

Proposed guidelines for remuneration to senior executives

The Board of Directors proposes that the Annual General Meeting 2026 resolves to approve the following guidelines for remuneration to senior executives.

These guidelines shall apply to remuneration to the President and other senior executives. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2026. The guidelines do not apply to remuneration resolved by the general meeting.

Principles for remuneration

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit, motivate and retain qualified personnel through competitive remuneration in line with market levels. To this end, the total remuneration is to correspond to market practice and be competitive on the executive's field of profession, as well as be linked to the executive's responsibility, authority and performance. Remuneration may consist of fixed salary, variable remuneration, other benefits and pension, jointly referred to as total remuneration. Senior executives may be offered the opportunity to exchange cash compensation for pension contributions, i.e., to choose to receive part of their remuneration in the form of pension contributions instead of cash salary.

The company's business strategy can be found in the company's annual report.

Variable remuneration

Variable remuneration shall aim at promoting the company's business strategy and long-term interests, including its sustainability. Variable remuneration shall be based on the outcome in relation to short-term and long-term financial targets, targets that contribute to such goals (including sustainability targets), or the value development of the company's Class B share. It shall be linked to the fixed annual salary and have a maximum outcome. Variable remuneration is to be paid as cash remuneration and shall not qualify for pension benefits except where required by mandatory legislation or collective bargaining agreements.

Short-term performance targets may include, for example, organic growth, profit, cash flow, capital efficiency, return, health-safety-environment, local (or business-area-specific) targets, or a combination thereof. Remuneration that may be paid under such short-term performance targets shall not exceed 100 percent of the fixed annual salary.

Long-term performance targets shall be linked to the relative value development of the company's Class B share and the company's climate benefits. Remuneration that may be paid under such long-term performance targets, including performance period, maximum amount and other main conditions, shall therefore be approved by the general meeting.

Total variable remuneration related to short-term performance targets and long-term performance targets in accordance with the description above shall not exceed 100 percent of the fixed annual salary.

Additionally, variable remuneration in the form of project bonuses may be awarded in individual cases. The performance targets shall, in such case, be linked to the project (e.g. Capex or production volume) in order to promote the completion of the project. The satisfaction of targets may be measured, and bonus may be paid, after one or several years. Such project bonus shall not exceed 40 percent of the total fixed annual salary during the relevant period.

When the measurement period for the fulfillment of criteria for variable remuneration has ended, the extent to which the criteria have been met shall be assessed. The Board of Directors shall be responsible for such assessment with regard to variable remuneration for the President. With regard to variable remuneration for other executives, the Remuneration Committee shall be responsible for the assessment. For financial targets, the assessment shall be based on the most recently published financial information by SCA.

The company shall be able to refrain from paying variable remuneration when required and possible under applicable law, if there is special cause and withholding the payment is necessary to serve the company's long-term interests, including its sustainability. The company shall also have the possibility to, under applicable law, reclaim variable remuneration paid on incorrect grounds.

Pension and other benefits

Pension benefits shall solely contain defined premium pension benefits, unless the executive is subject to defined benefit pension under applicable collective agreement provisions. The defined premium pension (including health insurance) shall total a maximum of 50 percent of the fixed annual salary.

Other benefits may include, for example, health insurance, company car and wellness allowance.

In the event of termination of employment, a notice period of two years shall typically apply if the termination is initiated by the company, or one year, if termination is initiated by the executive. Severance pay shall not occur.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Decision-making process and reporting

Issues regarding remuneration to senior executives shall be dealt with by the Board of Directors' Remuneration Committee and, in case of the President, be decided by the Board of Directors. The Remuneration Committee's tasks shall also include preparing the Board of Directors' decision to propose guidelines for remuneration to senior executives, as well as

monitoring and evaluating the application of these. The senior executive shall not participate in the Board of Directors' nor the Remuneration Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

In the preparation of the remuneration guidelines, salary and employment conditions for the company's other employees in Sweden shall be taken into account, including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as well as the company's equality policy.

The Board of Directors shall prepare a remuneration report.

Application of and derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions on remuneration related matters, which includes resolutions on deviations from the guidelines.

The guidelines do not take precedence over mandatory provisions under applicable employment regulation or collective agreements. They are also not applicable to agreements already signed.

Information about SCA's current guidelines for remuneration to senior executives, the application of the current guidelines and the company's costs for remuneration to senior executives is covered in note C3 of the company's annual report.

Description of significant changes compared to previous guidelines

Compared to the guidelines resolved by the Annual General Meeting 2022, the proposed guidelines have been updated to:

- Clarify that senior executives may be offered the opportunity to exchange cash compensation for pension.
- Clarify the process for assessing target achievement for variable remuneration and the application of and deviations from the guidelines.
- Remove the provision on planned retirement age.
- Clarify that appropriate adjustments may be made with regard to pension benefits and other benefits for employment relationships that are governed by rules other than Swedish.

Finally, certain editorial changes have been made for clarification purposes.