



Reshaping SCA for the future - driven by the force of the forest

Debt investor presentation
June 10, 2021



Agenda

This is SCA

Sustainability – An integrated part of SCA's business strategy

Green bond framework

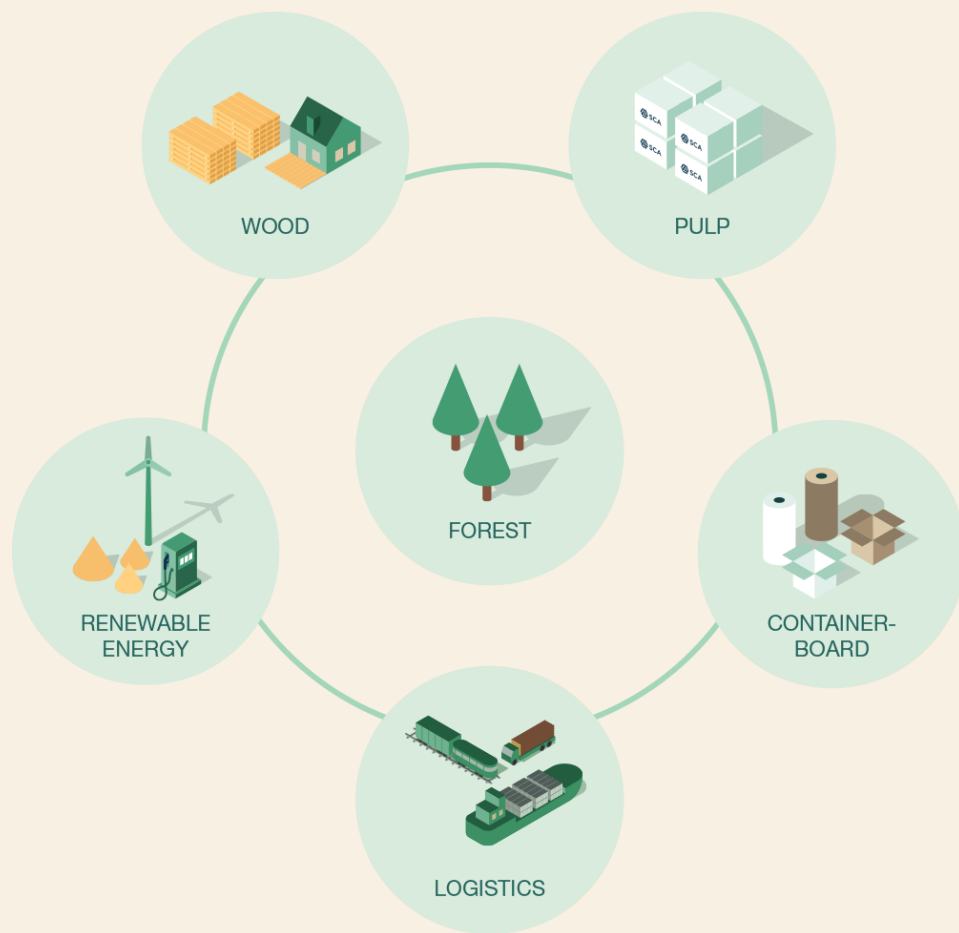
Bond offering and key messages

Q&A

Appendix

This is SCA

A strong and integrated value chain that creates value



Sales (SEKbn)

18.4

Climate benefit

9.6_{m t CO₂}

EBITDA (SEKbn)

4.4

Net growth of forest

3.2_{m m³fo}

EBITDA margin

24%

Employees

4,196

Note: Figures refer to 2020.
Excluding effect of one-off items related to the discontinuation of publication paper.

Europe's largest private forest owner

Forestland

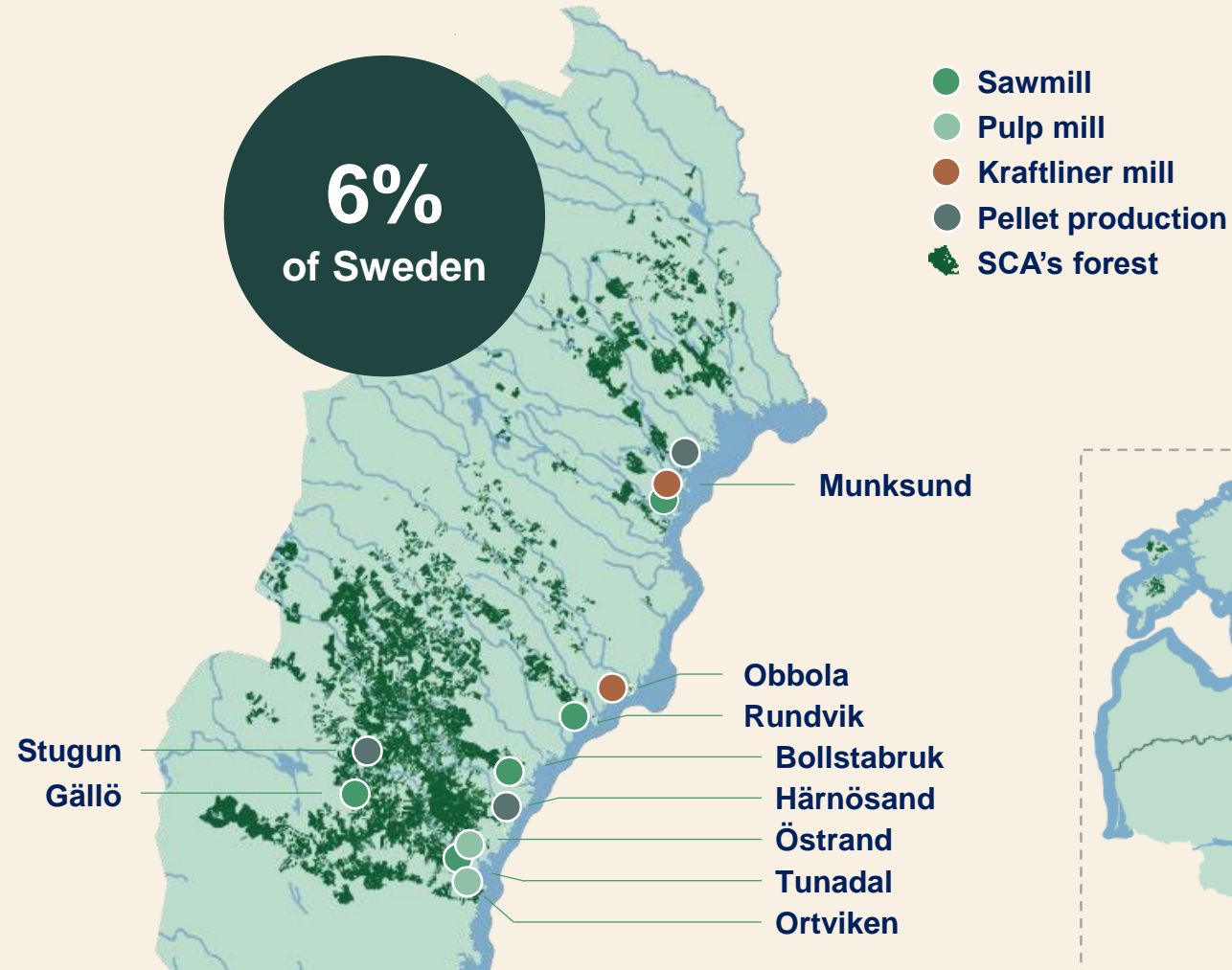
2.6_{m ha}

Productive forestland

2.0_{m ha}

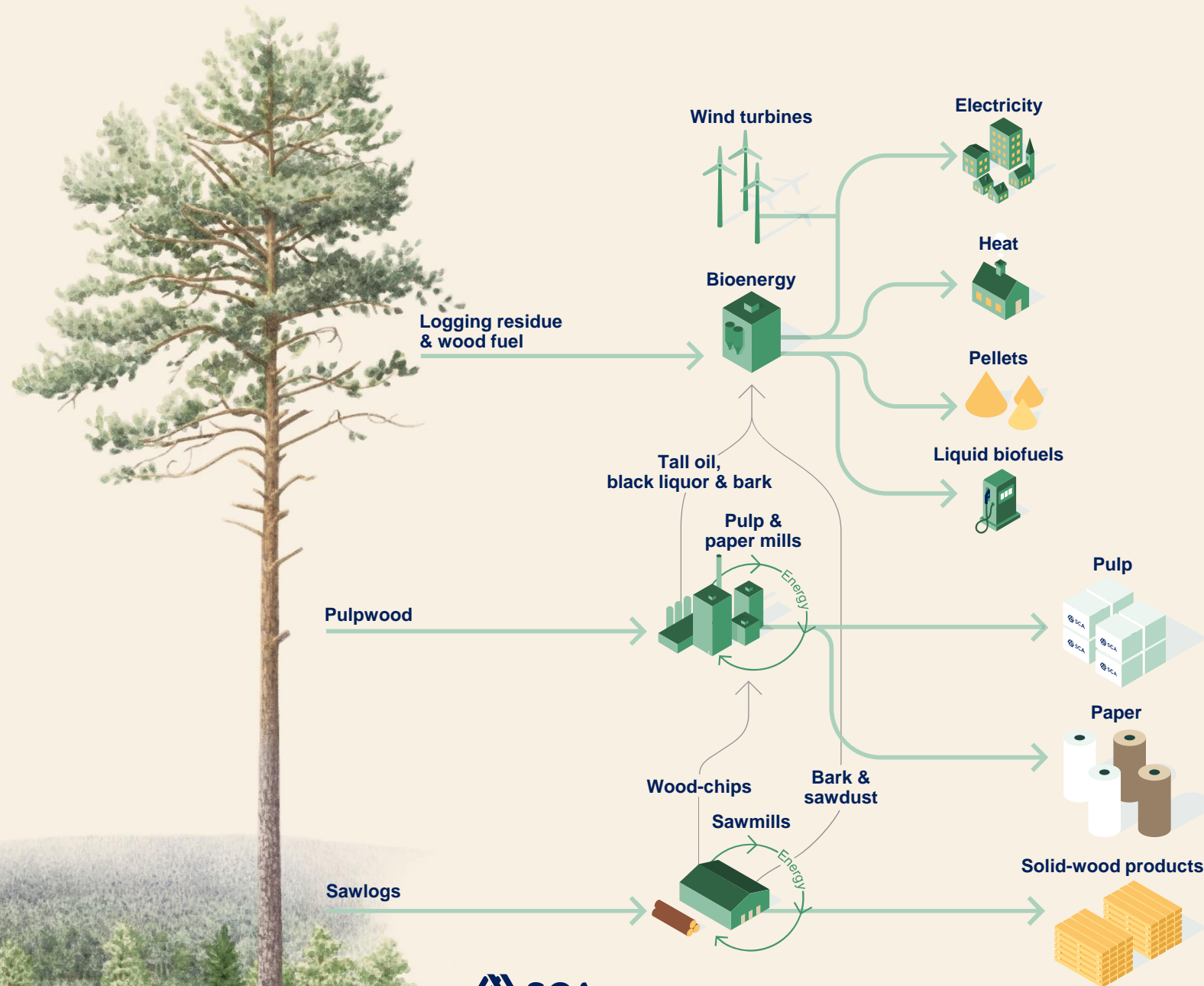
Standing volume ¹

257_{m m³fo}

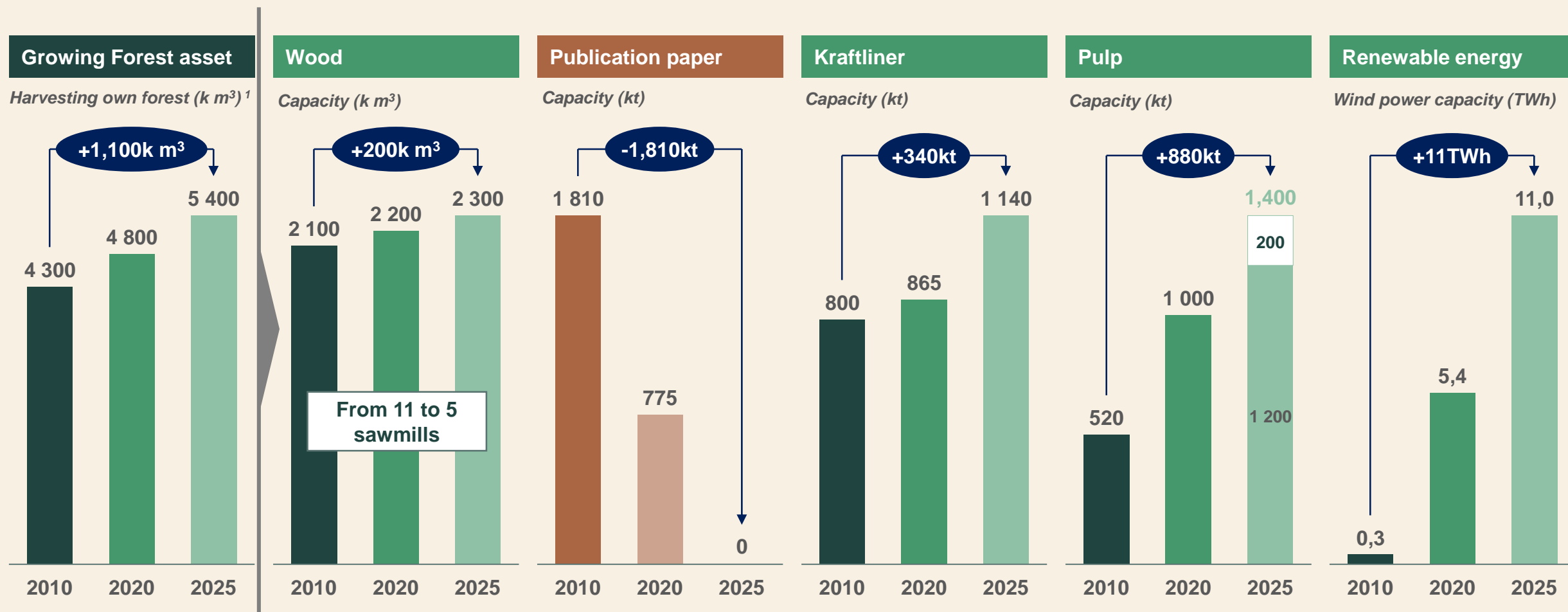


¹ Including forest holdings in the Baltics.

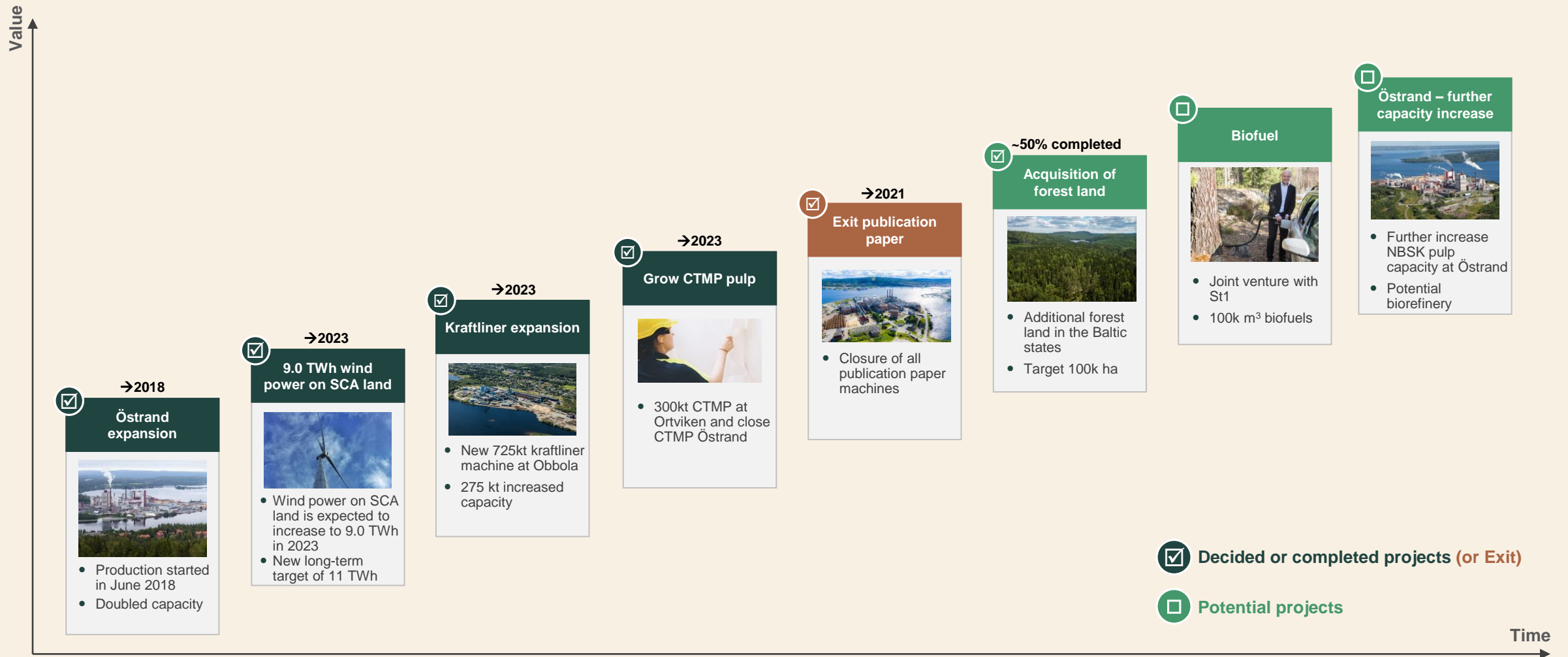
We use the entire tree



SCA 2025 – shifting the portfolio to growing product areas

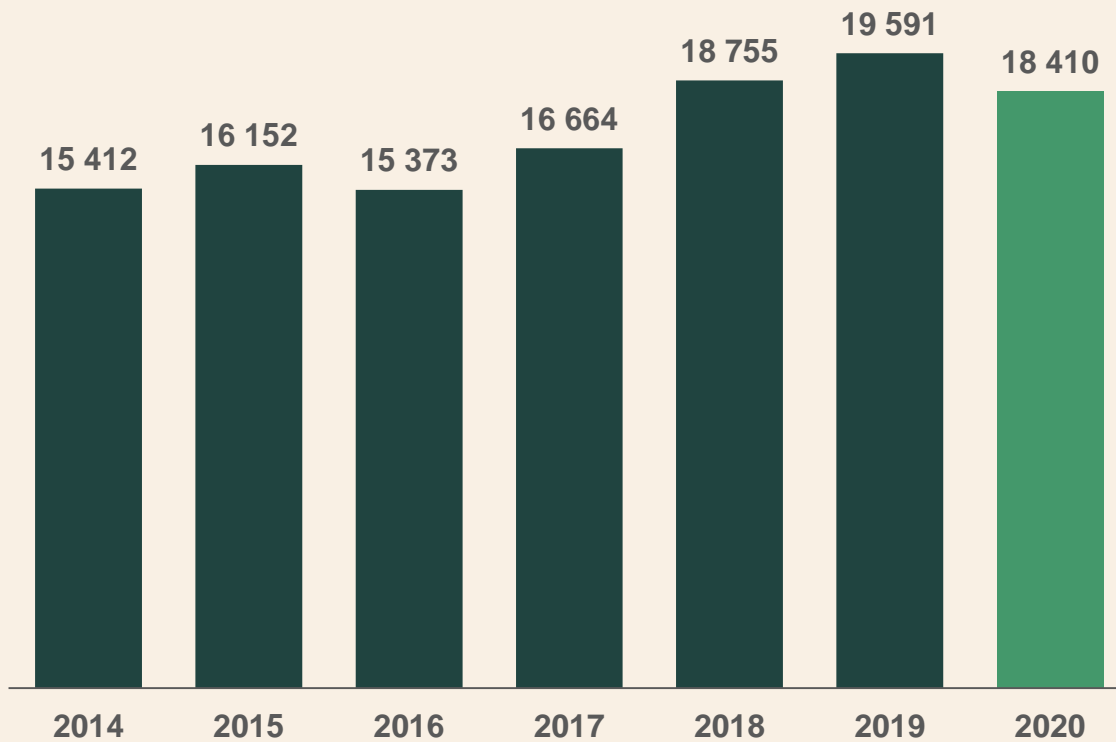


Strong project portfolio driving profitable growth

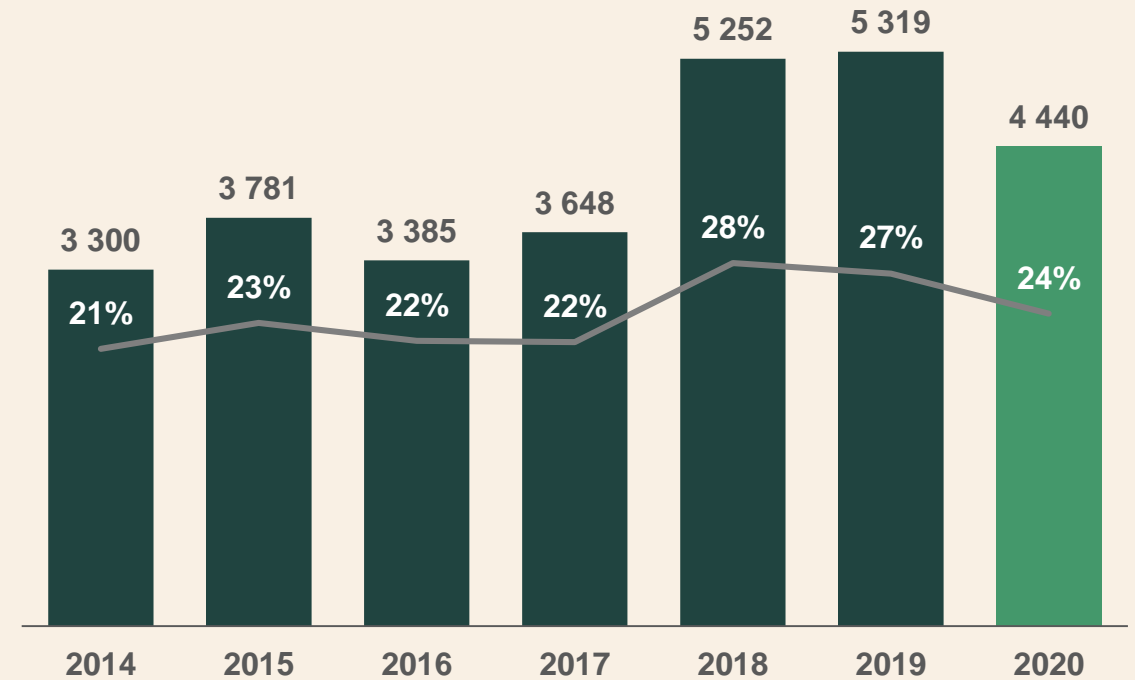


Sales and EBITDA development

Sales (SEKm)



EBITDA¹ (SEKm) and EBITDA margin



¹ Excluding effect of one-off items related to discontinuation of publication paper in 2020 and effects from changed accounting method for valuation of forest assets in 2019.

Sustainability – An integrated part of SCA's business strategy



Purpose:

**With the force of the forest, we contribute
to a sustainable future.**

**We do this through responsible forestry,
resource efficiency, and renewable
products.**



Group targets 2030 – Sustainability



Fossil-free world

Group target 2030

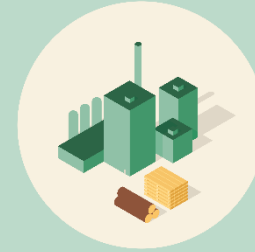
Increase SCA's climate benefit from 10 to 15 million tonnes CO₂ per year



Valuable forests

Group target 2030

100% wood raw material from responsibly managed forests



Efficient use of resources

Group target 2030

Zero waste



Responsibility for people and the community

Group target 2030

Accident-free and healthy SCA



Profitable Growth

Group target 2030

Leading total shareholder return



Values

Group target 2030

All employees to follow SCA's code of conduct

SCA's contribution to a fossil-free society

Binds net
4.4
Mt CO₂

CO₂

1

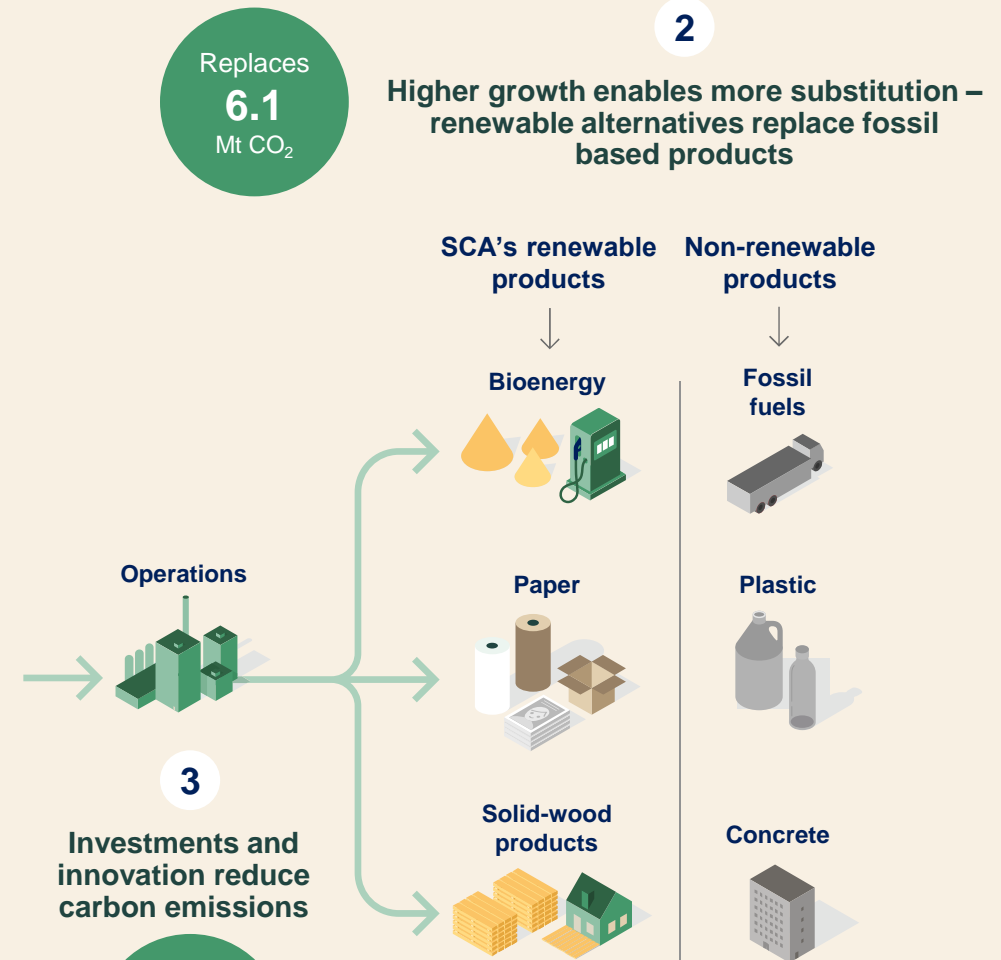
Growing forests bind CO₂ –
active forest management
increases growth

Fertilization

Contorta
pine

Active
silviculture

Improved
seedlings



In 2020 SCA's climate benefit was 9.6 million tonnes of CO₂, which corresponds to fossil emissions from Sweden's passenger cars.



¹ For distribution per scope, see appendix

Mitigating global warming

SCA's products substitute fossil based alternatives



Renewable packaging



Green electricity



Sustainable buildings



Replacing fossil materials



Material efficient packaging

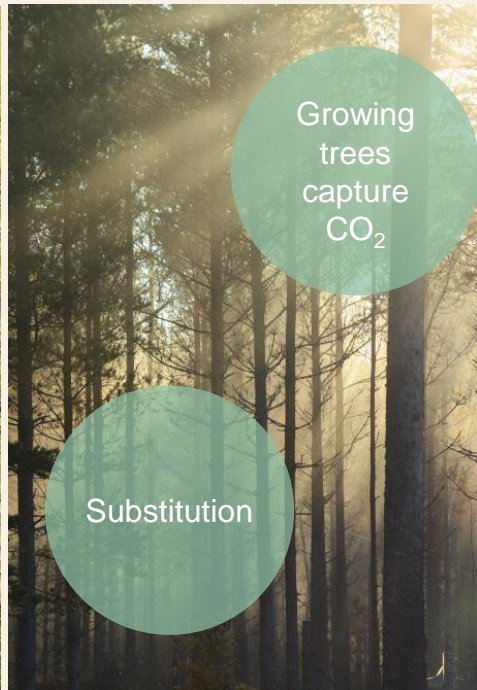


Bioenergy and green chemicals

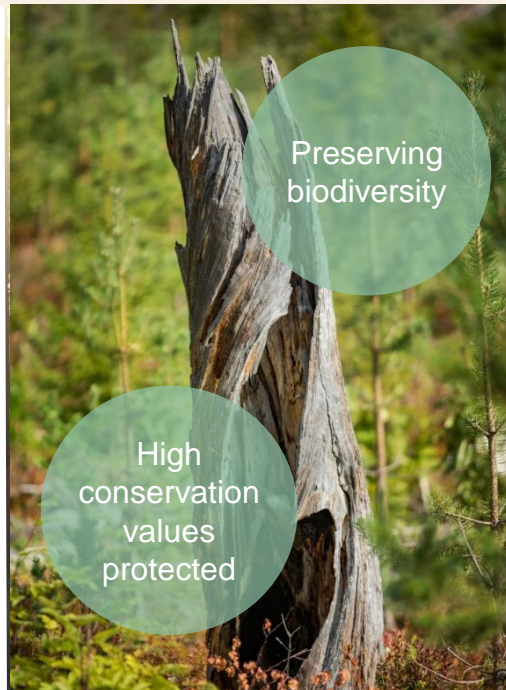
Responsible forestry delivers many values



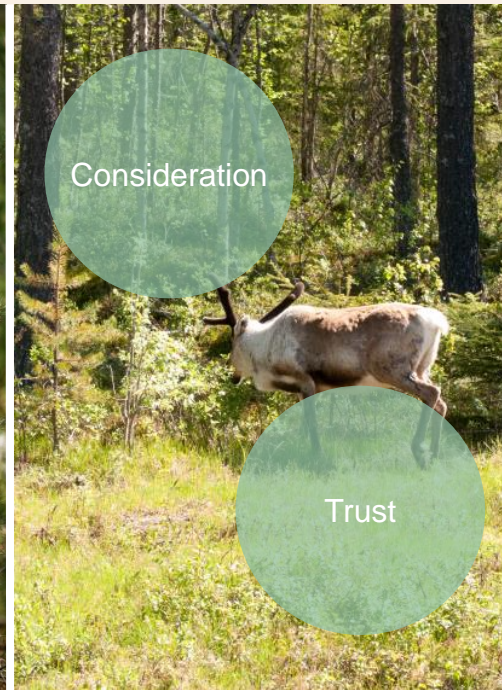
Renewable raw material



Carbon capture and storage



Biodiversity



Customary rights



Recreation

Responsible fiber sourcing

SCA's entire forest holding is certified under both FSC™ (FSC™ C004466) and PEFC™



~ 50% of wood raw material from own forests

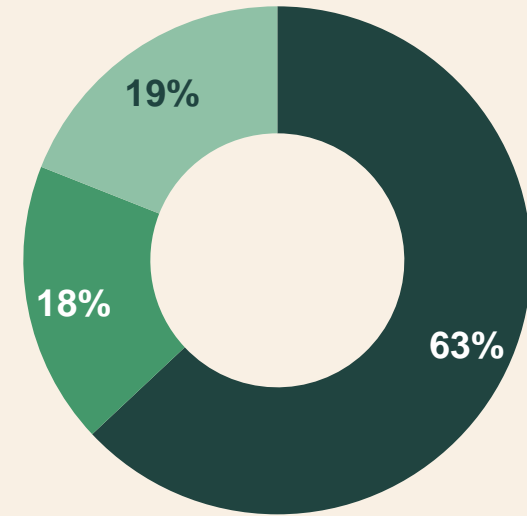


~ 50% from family forest owners in Northern Sweden and other forest companies



100% chain of custody certified with 3rd party assurance (FSC Controlled Wood)

81% harvested in accordance with higher nature conservation standards



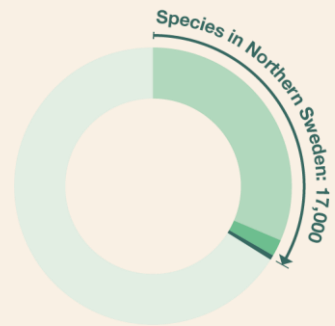
- Certified forest management
- Chain of custody certified with SCA retention
- Chain of custody certified

SCA preserves forest biodiversity

Securing access to habitats for vulnerable species

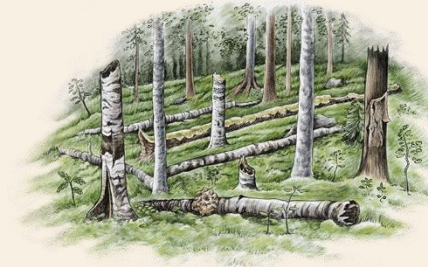
New approach in 2020

- Increased quality and precision in nature conservation
- Focus on red listed species and their habitat
- Conservation and restoration
- Partnerships
- Monitoring and reporting



Flora and fauna in Sweden (Totalt: 50,000)

- Northern Sweden, Red List species found in the forest ~1,000
- SCA's species commitment; species which are found in SCA's forests, are red-listed and adversely impacted by forest operations 203



Coral tooth fungus



Horned powderpost beetle



Old man's beard

Fossil-free world



Group target: Increase SCA's climate benefit from 10 to 15 million tonnes CO₂ per year






How	Status 2020	2030
Increase SCA's total climate benefit	9.6 m tonnes CO ₂	15
Net uptake in SCA's forests	4.4 m tonnes CO ₂	
Increase substitution benefit	6.1 m tonnes CO ₂ e	
Reduce fossil emissions in the value chain	0.9 m tonnes CO ₂ e	- 50 %
Increase wind power capacity on SCA land	5.4 TWh	11.0



Commitment to the targets

Valuable forests

 Group Target: 100% wood raw material from responsibly managed forests  		
How	Status 2020	2030
CoC certified wood raw material	100%	100%
Wood raw material from certified forests or harvested with SCA retention ¹	81%	75%
SCA's own forestry management certified under FSC and PEFC	100% of SCA owned forest	100%
SCA's forests are to be at least as rich in biodiversity, nature experience and raw material in the future as today	Measures to secure habitats	TBD

1. Harvesting where the retention level is equal to the requirements of FSC certified forest management



Efficient use of resources

 Group Target: Zero waste – nothing goes to waste    		
How	Status 2020	2030
High raw material yield in every process	Measured locally per production unit	
Increase processing level and reduce handling costs for waste streams	New target ¹	
Improve energy efficiency	23 GWh	50 ² GWh/year
Minimize emissions to water and air	Suspended solids + 7% Phosphorus emissions -23%	



1. Evaluated first time 2021
2. Based on the company's energy consumption in 2020.



Growth projects contribute to a sustainable future

✓ ~50% completed

Acquisition of forest land



- Additional forest land in the Baltic states
- Target 100k ha

- ✓ Responsible forest management applied
- ✓ Capture of CO₂ from the atmosphere
- ✓ Reforestation activities

✓ →2023

Kraftliner expansion



- New 725kt kraftliner machine at Obbola
- 275 kt increased capacity

- ✓ 30 % increase in renewable products that can replace plastic material
- ✓ Replacing 8,000 m³ oil with bioenergy
- ✓ Improving waste water treatment capacity

✓ →2018

Östrand expansion



- Production started in June 2018
- Doubled capacity

- ✓ 100% increase in renewable products and green by-products
- ✓ Energy efficient site – Self-sufficient and delivering excess of electricity to the grid

✓ →2023

9.0 TWh wind power on SCA land



- Wind power on SCA land is expected to increase to 9.0 TWh in 2023
- New long-term target of 11 TWh

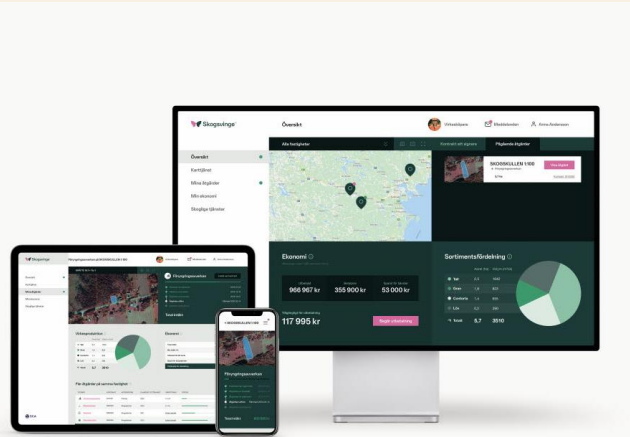
- ✓ Increasing access to renewable energy
- ✓ Enabling transition to a fossil-free society

Continuously improving our sustainability footprint through innovation



Arcwise ®

Resource efficient and
renewable curved shaped
packaging



Skogsvinge ®

Service for private forest
owners to sustainably manage
their forest holdings



Hylosafe ®

Environmentally friendly plant
protection

The Forest Business Accelerator

Collaboration for accelerating the transition to a greener world

✓ Cross-linking digitalization, forest and entrepreneurship

✓ Sustainable business ideas, focusing on the forest

Programs
completed

5

Participants
since start

27

BIZMAKER

SCA

IBM

processum
PART OF RI.SE

SCA

**SCA contributes to
all the 17 UN's
Sustainable
Development Goals**



**SCA is part of
Fossil-free Sweden,
supporting Sweden
in becoming the
world's first fossil-
free welfare nation**



**SCA is engaged in
the development of
responsible forest
management**

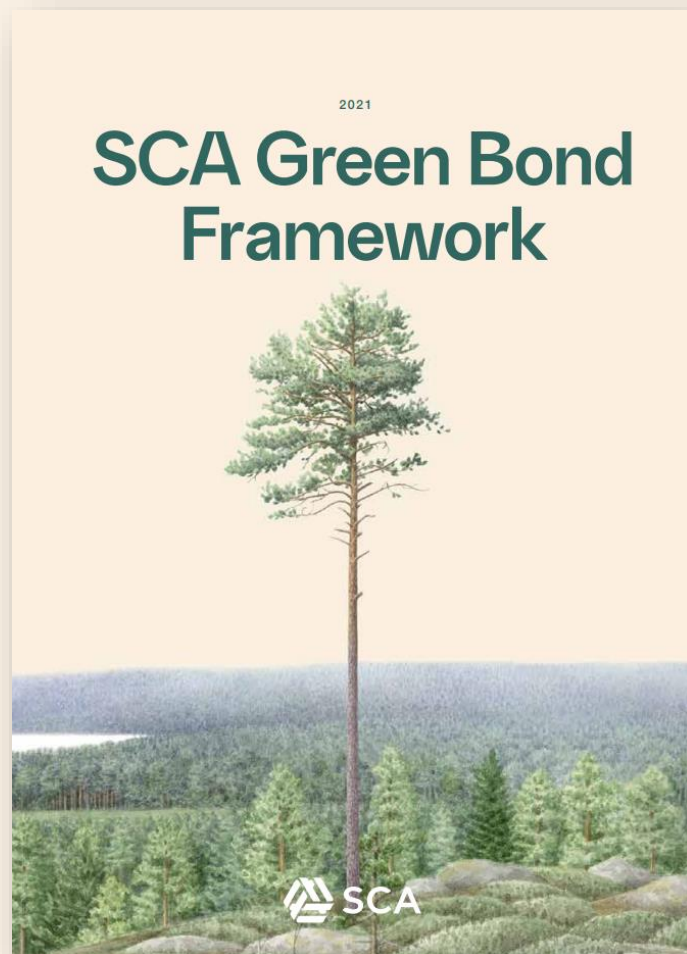


**SCA ranked number
two in biodiversity
index**



Green Bond Framework

SCA's Green Bond Framework



Use of proceeds

Eligible categories aligned with SCA's Sustainability Platform
Fossil-free world | Valuable forests | Efficient use of resources

Project evaluation and selection

Projects will be evaluated and selected by SCA's Sustainability Council

Management of proceeds

Allocations will be tracked through a Green Register













Reporting

Environmental impact will be reported through an annual Green Bond Report

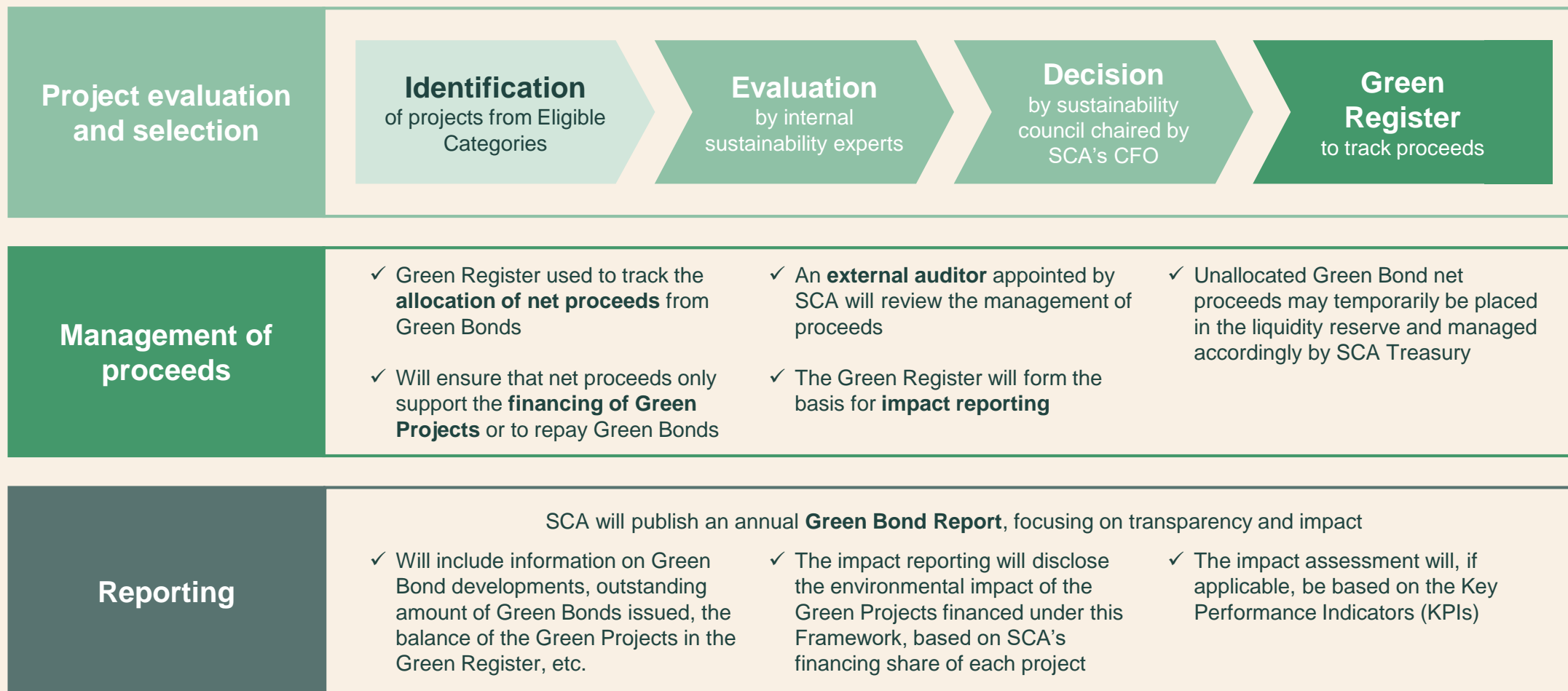
Second party opinion

Framework rated **"Dark Green"** with an **"Excellent"** governance score by
CICERO Shades of Green

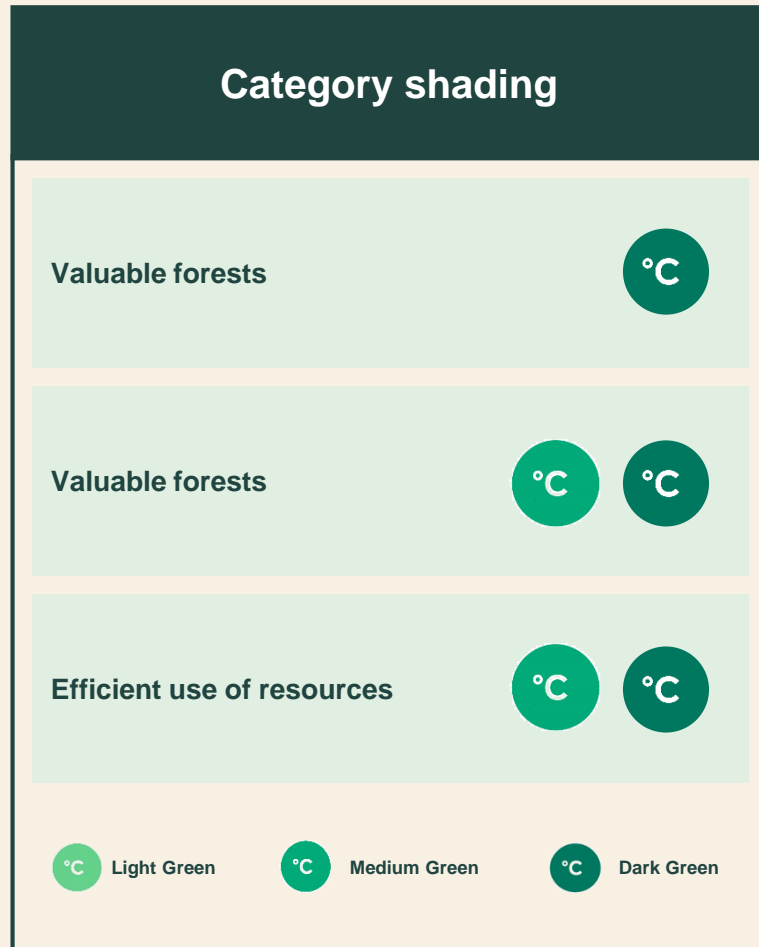
Green project categories

Valuable forests 	Fossil-free world 	Efficient use of resources 
<p>Forest land</p> <ul style="list-style-type: none"> FSC and PEFC certified forests <p>Tree nurseries</p> <ul style="list-style-type: none"> High quality seedlings from SCA nurseries <p>Responsible forest management</p> <ul style="list-style-type: none"> Silvicultural operations Restoration of native forests and conservation of biodiversity <p>R&D</p> <ul style="list-style-type: none"> Working methods and technology for forest management, silviculture, and artificial intelligence <div data-bbox="394 1149 509 1249"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="586 1149 675 1249"> <p>15 LIFE ON LAND</p>  </div>	<p>Renewable products</p> <ul style="list-style-type: none"> Technologies and processes related to the production of renewable and biodegradable products R&D related to renewable and biodegradable products <p>Renewable energy</p> <ul style="list-style-type: none"> Replacing fossil fuels in own operations Infrastructure to deliver surplus heat Energy and fuels from by-products Renewable electricity production <p>Energy efficiency</p> <ul style="list-style-type: none"> Improvements of at least 30% Research and new replacement technologies <p>Clean transportation</p> <ul style="list-style-type: none"> Zero emission vehicles Battery-electric machinery and equipment <div data-bbox="1019 1149 1121 1249"> <p>7 AFFORDABLE AND CLEAN ENERGY</p>  </div> <div data-bbox="1210 1149 1324 1249"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div data-bbox="1401 1149 1516 1249"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div>	<p>Circularity</p> <ul style="list-style-type: none"> Waste management systems and technologies Waste management supporting pollution prevention Soil remediation and removal and replacement of harmful substances in products and materials <p>Waste water management</p> <ul style="list-style-type: none"> Waste water treatment facilities and technologies Protection of freshwater sources Improvement of water-use efficiency <div data-bbox="1668 1149 1770 1249"> <p>3 GOOD HEALTH AND WELL-BEING</p>  </div> <div data-bbox="1847 1149 1949 1249"> <p>6 CLEAN WATER AND SANITATION</p>  </div> <div data-bbox="2025 1149 2140 1249"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="2204 1149 2293 1249"> <p>14 LIFE BELOW WATER</p>  </div>

Other elements from Green Bond Framework



Second party opinion by CICERO



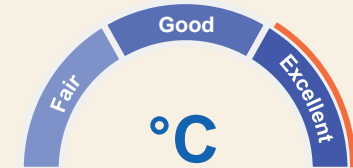
Shades of Green

Green Bond Framework has received **Dark Green** shading by CICERO Shades of Green



Governance procedures

CICERO Shades of Green finds the governance procedures in SCA's framework to be **Excellent**



Green bond principles

Based on this review, CICERO Shades of Green confirms that this framework **is in alignment with The Green Bond Principles**



Bond offering and key messages

Green bond offering

Subject to market conditions

Issuer	Svenska Cellulosa Aktiebolaget SCA (publ)
Issuer rating	BBB- (positive outlook) by S&P
Exp. security rating	BBB-
Status	Senior unsecured
Maturity	7-10 year (expected)
Size	SEK 1,000-1,500m (expected)
Docs	MTN / Nasdaq listing / Swedish law
Use of Proceeds	Eligible green projects in accordance with SCA's Green Bond Framework

Key messages



With the force of the forest, we contribute to a sustainable future



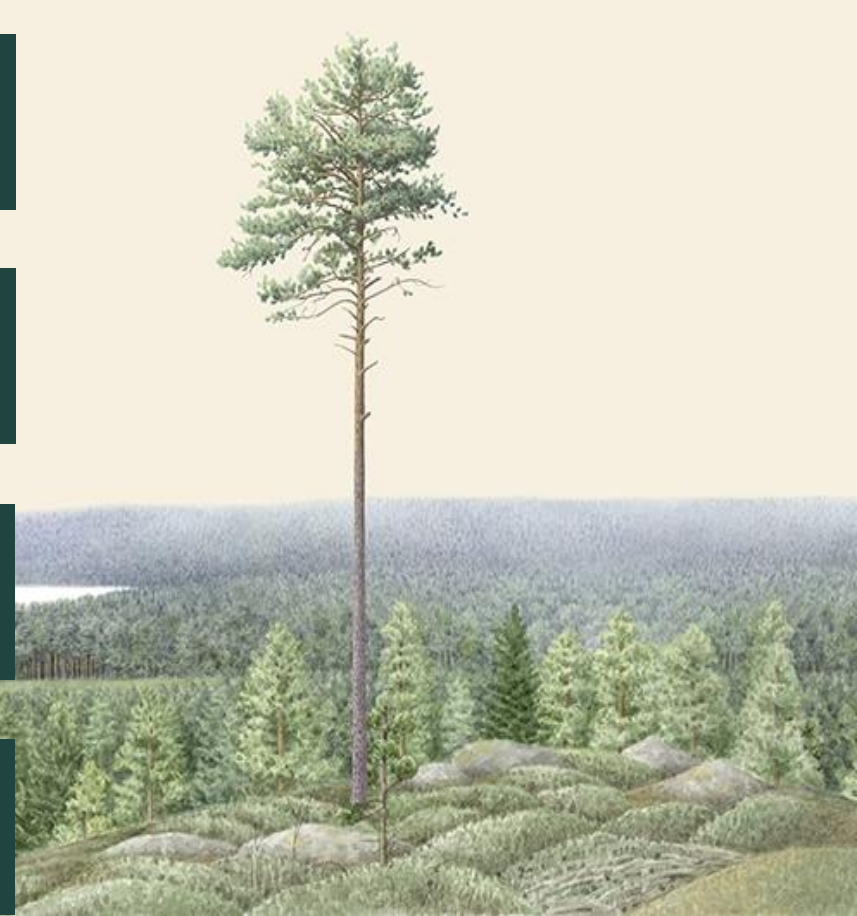
Taking next step in aligning funding with business strategy



Dark Green and Excellent governance procedures by CICERO Shades of Green



Limiting global warming is today's biggest challenge, SCA invite investors to actively support the journey towards a fossil-free world

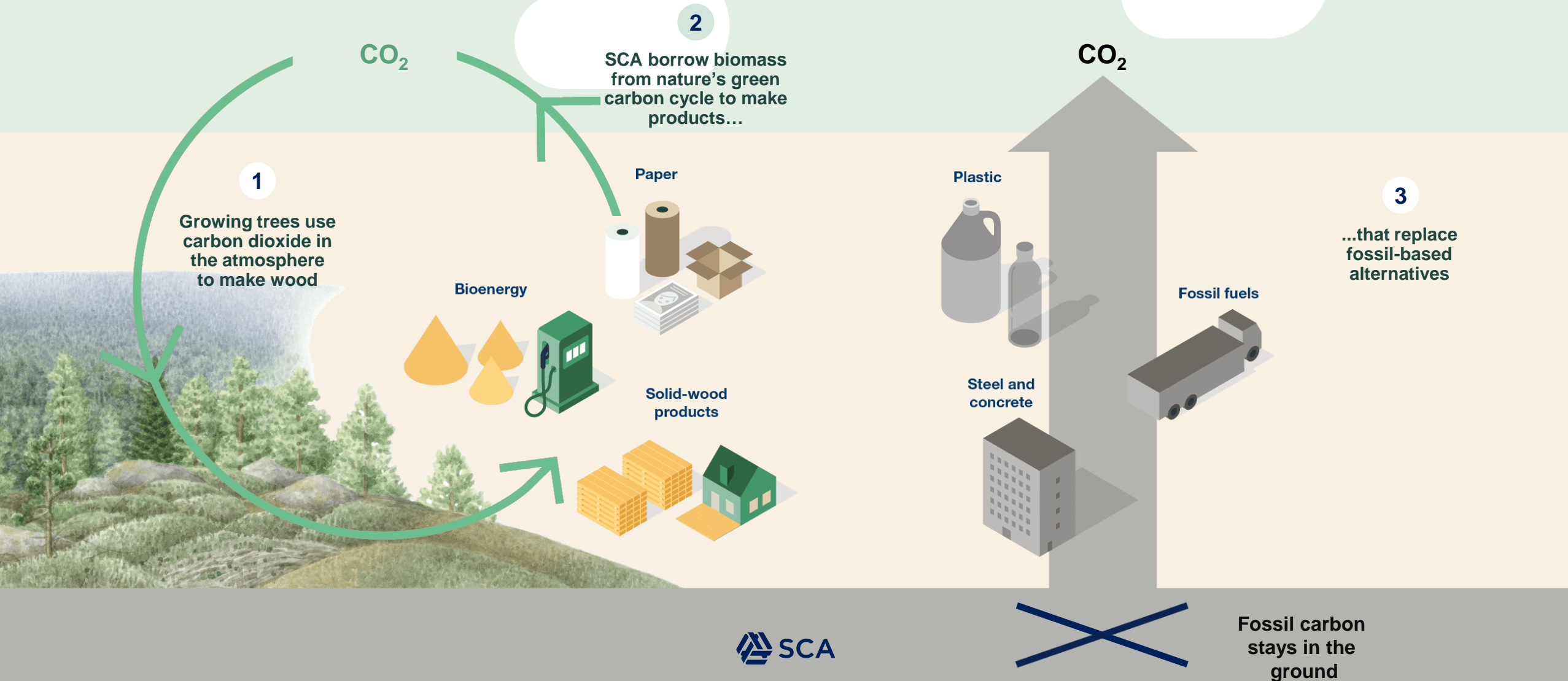


Q&A

Appendix

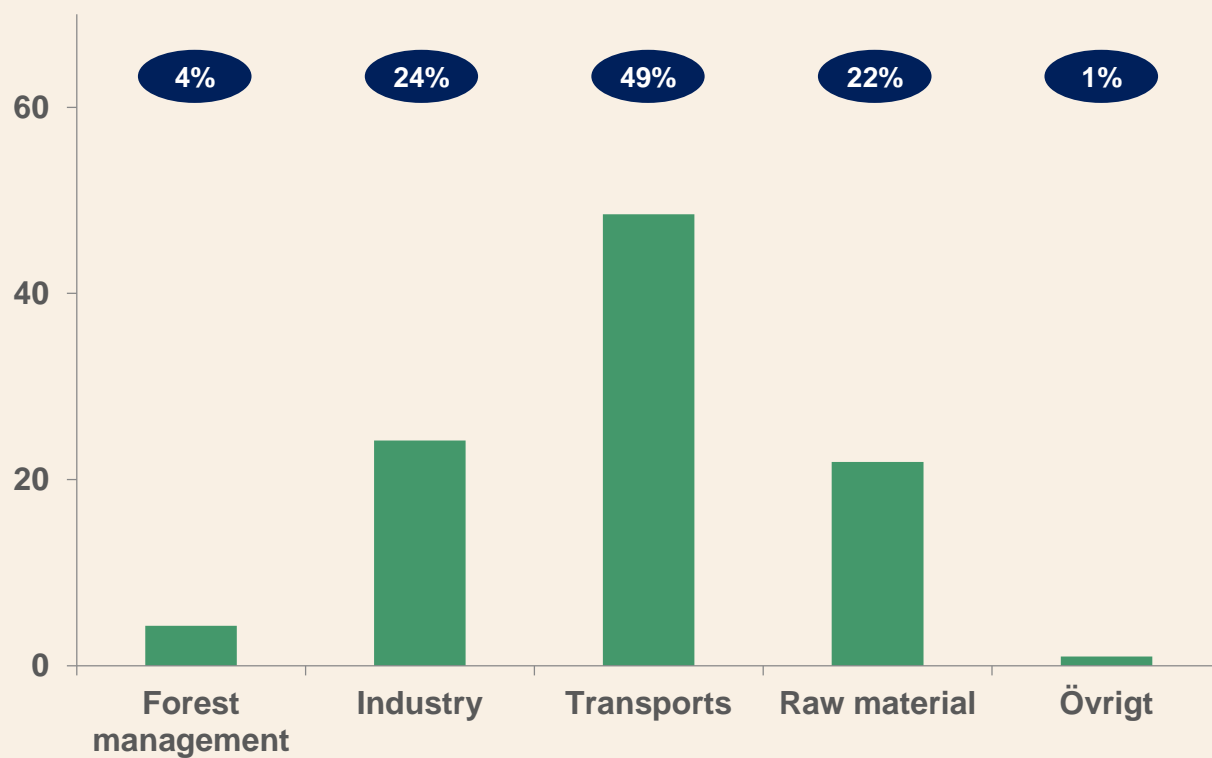
The green cycle

Necessary for a fossil-free society

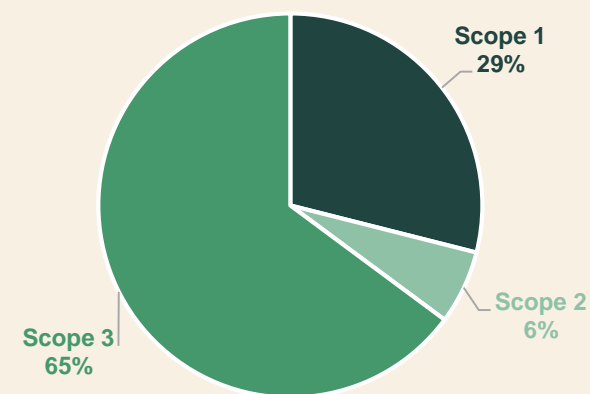


Fossil emissions in the value chain

Distribution of fossil emissions in the value chain, %



Emission of green house gas per GHG scope (ton CO₂e)



Scope	GHG, ton CO ₂ e	Distribution, %
1	249 430	29%
2	53 456	6%
3	558 846	65%
Total	861 732	