

SCA Green Bond

REPORT 2025



In 2021, SCA established a Green Bond Framework, which received the highest possible shading, “Dark Green” and highest possible governance score “Excellent” by CICERO Shades of Green. A review of the framework was carried out during 2025 and was published in June 2025 and received the highest possible shading “Dark Green” in the second opinion from S&P Global Ratings.

Framework

The updated Green Bond Framework aims to further diversify the green financing abilities and utilize debt capital to support SCA’s sustainability efforts and a transition towards a fossil-free and circular society via the funding of material Green Projects. SCA’s projects are not only aimed at reducing negative impact, but also at increasing positive environmental impact.

The Green Bond Framework states that Net proceeds, i.e. the issued amount minus transaction costs, from SCA’s issuances of Green Bonds will exclusively be used to finance and/or refinance, whole or in

part Eligible Green Assets and Projects within SCA, its subsidiaries, Joint Ventures or acquired entities that promote the transition towards a low-carbon and environmentally sustainable society (“Eligible Green Assets and Projects”), in each case as determined by SCA in accordance with the Eligible Green Categories defined in the Framework.

The eligible Green Project Categories in the Framework are Valuable forests, Fossil-free world, and Efficient use of resources.

SCA’s Sustainability Council (SC) is responsible for the decision to acknowledge projects as green, in line with the Green Project Criteria in the Framework, as well as the decision to allocate net proceeds. During 2025 the SC has convened on four occasions. A Green Register is maintained to track the allocation of net proceeds from Green Bonds to Eligible Green Projects.

Ernst & Young has performed a new limited assurance of the allocation of proceeds from green bonds issued in 2025, in accordance with ISAE 3000 (see page 6). Allocations under the 2021 Green Bond Framework have already been reviewed; see the Green Bond Report 2023, available at www.sca.com/funding/.

Green Bond Issues

In total SCA has issued Green Bonds of SEK 3,250 million under both frameworks.





| Bond number | 107 | 108 | 110 | 111 |
|-------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Framework | Green Bond Framework 2021 | Green Bond Framework 2021 | Green Bond Framework 2025 | Green Bond Framework 2025 |
| Bond type | Senior, unsecured | Senior, unsecured | Senior, unsecured | Senior, unsecured |
| Listing | Nasdaq Stockholm Sustainable Bonds | Nasdaq Stockholm Sustainable Bonds | Nasdaq Stockholm Sustainable Bonds | Nasdaq Stockholm Sustainable Bonds |
| Issuance | June 2021 | June 2021 | September 2025 | September 2025 |
| Maturity | June 2028 | June 2028 | September 2030 | September 2032 |
| ISIN | SE0013102373 | SE0013102381 | SE0023440458 | SE0023440474 |
| Currency | SEK | SEK | SEK | SEK |
| Amount issued (million) | 1100 | 400 | 1100 | 650 |



Allocation Report

The Green Bonds issued in June 2021 were fully allocated by 2022, amounting to SEK 1,495 million. All associated projects remain eligible under the 2021 Framework. The Green Bonds issued under the updated Framework in September 2025 were also fully allocated by year-end, amounting to SEK 1,746 million. The 2025 allocations were used to refinance certified forest holdings in Sweden with certifications from programme for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC).

The net proceeds of the bonds are allocated to the three project categories: valuable forests, fossil-free world, and efficient use of resources. The financing part is approximately 10% and the remaining part is refinancing.

| Green project category | Sub project category | Project | Geography | Green Bond Framework | Share of refinancing | Net proceeds allocated (MSEK) | UN Goal ¹⁾ |
|----------------------------|-----------------------|--|-----------|----------------------|----------------------|-------------------------------|---|
| Valuable forests | Forest management | - Forest land | Baltics | 2021 | 99% | 1 206 |   |
| | | - Forest land | Sweden | 2025 | 100% | 1 746 | |
| | | - Tree nurseries, mechanical protection of seedlings | Sweden | 2021 | 100% | 7 | |
| Fossil-free world | Renewable energy | - Replacing oil heating with renewable energy | Sweden | 2021 | 0% | 22 |  |
| | | - Heat recovering at Ortviken | Sweden | 2021 | 0% | 4 | |
| | | - Wind farm in Markbygden | Sweden | 2021 | 0% | 100 | |
| Efficient use of resources | Wastewater management | - Rebuilding of wastewater treatment | Sweden | 2021 | 0% | 156 |  |
| | | | | | | 3 241 | |

¹⁾ These projects refers to the SDGs 7.2, 12.2, 14.1, 15.1, 15.2 and 15.5.

Impact Report

The environmental impacts of the eligible project categories are assessed and evaluated using the selected impact indicators listed below. All Key Performance Indicators (KPIs) are listed in the Green 2025 Bond Framework. Below is a summary of the outcome for 2025, all calculations of annual impact are based on the methods in SCAs Annual report 2025.

| Main project category | Sub project category | Bond | Allocated amount (MSEK) | Geography | Annual impact | KPI |
|--|-----------------------|------|-------------------------|-----------|---------------|--|
| Valuable forests | Forest management | 107 | 915 | Baltics | 100 308 | Net carbon sequestration (tonnes of CO ₂ e) |
| | | 108 | 291 | Baltics | 31 901 | Net carbon sequestration (tonnes of CO ₂ e) |
| | | 110 | 1096 | Sweden | 82 425 | Net carbon sequestration (tonnes of CO ₂ e) |
| | | | | | 86 641 | Downstream climate effects of harvested wood, net after scope 1-3 ¹ |
| | | 111 | 650 | Sweden | 48 884 | Net carbon sequestration (tonnes of CO ₂ e) |
| | | | | | 51 384 | Downstream climate effects of harvested wood, net after scope 1-3 |
| Fossil-free world | Renewable energy | 107 | 22 | Sweden | 9 931 | Annual GHG savings (tonnes of CO ₂ e emissions) |
| | | 108 | 104 | Sweden | 1 811 | Annual GHG savings (tonnes of CO ₂ e emissions) |
| Efficient use of resources | Wastewater management | 107 | 156 | Sweden | 4 958 | Pollution reduction (tonnes of COD) |
| Overall CO ₂ removal: 128 tonnes CO ₂ /MSEK and year | | | | | | |

¹) Based on ISO 13391.

Sustainable forest management as the foundation of SCA's Green Bond Framework

A key principle of the SCA's forestry model is that forest growth must exceed harvesting level, ensuring a constant net increase of standing timber volume over time. This approach secures long-term carbon sequestration and at the same time supports a stable supply of renewable raw materials. The growing forest is therefore both a biological asset and part of the climate solution.

SCA's growing forests, together with its harvested products and related potential substitution effects, create carbon sequestration in forests, storage in harvested wood products, and the replacement of fossil-intensive products and materials.

Reforestation is essential to maintain the net growth balance. During the year, SCA supplied approximately 93 million seedlings from the tree nursery, supporting both its own forest regeneration and that of private forest owners. This large-scale reforestation effort ensures continuous renewal of forest stands and contributes to resilient and productive forest landscapes.

At the same time, biodiversity considerations are integrated into forest management practices. SCA has strengthened its conservation efforts through systematic identification and protection of biotopes. Between 2021 and 2025, the company added nearly 31,000 hectares of new woodland key habitats, bringing the total to approximately 78,000 hectares designated for high conservation value. These areas play a crucial role in preserving species diversity and ecological functions across the forest landscape.

In addition to formal habitat protection, SCA actively promotes biodiversity through measures such as retention forestry, creating deadwood, wetland restoration, and landscape-level planning, in total about 8 300 ha. These actions contribute to positive biodiversity trends also in 2025, enhancing ecosystems and supporting a wide range of rare species.

Overall, SCA's forestry model demonstrates how active, sustainable forest management can simultaneously deliver increased forest growth, large-scale reforestation, and measurable improvements in biodiversity. This integrated approach forms a robust foundation for Green Bond investments, ensuring that financed activities contribute to long-term climate mitigation and ecosystem health.



Auditor's Limited Assurance Report

To Svenska Cellulosa Aktiebolaget SCA, corporate identity number 556012-6293

Conclusion

We have been engaged by the Board of Directors and the Managing Director of Svenska Cellulosa Aktiebolaget SCA to conduct a limited assurance engagement of selected information in SCA's Green Bond Report 2025. The scope of our work was limited to assurance of information over how the allocation of the use proceeds from emitted green bonds were used and whether these have been used to finance or refinance Green Eligible Assets as defined in SCA's Green Bond Framework per June 2025, as described in the Green Bond Report (the "selected information"). The reporting criteria against which this information was assessed are relevant parts of SCA's Green Bond Framework 2025, available on the Svenska Cellulosa Aktiebolaget SCA's website.

Our assurance does not extend to any other information in the Green Bond Report. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the selected information disclosed in the SCA's Green Bond Report has not been prepared, in all material respects, in accordance with the reporting criteria defined above.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Our responsibility under this standard is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Green Bond Report in accordance with the applicable criteria. The applicable criteria consist of the SCA's Green Bond Framework 2025, as well as the company's own accounting and calculation principles. The responsibility also includes the internal control relevant to the preparation of a Green Bond Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the selected information in the Green Bond Report based on our review. The limited assurance engagement has been conducted in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our procedures to obtain limited assurance that the Green Bond Report is prepared in accordance with the criteria described in the section Responsibilities of the Board of Directors and the Managing Director.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Svenska Cellulosa Aktiebolaget SCA in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance engagement involves performing procedures to obtain evidence to support the Green Bond Report. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the Green Bond Report, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the Green Bond Report, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the Green Bond Report, performing analytical review, and conducting other review procedures.

Stockholm, May 12, 2026

Ernst & Young AB

Fredrik Norrman

Authorized Public Accountant