

Corporate governance

Corporate governance aims to ensure SCA's commitments to all of its stakeholders. In addition, corporate governance supports the company's long-term strategy, market presence and competitiveness.

Corporate governance, including remuneration, pages 76–87

This section describes the rules and regulations and the Group's corporate governance, including a description of the operational organization. It also details the Board of Directors' responsibilities and its work during the year as well as SCA's internal control. Moreover, it provides an overview of remuneration and remuneration issues, see also SCA's remuneration report on sca.com. SCA applies the Swedish Corporate Governance Code without any deviations (www.bolagsstyrning.se). Corporate governance shall be reliable, clear, straightforward and business-oriented. This Corporate Governance Report forms part of the Board of Directors' Report for SCA's 2023 Annual Report in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act (1995:1554). The report has been reviewed by the company's auditor.

Risks and risk management, pages 67–75

The processes to identify and manage risks in SCA are part of the Group's strategy work and are pursued at a local and Group-wide

level. The risk management section describes the most significant risks as well as the governing documents and measures that the Group applies to manage these.

Sustainability, pages 20–25, 66 and 138–179

SCA's sustainability work is an integral part of the company's business model and operations. Work to improve the company's sustainability performance strengthens competitiveness, reduces risks and costs and attracts talent and investors. The Board and the President bear the overall responsibility for the running of SCA's business in the field of sustainability. SCA's sustainability agenda is headed by the Group's Sustainability Council, which includes members of the Executive Management and the Group's Sustainability Director. The Sustainability Council is led by the Group's Senior Vice President Sustainability and Communications. In addition, a number of cross-functional networks manage and coordinate issues such as health, safety and environment.

Governance at SCA

Shareholder meeting/Annual General Meeting

The shareholders' meeting is SCA's highest decision-making body, where all shareholders are entitled to attend, to have a matter considered and to vote in respect of all shares held by the shareholder. According to its Articles of Association, SCA has two listed classes of shares: Class A and Class B shares. Every Class A share represents ten votes and every Class B share represents one vote. The Annual General Meeting (AGM) is the annual shareholders' meeting at which the annual report is presented. The AGM appoints the company's Board of Directors and auditor, which are proposed by a Nomination Committee specifically elected by the AGM. The AGM also resolves on dividends, adoption of the annual accounts, fees to be paid to the company's Board and auditor, where applicable on guidelines for remuneration of senior executives, and other important matters.

Nomination Committee

The Nomination Committee represents the company's shareholders and is charged with the task of preparing proposals for adoption at the AGM with respect to election and remuneration matters and, in certain cases, proposing procedural motions for the next Nomination Committee.

Board of Directors

The Board of Directors has the overall responsibility for the company's organization and administration through regular monitoring of the business and by ensuring the appropriateness of the organization and management team, and also compliance with guidelines and internal control. The Board approves strategies and targets, and decides on major investments, acquisitions and divestments of operations, among other matters.

The 2023 AGM resolved that the Board of Directors shall comprise ten members elected by the AGM with no deputies. In addition, the Board shall include three employee representatives and three deputies.

SCA's Articles of Association contain no provisions regarding appointment or dismissal of Board members or amendments to the Articles.

Chairman of the Board

The Chairman of the Board leads the work of the Board and is responsible for ensuring that it is effectively organized and that work is efficiently conducted. This includes continuously monitoring the company's operations in close dialogue with the President and ensuring that other Board members receive information that will enable high-quality discussion and decisions by the Board. The Chairman leads the assessment of the Board's and the President's work. The Chairman also represents the company in ownership matters.

Audit Committee

The company's Board has, within itself, established an Audit Committee. The tasks of the Audit Committee include monitoring financial reporting and the efficiency of the company's internal control, internal audit and risk management, and submitting recommendations and proposals to ensure the reliability of reporting. The Committee keeps itself informed on the audit, reviews and monitors the impartiality and independence of the auditor and submits recommendations to the Nomination Committee as a basis for the appointment of auditor and the determination of remuneration, and information to the Board concerning the results of the audit in order to fulfill all requirements of the EU Audit Regulation and Directive. The Audit Committee sets guidelines for the procurement of services other than auditing services from the company's auditors. Lastly, the Audit Committee evaluates the audit quality and informs the Nomination Committee of the results of the evaluation.

Remuneration Committee

The company's Board has also, within itself, established a Remuneration Committee. The Remuneration Committee prepares the Board's motions on issues relating to remuneration principles and remuneration and other terms and conditions of employment for the President and CEO, and is authorized to make decisions in these matters for the company's other senior executives. The Committee monitors and assesses programs for variable remuneration, the application of the AGM's resolution on guidelines for remuneration of senior executives and the applicable remuneration structure and remuneration levels in the Group. The Remuneration Committee also prepares the Board's remuneration report.

Internal audit

At SCA, it is the employees' responsibility to ensure sound governance and internal control in the operations or processes for which they are responsible. Internal audit is a separate function with the task of evaluating and improving the efficiency of SCA's internal control, governance, and risk management. The function reports to the Audit Committee and the Board in relation to internal audit matters. The function examines, among other, SCA's internal processes for sales, purchases, financial reporting, assets, compensation and benefits, HR matters, information security and IT systems, various projects and compliance with SCA's policies and other governing documents including the Code of Conduct.

President and CEO and Executive Management

SCA's President and CEO is responsible for and manages the day-to-day administration of the Group and follows the Board's guidelines and instructions. The President and CEO is supported by the Executive Management Team, the work of which is led by the President and CEO. The Executive Management Team comprises the President and CEO, the CFO, the Presidents of the Business Areas Forest, Containerboard, Pulp, Wood and Renewable Energy and the President for the support unit Sourcing & Logistics. Further, the Senior Vice Presidents of the Group functions Human Resources, Legal Affairs, Sustainability and Communications and Strategic Development are also members of the team. The working procedures for the Board of Directors and terms of reference issued by the Board of Directors to the President and CEO detail, for example, the division of work between the Board and President. In consultation with the Chairman of the Board, the President and CEO prepares documentation and background information for the Board's work.

SCA adheres to the principle of distinct decentralization of responsibility and authority. The business areas are fully responsible for developing their respective operations through established objectives and strategies, a process that is also centrally coordinated. Each business area is responsible for its operating result, capital and cash flow. The position of the business and results are followed up by the entire Executive Management Team on a monthly basis. Each quarter, business review meetings are conducted during which the management of each business area personally meet with the President and CEO, the CFO and others. These meetings function as a complement to the daily monitoring of operations.

External auditors

The company's auditor, elected at the Annual General Meeting, examines SCA's accounting, the Group's annual report and sustainability report, the Board's and President and CEO's administration and the annual reports of subsidiaries, and submits an audit report.

The audit is performed in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act, International Standards on Auditing (ISA) and generally accepted auditing principles in Sweden, which also includes a review of compliance with the Swedish Companies Act and the Swedish Annual Accounts Act.

Internal rules and regulations include:

- Articles of Association.
- Working procedures of the Board of Directors.
- Terms of reference issued by the Board to the President and CEO.
- Code of Conduct.
- Other policy documents established by the Board and instructions established by the President and CEO.

External rules and regulations include:

- The Swedish Companies Act.
- The Swedish Annual Accounts Act.
- International Financial Reporting Standards (IFRS).
- Nordic Main Market Rulebook for Issuers of Shares.
- Swedish Corporate Governance Code.
- Relevant EU regulations.

Compliance with stock market regulations

In 2023, SCA was not sanctioned by the Swedish Financial Supervisory Authority, the stock exchange's disciplinary board or any other authority or self-regulating body for violations of the rules concerning the stock market.

Read more about SCA's Corporate Governance on [sca.com](https://www.sca.com). This includes:

- SCA's Articles of Association.
- Link to the Swedish Corporate Governance Code.
- Information from previous Annual General Meetings since 2015 (notices, minutes, President and CEO's speeches) and press releases since 2012.
- Information from the Nomination Committee since 2007 (composition, proposals and work done).
- Information ahead of the 2024 Annual General Meeting (notice, Nomination Committee proposals including the Audit Committee's recommendation, Board proposal for guidelines for remuneration of senior executives, information on routines for notifying attendance to the Meeting, etc.).
- Earlier Corporate Governance Reports, since 2007.

Activities during the year

Annual General Meeting

The AGM was held on Thursday, March 30, 2023. The shareholders could also exercise their voting rights by postal voting prior to the Meeting. A total of 1,222 shareholders were represented at the Meeting and these accounted for approximately 71.9% of the votes in the company. Eva Hägg, Attorney-at-Law, was elected Chairman of the Meeting.

The Meeting resolved that a dividend of SEK 2.50 per share be paid for the 2022 fiscal year. The AGM also decided on the re-election of Board members Pär Boman, Åsa Bergman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson, Martin Lindqvist, Anders Sundström, Barbara Milian Thoralfsson and Karl Åberg. Pär Boman was re-elected as the Chairman of the Board. Ernst & Young was re-elected as auditor for the period until the 2024 AGM. The Meeting resolved on the approval of the remuneration report for 2022.

The minutes of the Meeting in full and information on the 2023 AGM are available on [sca.com](https://www.sca.com).

Nomination Committee

The 2017 AGM decided that the following procedure for appointing the Nomination Committee is to apply until further notice. The Nomination Committee is to comprise representatives from the four largest shareholders in terms of voting rights as per the shareholders' register maintained by the company on the final banking day of August, as well as the Chairman of the Board. The Chairman of the Board is to convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of votes is to be appointed as Chairman of the Nomination Committee. If necessary, due to subsequent ownership changes, the Nomination Committee is entitled to call on one or two additional members from among the next largest shareholders in terms of voting rights, so that the total number of members amounts to not more than seven. In the event that a member steps down from the Nomination Committee before the task is completed and the Nomination Committee decides it would be beneficial for a replacement to be appointed, such a replacement is to be appointed by the same shareholder or, if this shareholder is no longer among the largest shareholders in terms of voting rights, by the largest unrepresented shareholder in terms of voting rights. Changes to the composition of the Nomination Committee are to be disclosed immediately. The composition of the

Nomination Committee is to be disclosed not later than six months prior to the AGM. No remuneration is to be paid to the members of the Nomination Committee. Any expenses incurred during the work of the Nomination Committee are to be paid by the company. The mandate period of the Nomination Committee extends until the composition of the next Nomination Committee is disclosed. The Nomination Committee is to submit proposals relating to the Chairman of the General Meeting, the Board of Directors, the Chairman of the Board, Board fees for the Chairman of the Board and each of the other Board members, including remuneration for committee work, the company's auditors and auditors' fees.

In its work, the Nomination Committee has considered the rules that apply to the independence of Board members, as well as the requirement of diversity and breadth with the endeavor to achieve an even gender distribution and that the selection for those nominated shall be based on expertise and experience relevant to SCA.

When preparing its proposal for the election of auditors and remuneration, the Nomination Committee has also considered the Audit Committee's recommendation.

Composition of the Nomination Committee for the 2024 AGM

The composition of the Nomination Committee for the 2024 AGM is as follows:

- Bengt Kjell¹⁾, AB Industrivärden, Chairman of the Nomination Committee.
- Nikolai Schjold, Norges Bank Investment Management.
- Anders Oscarsson, AMF Insurance and Funds.
- Mikael Hallåker, Handelsbanken Pension Foundation, among others.
- Pär Boman, Chairman of the Board, SCA.

¹⁾ Replaced Helena Stjernholm on October 12, 2023.

Shareholders have had the opportunity to submit proposals to the Nomination Committee. The Nomination Committee's proposal for the 2024 AGM is presented in the notice convening the AGM on SCA's website [sca.com](https://www.sca.com). The 2024 AGM will be held on March 22.

Since its appointment, the Nomination Committee was convened five times in 2023. The Chairman of the Board has presented the Board evaluation and provided the Nomination Committee with information regarding Board and committee work during the year.



Diversity policy

When preparing proposals for the Board for the 2023 AGM, the Nomination Committee has applied Item 4.1 of the Swedish Corporate Governance Code as its diversity policy. The policy aims to ensure that the Board has – with regards to the company’s operations, stage of development and circumstances in general – an appropriate composition characterized by diversity and breadth as regards the AGM-elected members’ expertise, experience and background, with the endeavor to achieve an even gender ratio. The 2023 AGM resolved in accordance with the Nomination Committee’s proposal, which meant ten members were elected, of which four were women and six men. When preparing proposals for the Board for the 2024 AGM, the Nomination Committee has worked with and applied the diversity policy in a corresponding manner, which resulted in the proposal for the Board described in the notice convening the AGM.

The Nomination Committee’s proposal entails the appointment of nine Board members, of which five are women and four men.

Board of Directors

Ten Board members were appointed at the 2023 AGM. In addition to these members, there are three employee representatives and their three deputies.

The SCA Board of Directors comprises the AGM-elected members Pär Boman (Chairman), Åsa Bergman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson (President and CEO), Martin Lindqvist, Anders Sundström, Barbara Milian Thoralfsson and Karl Åberg.

The independence of Board members is presented in the table below. SCA complies with the requirements of the Swedish Corporate Governance Code that stipulate that not more than one member elected by the AGM shall be a member of company management, that the majority of the members elected by the AGM shall be independent of the company and company management, and that not fewer than two of these shall also be independent of the company’s major shareholders. All of the AGM-elected Board members have experience of the requirements incumbent upon a listed company.

The following three employee representatives were appointed to the Board for the period until the 2024 AGM: Niclas Andersson, Roger Boström and Maria Jonsson and their deputies Stefan

Lundkvist, Malin Marklund and Peter Olsson. Further information concerning the Board members can be found on pages 84–85.

Board activities

In 2023, the Board was convened ten times. The Board has established working procedures. The working procedures describe in detail which ordinary agenda items are to be addressed at the various Board meetings of the year. Recurring agenda items are finances, the market situation, investments and adoption of the financial statements. The Board also establishes and evaluates the company’s overall objectives and strategy and decides on significant internal rules. Another task is to continuously monitor the internal control and compliance of the company and its employees with internal and external rules, and that the company has well-functioning procedures for market disclosures. On a regular basis throughout the year, the Board also deals with reports from the Audit and Remuneration Committees and reports on internal control and financial operations. The company’s auditor regularly presents a report on the audit work and these issues are discussed by the Board.

In 2023, the Board conducted standard duties, including strategy issues.

Evaluation of the Board’s work

The work of the Board, as that of the Chairman and the President, is evaluated annually using a systematic and structured process. The purpose is to obtain a sound basis for the Board’s own development work and to provide the Nomination Committee with relevant analysis for its nomination work. In 2023, the evaluation took the form of a questionnaire and interviews held by an external consultant as well as group and individual discussions between the Chairman of the Board and the members. The evaluation covers such areas as the Board’s methods of work, effectiveness, expertise and the year’s work. The Board was provided with feedback after the results were compiled. The Nomination Committee was also informed of the results of the evaluation.

Audit Committee

The Audit Committee comprises Barbara Milian Thoralfsson (Chairman), Pär Boman, Martin Lindqvist and Karl Åberg. The Audit Committee held seven meetings in 2023. In its monitoring of the

Board of Directors and committees

Names	Elected	Depen- dence	The Board of Directors	Attendance	Audit Committee	Attendance	Remuneration Committee	Attendance
Pär Boman	2010	●	Chairman	10	Board member	7	Chairman	5
Åsa Bergman	2022		Board member	9				
Lennart Evrell	2017		Board member	10			Board member	5
Annemarie Gardshol	2015		Board member	10				
Carina Håkansson	2021		Board member	10				
Ulf Larsson	2017	●	Board member	10				
Martin Lindqvist	2017		Board member	10	Board member	7		
Anders Sundström	2018		Board member	10			Board member	5
Barbara Milian Thoralfsson	2006		Board member	10	Chairman	7		
Karl Åberg ¹⁾	2022	●	Board member	10	Board member	6		

¹⁾ Karl Åberg was elected to join the Audit Committee on January 26, 2023.

- Dependent in relation to the company’s major shareholder – Industrivärden.
- President and CEO of SCA – Dependent in relation to the company and corporate management.

financial reporting, the Committee dealt with relevant accounting issues, internal audit reviews, audit work, review of internal control procedures and the measurement of the Group's forest assets. The Audit Committee also monitors work to adapt the company's sustainability reporting to new legislation in accordance with the European Sustainability Reporting Standards, ESRS. The Audit Committee also prepared a recommendation to be used by the Nomination Committee when deciding on its proposal to the AGM regarding the election of auditors and remuneration.

Remuneration Committee

The Remuneration Committee comprises Pär Boman, Chairman, Lennart Evrell and Anders Sundström. The Remuneration Committee held five meetings in 2023. Activities in 2023 mainly concerned remuneration and other employment terms and conditions for senior executives, and current remuneration structures and remuneration levels in the Group.

Internal audit

The basis for the internal audit work is a risk-based annual plan. The plan derives from a risk assessment process based on, among other, input from operations, management and the Board. The annual plan is approved by the Audit Committee. In 2023, 14 internal audit assignments were performed. Observations from the assignments are reported to the Audit Committee.

During 2023, work included follow-up of the organization's work concerning the effectiveness of internal controls and compliance with policies and other governing documents, including the Code of Conduct.

External auditors

The 2023 Annual General Meeting appointed accounting firm Ernst & Young AB as the company's auditor for a mandate period of one year. The accounting firm notified the company that Fredrik

Norrman, Authorized Public Accountant, would be the auditor in charge. The auditor owns no shares in SCA.

In accordance with its working procedures, the Board met with the auditor at five scheduled Board meetings in 2023. The auditor also attended each meeting of the Audit Committee. At these meetings, the auditor presented and received opinions on the focus and scope of the planned audit and delivered verbal audit and review reports. Further, at the Board's third scheduled autumn meeting, the auditor delivered a preliminary report on the audit for the year. The working procedures specify a number of mandatory issues that must be covered. These include matters of importance that have been a cause for remark or discussion during the audit, business routines and transactions where differences of opinion may exist regarding the choice of accounting procedures. The auditor shall also provide an account of consultancy work assigned to the audit firm by SCA and the audit firm's independence in relation to the company and its management. On each occasion, Board members have had an opportunity to ask the auditor questions. Certain parts of the detailed discussion on the accounts take place without representatives of company management being present.

The largest shareholders

As of December 31, 2023, AB Industrivärden was the company's largest shareholder, with a holding totaling 33,785,290 Class A shares and 39,800,000 Class B shares, corresponding to 10.48% of the total number of shares and 29.45% of the total number of votes in the company. No other shareholder in the company has a direct or indirect shareholding whose voting rights represent one-tenth or more of the total number of votes in the company.

	Number of meetings in 2023
The Board of Directors	10
Audit Committee	7
Remuneration Committee	5

Remuneration, Executive Management Team and Board of Directors

Guidelines

The 2022 Annual General Meeting adopted guidelines for remuneration of senior executives. The total remuneration package comprises a fixed salary, variable salary, other benefits, and a pension. See Note C3.

Remuneration of the President and CEO and other senior executives

Remuneration of the President and CEO and other senior executives is presented in Note C3.

Variable remuneration and strategic targets

Programs for variable remuneration are designed to support the Group's strategic targets. The short-term program is individually adapted and based mainly on profit, cash flow and capital effi-

ciency. The long-term programs are based on the SCA share's total shareholder return during the performance period in relation to a peer group of other companies and in relation to OMXS30, as well as a sustainability target related to increased climate benefit, million tonnes of CO₂ equivalents, during the performance period. The short-term supplementary program is based on EBITDA, operating cash flow and industrial return on capital employed.

Remuneration of the Board

The total remuneration of the AGM-elected Board members is presented in Note C4.

Remuneration report

The Board has presented a separate remuneration report, which is available on [sca.com](https://www.sca.com).

Organization and operations

Organization and reported segments

SCA is organized into five business areas and one supporting unit.

Business areas

- The Forest business area includes the supply of raw material to SCA's industries as well as management and harvesting on SCA-owned forest land, which comprises 2.7 million hectares in northern Sweden and the Baltic region. The business area also includes sourcing timber from other forest owners and transporting the timber to SCA's industries.
- The Wood business area is responsible for the solid-wood business, which comprises five sawmills in northern Sweden and wood processing and distribution to the building materials trade in Sweden and France.
- The Pulp business area encompasses the production and sale of bleached softwood kraft pulp (NBSK) and chemi-thermomechanical pulp (CTMP), which are produced at the Östrand pulp mill and Ortviken site. The Östrand pulp mill is also a net producer of green energy and biochemicals such as tall oil and turpentine.
- The Containerboard business area manufactures and sells packaging paper (kraftliner), with production at the integrated paper mills in Obbola and Munksund.
- The Renewable Energy business area encompasses production and sales of processed and unprocessed biofuels as well as liquid biofuels. The business area also includes development and revenue linked to the wind power operations and sales of green products from industrial operations for energy production.

The supporting unit Sourcing & Logistics includes SCA's common sourcing functions. The unit is also responsible for SCA's logistics system for deliveries to customers using specially adapted vessels and terminals both in Sweden and in key foreign markets.

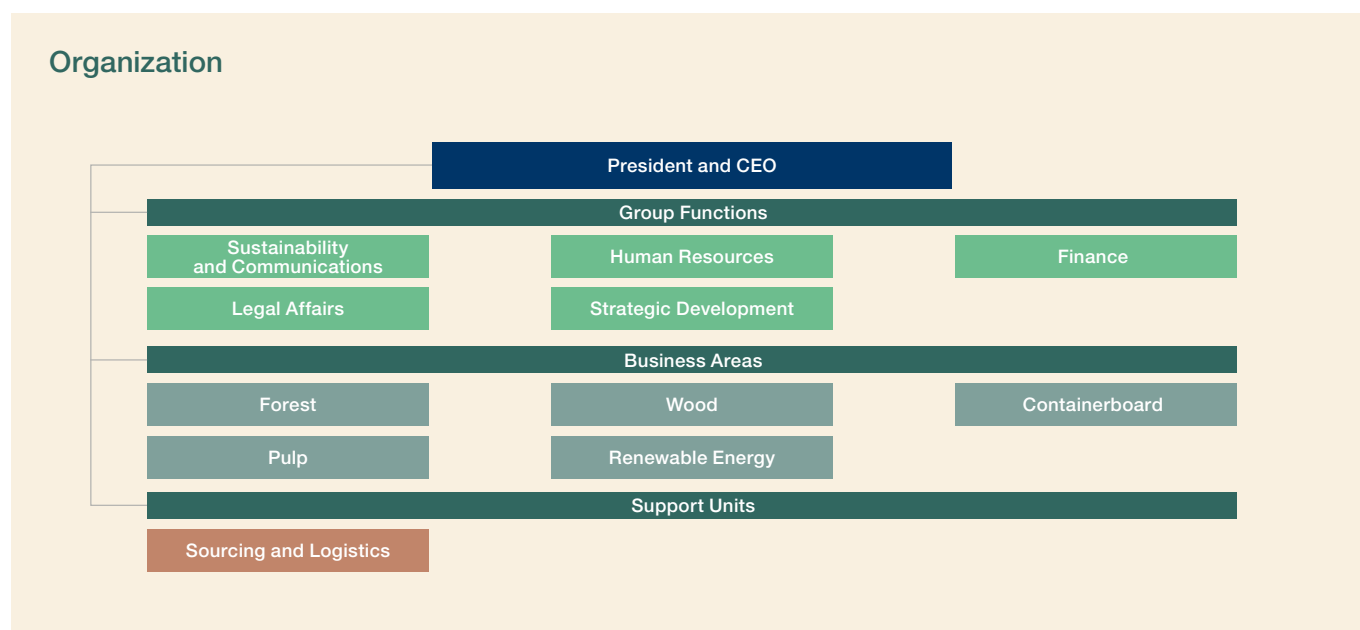
Group functions

SCA has five Group functions: Sustainability and Communications, Human Resources, Finance, Legal Affairs and Strategic Development.

Segments

SCA's financial reporting is conducted in five segments, which correspond to the business areas. As of January 1, 2023, Renewable Energy became a separate reporting segment.

The Wood, Pulp and Containerboard segments include an allocation of the results of the support unit Sourcing & Logistics, equivalent to the resources of the support unit used by each segment. The Forest and Renewable Energy segments do not use the support unit's logistics services.



Sustainability governance

SCA's sustainability work is an integral part of the company's business model and operations. The sustainability work helps the company strengthen competitiveness, reduce risks and costs, and attract talent and investors. SCA's strategic priorities in the field of sustainability are clarified in a sustainability platform that covers all of the company's commercial activities. To deliver progress in sustainability, the company has adopted Group targets in areas where SCA can make a key contribution toward sustainable development – socially, environmentally and economically.

The Board and the President bear the overall responsibility for the running of SCA's business in the field of sustainability. Sustainability issues and risks are addressed at least at one Board meeting every year. SCA's sustainability agenda is headed by the Group's Sustainability Council, which includes members of the Executive Management and the Group's Sustainability Director. The Sustainability Council is led by the Group's Senior Vice President Sustainability and Communications who is also responsible for sustainability issues in Executive Management. In addition, a number of cross-functional networks and forums exist to manage and coordinate issues such as the environment, health and safety and compliance issues.

Control and follow-up of sustainability work follows the same structure as other operations in SCA Group, refer to the illustration

below. Responsibility and authority follow SCA's normal delegation scheme. The sustainability agenda is based on SCA's set of core values and regulated through the Group's policies, where the Code of Conduct and Sustainability Policy form the basis of sustainability activities. The Board of Directors approves all policies.

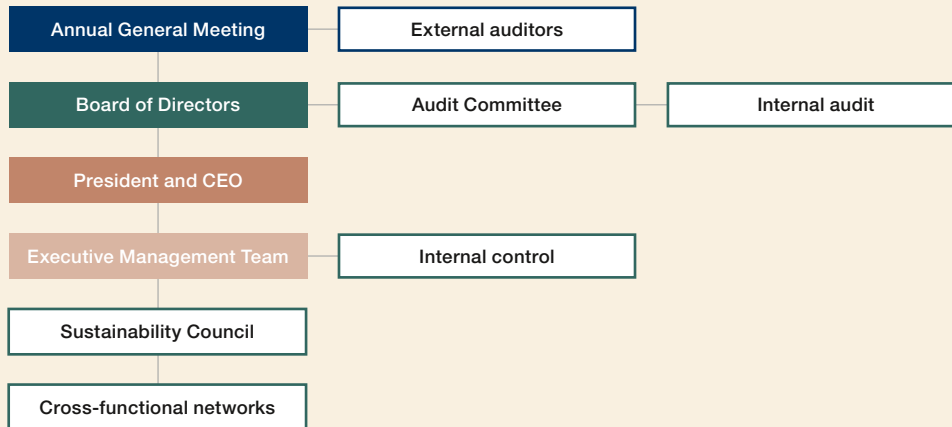
The Group sustainability targets are formulated based on the materiality assessment and on strategic priorities. These are supplemented at local level with unit-specific targets. The materiality assessment and Group targets are approved by Executive Management. Risks linked to the field of sustainability form part of the Group's total risk management and are included in the company's framework of internal controls, see the Internal control and financial reporting section.

Follow-up of sustainability work

Follow-up and evaluation of sustainability work complies with SCA's procedures for self-assessment, internal control and audits. Follow-up is conducted at unit level together with other monitoring of targets, and aggregated at Group level. The outcome of the Group-wide targets is monitored by the Group's cross-functional network and by SCA's Sustainability Council. Any discrepancies are reported using the discrepancy procedures in each business area and corrective measures are identified and implemented.

Control and follow-up of sustainability work

Control and follow-up of sustainability work follows the same model as other operations in SCA.



Internal control and financial reporting

The Board's responsibility for internal governance and control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. The Annual Accounts Act requires that the company, each year, describes its system for internal control and risk management with respect to financial reporting. The Board bears the overall responsibility for financial reporting. Its working procedures regulate the internal division of work between the Board and its committees.

The Audit Committee has an important task of preparing the Board's work to assure the quality of financial reporting. This preparation work includes issues relating to internal control and regulation compliance, control of recognized values, estimations, assessments and other activities that may impact the quality of the financial statements. The Committee has charged the company's auditor with the task of specifically examining the degree of compliance in the company with the rules for internal control, both general and detailed.

Financial reporting to the Board

The Board's formal work plan stipulates which reports and information of a financial nature shall be submitted to the Board at each scheduled meeting. The President and CEO ensures that the Board receives the reports required to enable the Board to continuously assess the company's and Group's financial position. Detailed instructions specifically outline the types of reports that the Board is to receive at each meeting.

External financial reporting

The quality of external financial reporting is ensured via a number of actions and procedures. The President and CEO is responsible for ensuring that all information issued, such as press releases with financial content, presentation material for meetings with the media, owners and financial institutions, is correct and of a high quality. The responsibilities of the company's auditors include reviewing accounting issues that are critical for the financial reporting and reporting their observations to the Audit Committee and the Board of Directors. In addition to the audit of the annual accounts, a review of the six-month report and of the company's administration and internal control is carried out.

Risk management

With regard to financial reporting, the risk that material errors may be made when reporting the company's financial position and results is considered the primary risk. To minimize this risk, governing documents have been established pertaining to accounting, procedures for annual accounts and follow-up of reported annual accounts. There is also a common system for reporting annual accounts. SCA's Board of Directors and management assess the financial reporting from a risk perspective on an ongoing basis. To provide support for this assessment, the company's income statement and balance sheet items are compared with earlier reports, budgets and other forecasts.

Control activities and follow-up

Significant instructions and guidelines related to financial reporting are prepared and updated regularly by the Group Finance Function

and are accessible on the Group's intranet. The Group Finance Function is responsible for monitoring compliance with instructions and guidelines. Process owners at various levels within SCA are responsible for carrying out the necessary control measures with respect to financial reporting. An important role is played by the Group's shared service center, business areas and support units' finance and controller organizations, which are responsible for ensuring that financial reporting from each unit is correct, complete and delivered in a timely manner. The company's control activities are supported by the budgets prepared by each unit and updated during the year through regular forecasts.

SCA has a standardized system of control measures involving processes that are significant to the company's financial reporting, among other matters. Control of these processes is assessed and updated through self-assessments by each unit followed up by a review by the internal control function. In some cases, these control measures are validated by internal audit and external parties.

Financial results are reported and examined regularly within the management teams of the operating units and communicated to SCA's management at monthly and quarterly meetings. Before reports are issued, results are analyzed to identify and eliminate any mistakes in the process until closing.

The Board follows up on the effectiveness of the internal control system, functioning of the reporting to the Board through continues reporting from the President and CEO, the CFO, and also on the internal audit work in accordance with the annual audit plan. Internal audit also continuously reports its observations in this respect to the Audit Committee. Internal audit's tasks include following up compliance with the company's policies. The results of the follow-up work are also reported to the Board through the Audit Committee.

Internal control of other processes

The basis for the internal control is identifying and assessing risks. A review of identified risks is conducted every year with the addition of any new identified risks. At the same time, an evaluation is carried out of the potential impact of the risks on profits and the brand, and the probability that the risk will occur.

Risks that threaten business objectives are linked to the company's processes. For each process and identified risks, the control activities are defined that must be established to manage risks, and a description of how self-assessments are used to monitor the effectiveness of the control activities.

Control activities to address the identified risks are documented, and the effectiveness of each control is tested on an annual basis through self-assessments. The Group's internal control function summarizes the result of the self-assessments and reports to management and the Board.

Activities in 2023

In 2023, a major review was performed of the financial processes, controls were expanded and adjusted to identified risks and risk assessments. During the year, SCA's units conducted internal control in accordance with the company's framework. The results of the self-assessment have been reported to the Board.

Board of Directors and Auditors



Pär Boman (1961)
*Engineering and Business/
Economics degree*

Chairman of the Board since 2015. Chairman of the Board of Svenska Handelsbanken AB and Essity AB. Deputy Chairman of the Board of AB Industrivärden and member of the Board of Skanska AB. Former President of Handelsbanken during the period 2006 to 2015.

Elected: 2010
Class B shares: 10,000

Independent of the company and corporate management.



Åsa Bergman (1967)
MSc Eng.

President and CEO of Sweco AB. Board member of Securitas AB. Previously Board member of Swegon AB and AB Persson Invest and senior positions in the Sweco Group.

Elected: 2022
Class B shares: 573

Independent of the company, corporate management and SCA's major shareholders.



Lennart Evrell (1954)
MSc Eng. and Econ.

Chairman of the Board of SSAB. Member of the Board of Epiroc. Previously Board member of ICA, the Confederation of Swedish Enterprise and Industriarbetsgivarna, as well as former President and CEO of Boliden, Sapa and Munters.

Elected: 2017
Class B shares: 4,000

Independent of the company, corporate management and SCA's major shareholders.



Annemarie Gardshol (1967)
MSc Eng.

President and CEO of PostNord Group AB. Board member of Essity AB. Former President of PostNord Sverige AB and PostNord Strålfors Group AB, in addition to various management positions at PostNord and Gambro AB as well as management consultant at McKinsey & Company.

Elected: 2015
Class B shares: 6,200

Independent of the company, corporate management and SCA's major shareholders.



Carina Håkansson (1961)
BSc Forestry

Board member and member of Audit Committee of AFRY AB, Board member of Vasaloppet and Chairman of the Royal Swedish Academy of Engineering Sciences (IVA) Division VIII. Former President of the trade association Swedish Forest Industries between 2013–2020, President of DalaKraft between 2009–2013 and President of Stora Enso Skog between 2004–2009.

Elected: 2021
Class B shares: 9,100

Independent of the company, corporate management and SCA's major shareholders.



Ulf Larsson (1962)
BSc Forestry

President and CEO of SCA. Chairman of the Swedish Forest Industries and Board member of Alleima and CEPI. Former President of SCA Forest Products AB, 2008–2017, as well as Executive Vice President of SCA 2016–2017.

Elected: 2017
Employed since: 1992
Class A shares: 26,000
Class B shares: 100,000

Independent of SCA's major shareholders.



Martin Lindqvist (1962)
Engineer and Master of Business Administration

President and CEO of SSAB. Chairman of the Board of Jernkontoret, and of Stål och Metall. Member of Industriarbetsgivarna. Previously held senior positions, including at SSAB and NCC.

Elected: 2017
Class B shares: 4,000

Independent of the company, corporate management and SCA's major shareholders.



Anders Sundström (1952)
Academic studies in economy and politics

Chairman of the Board of SkiStar AB, Kaunis Holding AB, NMI Group, Ekhaga Utveckling AB and Nordion Energi AB. Previously Chairman of the Board at Swedbank and CF, among others. Many years of operating experience within both the industry and the financial sector, including as CEO for Folksam. Has held several ministerial posts and other political assignments.

Elected: 2018
Class B shares: 6,000

Independent of the company, corporate management and SCA's major shareholders.



Barbara Milian Thoralfsson (1959)
MBA, BA

Chairman of the Board of Exclusive Networks SA. Board member of Essity AB and Hilti AG. Member of Advisory Board at SpareBank 1 Markets. Former President of NetCom ASA 2001–2005 and President of Midelfart & Co AS 1995–2000. Former member of the Boards of AB Electrolux, Telenor ASA Cable & Wireless Plc, Orkla ASA, Tandberg ASA and G4S Plc as well as industry advisor to EQT.

Elected: 2006

Independent of the company, corporate management and SCA's major shareholders.



Karl Åberg (1979)
Master of Business Administration

Executive Vice President, head of investment organization and finance function of AB Industrivärden. Member of the Board of Alleima. Former partner and corporate director at Zeres Capital, partner at CapMan Public Markets and formerly active in Handelsbanken Capital Markets.

Elected: 2022
Class B shares: 5,000

Independent of the company and corporate management.

Employee representatives



Niclas Andersson (1974)
Chairman GS trade union branch, SCA Wood Scandinavia AB, Tunadal
Member of the Swedish Trade Union Confederation (LO).

Appointed: 2021
Class B shares: 30



Roger Boström (1971)
Chairman of the Swedish Paper Workers' Union dept. 167 at SCA Massa AB, Östrand pulp mill.
Member of the Swedish Trade Union Confederation (LO).

Appointed: 2013
Class B shares: 55



Maria Jonsson (1966)
Chairman Unionen, SCA staff functions
Member of the Council for Negotiation and Cooperation (PTK).

Appointed: 2022, formerly deputy since 2017

Employee representatives, deputies

Stefan Lundkvist (1977)
Chairman of Swedish Paper Workers Union, dept 158, SCA Munksund AB
Member of the Swedish Trade Union Confederation (LO).
Appointed 2017.

Malin Marklund (1986)
Chairman GS trade union branch, Munksund sawmill
Member of the Swedish Trade Union Confederation (LO).
Appointed 2022.

Peter Olsson (1975)
Chairman Ledarna (Swedish Organization for Managers), SCA Obbola AB
Member of the Council for Negotiation and Cooperation (PTK).
Appointed 2021.
Class B shares: 1,480

Honorary Chairman

Bo Rydin
MSc Econ., Hon PhD Econ., Hon PhD Engineering

Auditors

Ernst & Young AB
Senior Auditor:
Fredrik Norrman, Authorized Public Accountant

Secretary to the Board

Sofia Haga
Master of Laws
Senior Vice President, Legal Affairs Group Function, General Counsel.

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2023.

Executive Management Team



9. 7. 12. 6. 10. 5.

Ulf Larsson (1)

President and CEO
BSc Forestry
 Employed since: 1992
 Class A shares: 26,000
 Class B shares: 100,000

Stina Danielsson (2)

Senior Vice President, Human Resources
BA
 Employed since: 2005
 Class B shares: 7,806

Anders Edholm (3)

Senior Vice President Sustainability and Communications
Degree of Bachelor of Science in Military Studies
 Employed since: 2021
 Class B shares: 4,300

Kristina Enander (4)

Senior Vice President, Strategic Development
MSc Eng. chemical engineering in physics
 Employed since: 1993
 Class A shares: 792
 Class B shares: 15,531

Andreas Ewertz (5)

CFO
MSc Eng. and Management.
 Employed since: 2017
 Class B shares: 4,226

Sofia Haga (6)

Senior Vice President Legal Affairs and General Counsel
Master of Laws
 Employed since: 2022



1. 11. 4. 8. 2. 3.

Mikael Källgren (7)
 President, Renewable Energy
BSc Energy
 Employed since: 2015
 Class B shares: 5,482

Jerry Larsson (8)
 President, Wood
MSc Eng., MBA
 Employed since: 2003
 Class B shares: 10,000

Jonas Mårtensson (9)
 President, Forest
MSc Eng.
 Employed since: 2005
 Class B shares: 32,165

Mats Nordlander (10)
 President, Containerboard and Pulp
Dipl. Eng.
 Employed since: 2015
 Class B shares: 17,468

Magnus Svensson (11)
 President, Sourcing & Logistics
MSc Eng.
 Employed since: 1993
 Class A shares: 27,500
 Class B shares: 46,380

Ole Terland (12)
 Senior Vice President, Strategic
 Development (until May 1, 2023)
Doctor of Technology
 Employed since: 2016
 Class A shares: 2,250
 Class B shares: 38,909