2022

A handwritten signature in blue ink, appearing to read 'Ulf Larsson', is written over a horizontal dotted line.

Ulf Larsson

CEO and president, Svenska Cellulosa Aktiebolaget (publ)